

Westgate Belvedere Homes
Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)

2019 Financial Statements

Audited by:
Ward & Company, P.A.
5725 Corporate Way, Suite 106
West Palm Beach, Florida 33407

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

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Zenora Kerr Ward, CPA

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Board of Directors
Westgate/Belvedere Homes
Community Redevelopment Agency
West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of Westgate/Belvedere Homes Community Redevelopment Agency, a component unit of Palm Beach County, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Westgate/Belvedere Homes Community Redevelopment Agency'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Westgate/Belvedere Homes Community Redevelopment Agency as of September 30, 2019, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information and certain pension related information, as listed in the table of contents on pages 5 through 14 and 45 through 48, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Westgate/Belvedere Homes Community Redevelopment Agency's basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2020, on our consideration of Westgate/Belvedere Homes Community Redevelopment Agency's internal control over financial reporting and 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 the 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 Westgate/Belvedere Homes Community Redevelopment Agency's internal control over financial reporting and compliance.

Ward & Company, P.A.

West Palm Beach, Florida
February 20, 2020



Zenora Kerr Ward, CPA

Ward & Company, P.A.

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Independent Accountants' Report

The Board of Directors
Westgate/Belvedere Homes
Community Redevelopment Agency
West Palm Beach, Florida

We have examined the policies, investment committee minutes and financial documents of Westgate Belvedere Homes Community Redevelopment Agency in compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency'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 Agency'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 Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

Ward & Company, P.A.

West Palm Beach, Florida
February 20, 2020

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

The Management of the Westgate/Belvedere Homes Community Redevelopment Agency ("Westgate CRA") presents the readers of our financial statements the following narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2019 and 2018. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the Westgate CRA's financial activity, identify changes in the CRA's financial position, and identify material deviations from the approved budget.

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

2019 FINANCIAL HIGHLIGHTS

The Westgate CRA's governmental-wide total net position at the end of the year was \$13,039,197. Of this amount, \$4,804,770 is unrestricted, which is available to meet the Westgate CRA's commitments.

The Westgate CRA's total investment in capital assets, net of related debt, accounts for \$ 7,364,094 of the total net position of \$ 13,039,197.

The Westgate CRA's primary fund, the General Fund, had fund balance at the end of the current fiscal year of \$5,086,122, an increase of \$802,318 from \$4,283,804 at September 30, 2018. A portion of fund balance totaling \$3,135,560 is committed for assets held for resale. Unrestricted fund balance is \$1,863,018 at September 30, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Westgate CRA's basic financial statements. The CRA's basic financial statements are comprised of three components: (1) government-wide financial statements, and (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the CRA's finances, in a manner similar to a private-sector business.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

The Statement of Net Position present information on Westgate CRA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the CRA is improving or deteriorating.

The Statement of Activities, and Changes in Net Position are the basic statements of activities. These statements provide the user information on the CRA's operating revenues and expenses, non-operating revenues and expenses and whether the CRA's financial position has improved or deteriorated as a result of each year's operations.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CRA uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The CRA's fund consists only of one category, governmental funds.

Governmental Funds. The fund financial statements provide detailed information about the most significant funds – not the CRA as a whole. Accordingly, three (3) major funds are reported individually in the governmental funds, balance sheet and statement of revenue, expenditures and changes in fund balances. Major governmental funds for the year ended September 30, 2019, were:

- General Fund
- Debt Service Fund
- Capital Projects Fund

Notes to the Financial Statements:

The notes to the financial statements provide additional information that is essential for a more complete understanding of the data provided in the government-wide and fund statements.

Other Supplemental Information: In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplementary information. This includes budget versus actual comparisons for General Fund revenue and expenditures and certain pension related information. This information is presented immediately after the basic financial statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

Government-wide financial analysis:

As noted earlier, net position may serve as a useful indicator of the Westgate CRA financial position. The CRA's total net position increased each of the last two years, to \$13,039,197 during fiscal year 2019 and \$11,247,720 during fiscal year 2018. A condensed summary of Westgate CRA's net position for the fiscal years 2019 and 2018 is presented below:

	2019	2018
Assets:		
Current and Other Assets	\$ 2,952,578	\$ 1,952,916
Assets held for resale	3,135,560	2,984,781
Capital Assets	7,624,094	6,973,758
Total Assets	\$13,712,232	\$11,911,455
Deferred Outflows	109,966	126,568
Liabilities:		
Other Liabilities	\$ 131,683	\$ 162,696
Mortgage Payable - Due within one year	260,000	260,000
Net Pension Liability	355,673	323,625
Total Liabilities	\$ 747,356	\$ 746,321
Deferred Inflows	35,645	43,982
Net Position:		
Invested in Capital Assets Net of Related Debt	\$ 7,364,094	\$ 6,713,758
Restricted	870,333	491,197
Unrestricted (deficit)	4,804,770	4,042,765
Total Net Position	\$13,039,197	\$11,247,720

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

Net position invested in capital assets, net of the related debt (approximately 56% and 60% of the CRA's total net position at September 30, 2019 and 2018, respectively) represent the CRA's investment in capital assets (e.g. land, construction in progress, office furniture, equipment, vehicle and infrastructure), less the related indebtedness outstanding used to acquire those assets. The CRA uses these capital assets to provide services to its redevelopment community and consequently these assets are not available for future spending. Although the CRA's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since it is unlikely that the capital assets will be liquidated to pay liabilities.

An additional portion of the CRA's net position (approximately 7% and 4% of the CRA's total net position at September 30, 2019 and 2018, respectively) represents resources that are subject to restrictions on how they may be used.

The remaining balance of net position, (approximately 37% and 36% of the CRA's total net position at September 30, 2019 and 2018, respectively) is considered unrestricted. The CRA is constantly working annually to monitor net position balance. However, the CRA is holding assets (properties) for resale primarily for community redevelopment and to meet future operating needs.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

Financial Analysis of the Statements of Net Position

The following analysis summarized the changes in net position for the years ended September 30, 2019 and 2018:

	2019	2018
Revenues:		
Incremental property taxes	\$ 2,344,699	\$ 2,153,649
Donated Property	346,904	-
Grants	493,593	80,461
Interest	7,971	5,476
Rental income	57,760	51,173
Other	25,684	6,481
Total revenues	\$ 3,276,611	\$ 2,297,240
Expenditures:		
Community redevelopment	1,465,634	1,335,550
Debt service:		
Interest	19,500	25,500
Total expenditures	1, 485,134	1,361,050
Increase in net position	1,791,477	936,190
Beginning net position:	11,247,720	10,311,530
Ending net position	\$13,039,197	\$11,247,720

Governmental activities increased the CRA's net position by \$1,791,477 representing an increase of \$855,287 from the prior year.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

As noted earlier, the Westgate CRA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

At September 30, 2019, the CRA's governmental funds reported combined ending fund balance of \$5,956,455 is an increase of \$1,181,454 in comparison to that of the prior year.

The fund balance of the Debt Service Fund increased \$7,350 for the year ended September 30, 2019. Total fund balance at September 30, 2019, amounted to \$302,503, of which all is designated to be used for future debt service.

The Capital Projects Fund was used to fund CRA improvements and projects. The year end fund balance of \$567,830 is an increase of \$371,786 in comparison to that of the prior year.

In comparing budgeted expenditures to actual expenditures, the following variances which exceed 10% of budget are considered noteworthy:

- Interest income was \$442 under budget due to over budgeting of interest income based on funds maintained in Money Market accounts.
- Donated property was \$346,904 over budget due to no amount included in budget.
- Rental income was \$5,760 over budget due to new tenant in fiscal year 2019.
- Other income was \$25,684 over budget due to no amount included in budget.
- Community redevelopment expenditures were \$1,449,555 under budget due to reduced expenditures for Neighborhood Preservation Grant, Technical Assistance and fewer contractor payments caused by delay in approval of Redevelopment Plan and hiring of consultants.
- Investment in capital assets was \$204,835 over budget due to no amount included in budget.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

Capital Assets

During fiscal year 2019, the Westgate CRA's capital assets increased \$650,336 due primarily to the transfer of 4 properties from Palm Beach County Board of County Commissioners, Construction in Progress for Oswego Oaks Park, purchase of Community Garden Equipment and recording of depreciation expense,.

	10/01/18 Balance	Additions	Deletions	9/30/19 Balance
Capital assets not being depreciated				
Land	\$3,720,898	\$ 203,105	\$ -	\$3,924,003
Construction In Progress	40,461	608,934	-	649,395
Total capital assets not Being depreciated	<u>3,761,359</u>	<u>812,039</u>	<u>-</u>	<u>4,573,398</u>
Capital assets being depreciated:				
Office equipment and fixtures	88,451	1,700	-	90,151
Vehicle	12,831	-	-	12,831
Infrastructure	3,701,942	-	(60,000)	3,641,942
Less accumulated depreciation	<u>(590,825)</u>	<u>(103,403)</u>	<u>-</u>	<u>(694,228)</u>
Total capital assets Being depreciated, net	<u>3,212,399</u>	<u>(101,703)</u>	<u>(60,000)</u>	<u>3,050,696</u>
Total capital assets	<u><u>\$6,973,758</u></u>	<u><u>\$ 710,336</u></u>	<u><u>\$ (60,000)</u></u>	<u><u>\$7,624,094</u></u>

During fiscal year 2018, the Westgate CRA's capital assets decreased \$63,338 due to primarily to the recording of depreciation expense, with Construction in Progress for Oswego Oaks Park and purchases of office and Community Garden Equipment.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

	10/1/17 Balance	Additions	Deletions	9/30/18 Balance
Capital assets not being depreciated				
Land	\$3,720,898	\$ -	\$ -	\$3,720,898
Construction In Progress	-	40,461	-	40,461
Total capital assets not Being depreciated	<u>3,720,898</u>	<u>40,461</u>	<u>-</u>	<u>3,761,359</u>
Capital assets being depreciated:				
Office equipment and fixture	85,758	3,443	(750)	88,451
Vehicle	12,831	-	-	12,831
Infrastructure	3,701,942	-	-	3,701,942
Less accumulated depreciation	<u>(484,333)</u>	<u>(107,242)</u>	<u>750</u>	<u>(590,825)</u>
Total capital assets being depreciated, net	<u>3,316,198</u>	<u>(103,799)</u>	<u>-</u>	<u>3,212,399</u>
Total capital assets	<u><u>\$7,037,096</u></u>	<u><u>\$(63,338)</u></u>	<u><u>\$ -</u></u>	<u><u>\$6,973,758</u></u>

Additional information on the Westgate CRA's capital assets can be found in Note 4 – Capital Assets, in the notes to the financial statements.

Long-Term Debt

No new debt was incurred during fiscal years ending September 30, 2019 and 2018.

At the close of fiscal year 2019 and 2018, the CRA had \$260,000 in outstanding notes payable.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

A summary of the CRA's outstanding debt and related activity for the last two fiscal years is presented in the following tables:

	10/1/18 Balances	Additions	Principal Payments	9/30/19 Balances
Mortgage payable	260,000	-	-	260,000
	<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,000</u>

	10/1/17 Balances	Additions	Principal Payments	9/30/18 Balances
Redevelopment revenue series 1999	\$ 250,000	\$ -	\$ 250,000	\$ -
Mortgage payable	260,000	-	-	260,000
	<u>\$ 510,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 260,000</u>

Additional information on Westgate CRA's long term debt can be found in Note 6 – Mortgage Payable in the notes to the financial statements.

Economic Factors

Westgate CRA, a component unit of Palm Beach County, FL, recognizes that local governments primarily rely on property taxes and fees to fund their governmental activities. There is a limited amount of state-shared revenue and recurring and non-recurring grants.

Florida Legislature has increased homestead exemptions and has required all taxing districts to roll back their ad valorem tax rates to meet State mandated caps. The CRA recognizes that future revenue are contingent on housing conditions and the current economy.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2019**

The CRA continues to monitor costs, seek other sources of revenue to balance our budgets accordingly. Additionally, our cash position has remained strong and we are holding assets (properties) that are available for resale.

Request for Information

This financial report is designed to provide a general overview of Westgate CRA's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Finance Department
Westgate CRA
1280 N. Congress Avenue, Suite 215
West Palm Beach, FL 33409

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Statement of Net Position
For the Fiscal Year Ended September 30, 2019**

	Governmental Activities
<hr/>	
Assets	
Cash and cash equivalent	\$ 2,816,909
Rent Receivable	12,541
Prepaid expenses	118,244
Other assets	4,884
Assets held for resale	3,135,560
Capital assets	7,624,094
Total assets	<u>13,712,232</u>
Deferred Outflows of Resources from Pension Activities	<u>109,966</u>
Liabilities	
Accounts payable and accrued expenses	\$ 91,510
Compensated absences	8,693
Unearned Revenue	31,480
Noncurrent liabilities	
Mortgage Payable - Due within one year	260,000
Net Pension Liability	355,673
Total liabilities	<u>747,356</u>
Deferred Inflows of Resources	
From Pension Activities	<u>35,645</u>
35,645	
Net Position	
Invested in capital assets, net of related debt	7,364,094
Restricted for:	
Debt service	302,503
Capital projects	567,830
Unrestricted	4,804,770
Total net position	<u><u>\$ 13,039,197</u></u>

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Statement of Activities
For the Fiscal Year Ended September 30, 2019**

	<u>Governmental Activities</u>
Expenses:	
Community redevelopment	\$ 1,465,634
Interest on long-term debt	19,500
Total government activities	<u>\$ 1,485,134</u>
 General Revenues:	
Incremental property taxes	\$ 2,344,699
Donated Property	\$ 346,904
Grants	493,593
Interest	7,971
Rental income	57,760
Other	25,684
Total general revenues	<u>\$ 3,276,611</u>
Change in net position	1,791,477
Net position - beginning of Year	<u>11,247,720</u>
Net position - End of Year	<u><u>\$ 13,039,197</u></u>

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Fiscal Year Ended September 30, 2019**

Total fund balances - total governmental funds	\$ 5,956,455
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets are \$8,318,322, net accumulated depreciation of (\$694,228) are not current financial resources and therefore are not reported in the governmental fund balance sheet.	7,624,094
Some liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported.	(260,000)
Accounting for the Agency's participation in the Florida Retirement System - the following amounts are reported in the Government-Wide Statements:	
Deferred Outflows	109,966
Deferred Inflows	(35,645)
Net Pension Liability	<u>(355,673)</u>
Net position of governmental activities	<u><u>\$ 13,039,197</u></u>

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Balance Sheet
Governmental Funds
For the Fiscal Year Ended September 30, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalent	\$ 1,917,845	\$ 298,464	\$ 600,600	\$ 2,816,909
Due From Other Funds	-	4,039	-	4,039
Rent Receivable	12,541	-	-	12,541
Prepaid Expenses	87,544	-	30,700	118,244
Assets held for resale	3,135,560	-	-	3,135,560
Other Assets	4,884	-	-	4,884
Total assets	\$ 5,158,374	\$ 302,503	\$ 631,300	\$ 6,092,177
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 59,520	\$ -	\$ 31,990	\$ 91,510
Compensated Absences	8,693	-	-	8,693
Due to Other Funds	4,039	-	-	4,039
Unearned Revenue	-	-	31,480	31,480
Total liabilities	72,252	-	63,470	135,722
Fund Balances				
Nonspendable:				
Assets held for Resale	3,135,560	-	-	3,135,560
Prepaid Expenses	87,544	-	-	87,544
Restricted:				
Capital projects	-	-	567,830	567,830
Debt Service	-	302,503	-	302,503
Unrestricted	1,863,018	-	-	1,863,018
Total fund balances	5,086,122	302,503	567,830	5,956,455
Total liabilities and fund balances	\$ 5,158,374	\$ 302,503	\$ 631,300	\$ 6,092,177

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended September 30, 2019**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Incremental property taxes	\$ 2,344,699	\$ -	\$ -	\$ 2,344,699
Donated Property	\$ 346,904		\$ -	\$ 346,904
Grants	-	-	493,593	493,593
Interest	558	7,350	63	7,971
Rental income	57,760	-	-	57,760
Other	25,684	-	-	25,684
Total revenues	\$ 2,775,605	\$ 7,350	\$ 493,656	\$ 3,276,611
Expenditures:				
Current:				
Community redevelopment	\$ 1,189,483	\$ -	\$ 72,465	\$ 1,261,948
Debt service:				
Interest	19,500	-	-	19,500
Total expenditures	1,208,983	-	72,465	1,281,448
Excess (deficiency) of revenues over expenditures	1,566,622	7,350	421,191	1,995,163
Other financing sources (uses):				
Investment in Capital Assets	(204,805)	-	(608,904)	(813,709)
Operating transfers out:	(559,499)	-	-	(559,499)
Operating transfer in:	-	-	559,499	559,499
Total other financing sources (uses)	(764,304)	-	(49,405)	(813,709)
Net changes in fund balance	802,318	7,350	371,786	1,181,454
Fund balance - beginning	4,283,804	295,153	196,044	4,775,001
Fund balance - ending	\$ 5,086,122	\$ 302,503	\$ 567,830	\$ 5,956,455

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance
of Governmental Funds to Statement of Activities
For the Fiscal Year Ended September 30, 2019**

Net change in fund balance - total government funds	\$ 1,181,454
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(103,403)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives.	
Investment in capital assets	753,739
Accounting for the Agency's participation in the Florida Retirement System:	
Adjustment of required contribution to net pension expense.	<u>(40,313)</u>
Change in net position of government-wide statement of activities	<u><u>\$ 1,791,477</u></u>

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Board of Commissioners of the Palm Beach County, Florida (the "County") recognized that land areas within the County where development and redevelopment were critical to the growth of the County. Accordingly, the Commissioners formed the Westgate/Belvedere Homes Community Redevelopment Agency (the "Agency"). The creation of Agency allows tax increment finance to implement the provision of the County's Redevelopment Plan to rehabilitate the Redevelopment Area. The Westgate/Belvedere Homes Community Redevelopment Trust Fund was established on May 20, 1989, and the Agency began receiving Incremental Revenues during the fiscal year 1989-90.

The Agency was created by ordinance 89-11 of the Board of County Commissioners of Palm Beach County Florida. On October 3, 2017 Palm Beach County's Board of County Commissioners (BOCC) approved the Agency's 2017 Amended Plan and extension from 2035 to 2047. Therefore, unless terminated by BOCC, the Agency and its Tax Increment Financing Trust Fund will stay in effect until October 3, 2047. However, the Resolution adopting the 2017 amended Plan establishes a shared revenue process that shall begin in 2036.

The financial reporting entity consists of the financial activities of the Agency.

The Board of Directors of the Agency is comprised of seven members appointed by Board of County Commissioners. The Executive Director is hired by the Agency's Board of Directors.

There are no component units, however, the Agency is a component unit of Palm Beach County, Florida.

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

The financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Agency as a whole, using the economic resources measurement focus and the accrual basis of accounting.

The statement of activities report the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include positions of a fund or summarize more than one fund to capture the expense and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges, (2) operating grants and contributions which finance annual operating activities including restricted investment income, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these programs' uses.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns.

The financial statements of the Agency are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The reporting entity applies all relevant Governmental Accounting Standards Board ("GASB") pronouncements.

The government-wide financial statements apply Financial Accounting Standards Board ("FASB") pronouncements and Accounting Principles Board ("APB") opinion issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The effect of interfund activities has been removed from these financial statements to avoid distorted financial results.

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, provided they are received within one year. Incremental property tax revenues 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 have been met.

Governmental fund financial statements report uses the current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental activities column of the government-wide presentation. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Agency considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. However, debt service, compensated absences and claims expenditures, are recorded only when payment is due.

Tax increments when levied for, grants, when all the eligibility requirements have been met and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if applicable. All other revenues are measurable upon receipt of cash and are recognized at that time.

Amounts reported as program revenue in the government-wide financial statements include operating grants. All revenue that are not program revenue are general revenue, and include all taxes, grants and investment earnings that are not restricted to a particular program. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

Major Funds

The Agency reports the following major funds:

General Fund – the General Fund is the general operating fund. It is used to account for all current financial resources except those required to be accounted for in another fund of the Agency.

Debt Service Fund – used to account for the accumulation of resources for the repayment of long-term debt principal and interest.

Capital Projects Fund – used to account for the resources segregated for the acquisition or construction of designated capital assets.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of bank checking and savings accounts, carried at cost, and an investment in Florida PRIME, which is presented at fair value based on \$1 per trust share.

D. Capital Assets, Depreciation and Amortization

The Agency's property and equipment, with useful lives of more than one year, are stated at historical cost and are comprehensively reported in the government-wide financial statements.

The Agency generally capitalizes assets with cost of \$1,000 or more as outlay occurs. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

	<u>Years</u>
Improvements	5
Furniture, fixture and equipment	4 – 5
Infrastructure	20 – 40

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

E. Deposits

All of the Agency's deposits are held in qualified public depositories pursuant to the Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act* and are covered by either federal depository insurance or collateral held by the Chief Financial Officer of Florida.

In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the Chief Financial Officer of Florida from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool.

The Agency had total demand deposit of \$2,518,438 as of September 30, 2019.

F. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Agency, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 9).

G. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and compensatory time. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

H. Unearned Revenue

Revenue paid in advance for services that have not yet been performed by recipient.

I. Long-Term Obligations

Long-term obligations such as bonds and notes are recorded at government-wide level for the governmental activities. Amount payable within one year are classified as noncurrent liabilities due within one year on the government-wide statement of net position.

J. Net Position

Net position of the government-wide financial statements are categorized as invested in capital assets, net of related debt, restricted or unrestricted. The first category represents net position related to capital assets. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints. The remaining amount is considered to be unrestricted. A deficit will require subsequent funding.

K. Fund Balance

Governmental funds report fund balances are classified either as nonspendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable Fund Balance – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation. The Agency is reporting restricted fund balances in the Capital Project and Debt Service Funds.

Committed Fund Balance – Amounts that are constrained for specific purposes imposed by the Agency's formal action of highest level of decision making authority.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

Unassigned Fund Balance – Represents the residual positive fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

For both reporting of fund balances and net position restricted when both restricted and unrestricted resources are available for expenditure, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed. In spending unrestricted fund balances the Agency would first expend committed then assigned and unassigned resources.

L. Incremental Property Tax Revenue

The Agency's primary source of revenue is tax increment funds. This revenue is computed by applying the tax rate multiplied by the decreased value of property, located within the boundaries of the redevelopment areas of the Agency, in excess of the base property value, minus 5%.

M. Use of Estimates

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

N. Grants

Unreimbursed expenditures due from grantor agencies and reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are generally recorded as unearned revenue.

O. Assets Held for Sale

Assets held for sale are recorded at lower of cost or realized value. See note 5.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

P. Pensions

In the government-wide statement of net position, liabilities are recognized for the Agency's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. See footnote 9 for additional information regarding the Agency's retirement plans and related amounts.

Q. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In January 2017, GASB Statement No. 83, *Certain Asset Retirement Obligations*, will be effective for the Agency beginning with its year ending September 30, 2019. The objective of this Statement is to set guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to asset retirement obligations. The adoption of this statement did not impact the Agency's financial statements.

In April 2018, GASB Statement No. 88, *Certain disclosures related to debt, including direct borrowings and direct placements*, will be effective for the Agency beginning with its year ending September 30, 2019. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of this statement did not impact the Agency's financial statements.

Recently Issued Accounting Pronouncements

In January 2017, GASB Statement No. 84, *Fiduciary Activities*, will be effective for the Agency beginning with its year ending September 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should and establishes criteria for identifying fiduciary activities of all state and local governments. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements

In June 2017, GASB Statement No. 87, *Leases*, will be effective for the Agency beginning with its year ending September 30, 2021. This Statement outlines new guidance that establishes a single approach to accounting for and reporting leases by state and local governments. The goal is to better align reporting these leases with their particular situations, as well as provide greater transparency and usefulness of financial statements. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements.

In June 2018, GASB Statement No. 89, *Accounting for interest cost incurred before the end of a construction period*, will be effective for the Agency beginning with its year ending September 30, 2022. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements.

In August 2018, GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statements No. 14 and No. 61*, will be effective for the Agency beginning with its year ending September 30, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Agency beginning with its year ending September 30, 2022. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 1. Summary of Significant Accounting Policies (Continued)

In August 2018, GASB Statement No. 90, *Majority equity interests – An amendment of GASB Statements No. 14 and No. 61*, will be effective for the Agency beginning with its year ending September 30, 2021. The primary objectives of this statement are to improve the consistency of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Management is currently evaluating the impact of the adoption of this statement on the Agency’s financial statements.

R. Subsequent Events

In preparing these financial statements the Agency has evaluated events and transactions for potential recognition or disclosure through February 20, 2020, the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

The Agency’s policy is to follow the guidelines in Section 218.415, *Florida Statutes*, regarding the deposit of funds received and the investment of surplus funds. Section 218.415, *Florida Statutes*, authorizes the Agency to invest in the SBA Pool or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency direct obligations of the United States Treasury; federal agencies and instrumentalities, or interest-bearing time deposits and savings account held in federal or state-chartered banks and savings and loan associations doing business in Florida, provided that any such deposits are secured by collateral as may be prescribed.

As of September 30, 2019, cash and cash equivalents included \$2,518,438 of cash on hand and cash deposited in banks and \$298,470 invested in Florida PRIME. Bank deposits are insured by the Federal Deposit Insurance Corporation or covered by the State of Florida collateral pool, a multiple financial pool with the ability to assess its members for collateral shortfalls if a member institution fails.

Effective July 21, 2010, the FDIC’s insurance limits were permanently increased to \$250,000. As of September 30, 2019 the Agency had bank deposits in excess of the FDIC insurance in the amount of \$2,268,238.

The Agency’s investments consist of money market funds in which shares are owned in the fund rather than the underlying investments. In accordance with GAAP, these amounts are reported at amortized cost. At the close of the fiscal year, the Agency held investments in the Local Government Surplus Funds Trust Fund (“Florida Prime”) external investment pool. The Florida Prime is administered by

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 2. Cash and Cash Equivalents (Continued)

the Florida State Board of Administration (“SBA”), who provides regulatory oversight. Florida Prime currently meets all of the necessary criteria set forth in GASB 79 to measure its investments at amortized cost; therefore, the Agency’s account balance in the SBA is PRIME, although on the occurrence of an event that has a material impact on liquidity or operations of the fund, the fund’s executive director may limit contributions or withdrawals from the trust fund for a period of 48 hours.

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2018 through September 30, 2019. As of September 30, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2019 is 37 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2019, is 85 days.

Credit risk: The SBA Florida PRIME is rated AAAM by Standard and Poor’s. The agency has an investment policy that limits investment credit risk by specifying authorized investments to be reviewed annually by the Agency’s investment committee.

Custodial credit risk-investments: The Agency has an investment policy that limits custodial credit and interest rate risk by specifying authorized investments to be reviewed annually by the Agency’s investment committee.

Concentration risk: 100% of investments are invested in the SBA. The agency has an investment policy that limits investment concentration risk by specifying authorized investments to be reviewed annually by the Agency’s investment committee.

Additional information regarding Florida Prime may be obtained from the Florida State Board of Administration at <https://www.sbafla.com/prime>.

Note 3. Redevelopment Trust Fund

The County, pursuant to Florida Statutes, Section 163.387 established a Community Redevelopment Trust Fund. Under terms of the enabling statute, each taxing authority not exempted by statute, which levies ad valorem taxes within the boundaries of the community redevelopment area as established by the County, must allocate to the trust fund a certain portion of tax revenue received from said area.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 3. Redevelopment Trust Fund (Continued)

The amount is determined by levying the millage rate established by Agency against the increment between the assessment level in the year in which the trust fund was established and the current tax year.

During the year ended September 30, 2019, revenue of \$2,344,699 was recognized.

Note 4. Capital Assets

Changes in capital assets during the year ended September 30, 2019 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 3,720,898	\$ 203,105	\$ -	\$ 3,924,003
Construction in Progress	40,461	608,934	-	649,395
Total capital assets not being depreciated	<u>3,761,359</u>	<u>812,039</u>	<u>-</u>	<u>4,573,398</u>
Capital assets being depreciated:				
Office equipment and fixtures	88,451	1,700	-	90,151
Vehicle	12,831	-	-	12,831
Infrastructure	3,701,942	-	(60,000)	3,641,942
Less accumulated depreciation	(590,825)	(103,403)	-	(694,228)
Total capital assets being depreciated, net	<u>3,212,399</u>	<u>(101,703)</u>	<u>(60,000)</u>	<u>3,050,696</u>
Total capital assets	<u>\$ 6,973,758</u>	<u>\$ 710,336</u>	<u>\$ (60,000)</u>	<u>\$ 7,624,094</u>

Depreciation expense for the year ended September 30, 2019 was \$103,403.

Note 5. Assets Held for Resale

The Agency acquires for development property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private sector purchaser meeting certain criteria. Since these properties are acquired with the express intent of resale, they are reported at lower of cost or realizable value. Assets held for resale also include costs incurred to acquire the asset and prepare the assets for resale, such as purchase price, closing fees, surveys, lot

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 5. Assets Held for Resale (Continued)

cleaning, demolition, judgments levied through suits, cost of construction, permits and so on. Assets held for resale include land and buildings. Gains are recorded as charges for services in the government-wide statements and miscellaneous revenue in the fund financial statements and losses are recorded as community redevelopment expenses/expenditures.

	Beginning Balance	Increase	Decrease	Ending Balance
Assets held for resale	\$ 2,984,781	\$ 150,779	\$ -	\$ 3,135,560

Note 6. Mortgage Payable

Mortgages outstanding at September 30, 2019 consist of the following:

	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate
Mortgage payable	Purchase of building	\$ 260,000	\$ 260,000	7.5%
		\$ 260,000	\$ 260,000	

The mortgage is payable in monthly installment payments of \$1,625, interest only, and the mortgage was extended through December 31, 2019 at an interest rate of 7.5%. The mortgage is secured by the building. The mortgage payments due for the year ending 9/30/20 total \$264,875, which consist of \$260,000 of principal and \$4,875 of interest.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 7. Insurance Program

Risk Management

The Agency is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Agency purchases commercial insurance for all material risks of loss to which the Agency is exposed, including general liability, property, automobile and workers compensation. A review of the last three years reveals that settled claims have not exceeded insurance coverage.

Note 8. Commitments and Contingencies

Lease Agreement

The Agency lease office space under a non-cancelable operating lease which expires on May 31, 2022. Annual rental expenses for the year ended September 30, 2019, were \$55,083. Future minimum lease payments under this lease are as follows:

Fiscal Year Ending September 30:	
2020	59,750
2021	60,697
2022	<u>40,885</u>
	<u>\$ 161,332</u>

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Contingencies

Federal Grants – The Agency has received federal and state grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Agency. No provision for any liability that may result has been recognized in the Agency’s financial statements.

Note 9. Pension Plan

As required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), this report includes the allocation of the collective net pension liability and associated pension expense, deferred outflows of resources and deferred inflows of resources for each of the participating employers in the system’s cost-sharing, multiple employer defined benefit plans:

The Florida Retirement System (FRS) is a cost-sharing multiple-employer qualified defined benefit pension plan with a Deferred Option Program (DROP) available for eligible employees. The FRS was established, is administered, and may be amended in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established, administered, and subject to amendment in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement system in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

The Florida Department of Management Services, Division of Retirement (Division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (System). The Agency participated in two defined benefit plans administered by the Division. Beginning with the fiscal year ended June 30, 2014, the Division issued a publicly-available, audited comprehensive annual financial report (CAFR) on behalf of the System that includes financial statements, notes and required supplementary information for each of the pension plans. Detailed information about the plan is provided in the CAFR, which is available on line at:

https://www.dms.myflorida.com/workforce_operations/retirement/publications

The System's CAFR and actuarial reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
P. O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular—8.26% and 8.47%; Special Risk Administrative Support—34.98% and 36.87%; Special Risk—24.50% and 25.48%; Senior Management Service—24.06% and 25.41%; Elected Officers'—48.70% and 48.82%; and DROP participants—14.03% and 14.60%. The Agency's contributions, including employee contributions, to the Pension Plan totaled \$21,757 for the fiscal year ended September 30, 2019.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

The Agency's contributions to the FRS Plan totaled \$22,094 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2019, the Agency reported a liability of \$255,848 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the valuation date. The Agency's proportionate share of the net pension liability was based on the Agency's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the Agency's proportionate share was .000742911 percent, which was a decrease of .000020521 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the Agency recognized FRS pension expense of \$38,611. In addition, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,175	\$ (159)
Change of assumptions	65,714	-
Net difference between projected and actual earnings on Pension Plan investments	-	(14,155)
Changes in proportion and differences between Agency Pension Plan contributions and proportionate share of contributions	4,925	(6,278)
Agency's Pension Plan contributions subsequent to the measurement date	<u>4,033</u>	<u>-</u>
Total	<u><u>\$ 89,847</u></u>	<u><u>\$ (20,592)</u></u>

Deferred outflows of resources related to the FRS plan, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the following years:

Fiscal Year Ending September 30:	<u>Amount</u>
2020	\$ 23,653
2021	7,136
2022	17,240
2023	13,005
2024	3,354
Thereafter	834

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Valuation date	July 1, 2019
Measurement date	June 30, 2019
Inflation	2.60 %
Salary increases	3.25%, including inflation
Long-term expected rate of return	6.90%, net of pension plan investment expense
Actuarial cost method	Individual entry age

Mortality rates were based on the PUB2010 BASE table, projected generationally with scale MP-2018.

The actuarial assumptions used in the June 30, 2019 valuation were based on certain results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below.

Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.6%	1.70%

(1) As outlined in the FRS Pension Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. If future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Agency's proportionate share of the net positions liability	\$ 442,276	\$ 255,848	\$ 100,149

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Plan Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2019 was 1.66%. The Agency contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Agency’s contributions to the HIS Plan totaled \$5,115 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2019, the Agency reported a liability of \$99,825 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

of the valuation date. The Agency's proportionate share of the net pension liability was based on the Agency's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the Agency's proportionate share was .000892173 percent, which was an increase of .000007121 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the Agency recognized HIS pension expense of \$1,702. In addition the Agency reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,212	\$ (122)
Change of assumptions	11,559	(8,159)
Net difference between projected and actual earnings on HIS Plan investments	64	-
Changes in proportion and differences between Agency HIS Plan contributions and proportionate share of contributions	6,213	(6,772)
Agency Pension Plan contributions subsequent to the measurement date	<u>1,071</u>	<u>-</u>
Total	<u>\$ 20,119</u>	<u>\$ (15,053)</u>

Deferred outflows of resources related to the HIS Plan, resulting from the Agency's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

Fiscal Year Ending September 30:	Amount
2020	\$ 1,703
2021	1,363
2022	746
2023	(542)
2024	99
Thereafter	626

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2018
Measurement date	June 30, 2019
Inflation	2.60 %
Salary increases	3.25%, including inflation
Discount Rate	3.50%
Municipal bond rate	3.50 %
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on certain results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2019**

Note 9. Pension Plan (Continued)

selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Agency's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Agency's proportionate share of the net positions liability	\$ 113,956	\$ 99,825	\$ 88,056

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)

Required Supplementary Information
Budget Comparison Schedule - (Unaudited)
General Fund
For the Fiscal Year Ended September 30, 2019

	Budget Original/ Final	Actual	Variance Favorable (Unfavorable)
Revenues:			
Incremental property taxes	\$ 2,355,538	\$ 2,344,699	\$ (10,839)
Interest	1,000	558	(442)
Donated Property	-	346,904	346,904
Rental income	52,000	57,760	5,760
Other	-	25,684	25,684
Total revenues	<u>2,408,538</u>	<u>2,775,605</u>	<u>367,067</u>
Expenditures:			
Current:			
Community redevelopment	\$ 2,639,038	\$ 1,189,483	\$ 1,449,555
Debt service:			
Interest	19,500	19,500	-
Total expenditures	<u>2,658,538</u>	<u>1,208,983</u>	<u>1,449,555</u>
Excess of revenues over expenditures	(250,000)	1,566,622	1,816,622
Other financing sources (uses):			
Investment in capital assets	-	(204,805)	(204,805)
Operating transfer in (out):	(550,000)	(559,499)	(9,499)
Total other financing sources (uses)	<u>(550,000)</u>	<u>(764,304)</u>	<u>(214,304)</u>
Net changes in fund balance	<u>\$ (800,000)</u>	802,318	<u>\$ 1,602,318</u>
Fund balance - beginning		<u>4,283,804</u>	
Fund balance - ending		<u>\$ 5,086,122</u>	

See Notes to Required Supplementary Information.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability**

For the Fiscal Year Ended September 30, 2019

Florida Retirement System

	2019	2018	2017**	2016	2015	2014
Proportion of the net pension liability (asset)	0.000742911	0.00076343	0.000741665	0.000714252	0.00075106	0.000756805
Proportionate share of the net pension liability (asset)	\$ 255,848	\$ 229,950	\$ 219,380	\$ 180,349	\$ 97,010	\$ 46,176
Covered-employee payroll	\$ 308,132	\$ 300,595	\$ 284,717	\$ 272,642	\$ 225,123	\$ 297,851
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	83.03%	76.50%	77.05%	66.15%	43.09%	15.50%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as

Health Insurance Subsidy Program

	2018	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.000892173	0.00088505	0.000847238	0.000808229	0.00086653	0.001024079
Proportionate share of the net pension liability (asset)	\$ 99,825	\$ 93,675	\$ 90,591	\$ 94,196	\$ 88,372	\$ 95,754
Covered-employee payroll	\$ 3,008,132	\$ 300,595	\$ 284,717	\$ 272,642	\$ 225,123	\$ 297,851
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.40%	31.16%	31.82%	34.55%	39.25%	32.15%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as it

** Net Pension Liability at 2017 was restated due to implementation of GASB 75.

See Notes to Required Supplementary Information.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Required Supplementary Information
Schedule of Contributions - Pension Plans**

For the Fiscal Year Ended September 30, 2019

Florida Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 22,094	\$ 21,757	\$ 19,307	\$ 17,418	\$ 18,312	\$ 16,577
Contributions in relation to the contractually required contribution	<u>\$ (22,094)</u>	<u>\$ (21,757)</u>	<u>\$ (19,307)</u>	<u>\$ (17,418)</u>	<u>\$ (18,312)</u>	<u>\$ (16,577)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency's covered-employee payroll	\$ 308,132	\$ 300,595	\$ 284,717	\$ 272,642	\$ 225,123	\$ 297,851
Contributions as a percentage of covered-employee payroll	7.17%	7.24%	6.78%	6.39%	8.13%	5.57%

Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

Health Insurance Subsidy Program

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,115	\$ 4,800	\$ 4,484	\$ 4,143	\$ 3,312	\$ 3,508
Contributions in relation to the contractually required contribution	<u>\$ (5,115)</u>	<u>\$ (4,800)</u>	<u>\$ (4,484)</u>	<u>\$ (4,143)</u>	<u>\$ (3,312)</u>	<u>\$ (3,508)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency's covered-employee payroll	\$ 308,132	\$ 300,595	\$ 284,717	\$ 272,642	\$ 225,123	\$ 297,851
Contributions as a percentage of covered-employee payroll	1.66%	1.60%	1.57%	1.52%	1.47%	1.18%

Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.

See Notes to Required Supplementary Information.

**Westgate/Belvedere Homes Community Redevelopment Agency
(A Component Unit of Palm Beach County, Florida)**

**Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2019**

Budgetary Information

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The Agency's Board of Directors adopts the ensuing year's operating budget prior to September 30th, each year. The budget includes proposed expenditures and the means of financing them. Budgets are adopted on a basis consistent with generally accepted accounting principles. The budget control is total expenditures since there are no departments.

Pension Plan Schedules

Benefit changes: There were no benefit changes noted that affected the 2019 valuation.
(This information can be found in Note 9 sections titled "Benefits Provided".)

Changes in assumptions: The following changes were noted that affected the 2019 assumptions.

- FRS: The long-term expected rate of return was decreased from 7.00% to 6.90%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 3.87% to 3.50%.



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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 Board of Directors
of Westgate/Belvedere Homes
Community Redevelopment Agency
West Palm Beach, Florida

We have audited, 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, the financial statements of the governmental activities and each major fund of Westgate/Belvedere Homes Community Redevelopment Agency (the "Agency"), a component unit of Palm Beach County, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report, thereon dated February 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 weakness 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 of 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*.

In addition, we issued a management letter to management of the agency dated February 20, 2020, as required by the rules of the Auditor General of the State of Florida.

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for other purposes.

Ward & Company, P.A.

West Palm Beach, Florida
February 20, 2020



Zenora Kerr Ward, CPA

Ward & Company, P.A.

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MANAGEMENT LETTER OF INDEPENDENT AUDITOR'S REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Board of Directors
of the Westgate/Belvedere Homes Community Redevelopment Agency:

Report on the Financial Statements

We have audited the basic financial statements of the governmental activities and each major fund of Westgate/Belvedere Homes Community Redevelopment Agency, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated February 20, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated February 20, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

- Section 10.554 (1)(i)1, The 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. There were no findings and recommendations in the preceding annual financial audit report.

Official Title

- Section 10.554(1)(i)4, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Westgate/Belvedere Homes Community Redevelopment Agency.

Financial Condition and Management

- Section 10.554(1)(i)5a and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition met. In connection with our audit, we determined that the Westgate/Belvedere Homes Community Redevelopment Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554 (1)(i)5b and 10.556(8), Rules of the Auditor General we applied financial condition assessment procedures for the Agency. It is management’s responsibility to monitor the Westgate/Belvedere Homes Community Redevelopment Agency’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 the same. The financial condition assessment was done as of the fiscal year-end.
- Section 10.554 (1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of This Letter

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

Ward & Company, P.A.

West Palm Beach, FL
February 20, 2020