

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

Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2022

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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Independent Auditor's Report

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

Opinions

We have audited the accompanying 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, 2022, 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.

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 Agency, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements, the Agency has adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of the Agency’s proportionate share of net pension liability, and schedule of Agency contribution for pension and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023 on our consideration of the Agency’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency’s internal controls over financial reporting and compliance.

Ward & Company, P.A.

West Palm Beach, Florida
February 15, 2023

**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, 2022**

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, 2022 and 2021. 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.

2022 FINANCIAL HIGHLIGHTS

The Westgate CRA's governmental-wide total net position at the end of the year was \$15,160,351. Of this amount, \$6,765,755 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 \$7,559,371 of the total net position of \$15,160,351.

The Westgate CRA's primary fund, the General Fund, had fund balance at the end of the current fiscal year of \$7,055,341, a decrease of \$256,475 from \$7,311,816 at September 30, 2021. A portion of fund balance totaling \$4,080,449 is committed for assets held for resale and \$2,762,205 committed for completion of five Transportation Planning Agency Projects and \$19,688 of prepaid expenses. Unassigned fund balance is \$192,999 at September 30, 2022.

Palm Beach County Board of County Commissioners (BCC) created the Westgate CRA as a dependent special district in 1989 under Florida Statutes Chapter 163 Part III. The Westgate CRA's Redevelopment Plan guides the agency's budget and spending in accordance with the Statutes. The Redevelopment Plan is a live document, last amended in 2017 and includes six focus areas. The focus areas are based first on the mandates of the Statutes, second on the analysis of existing conditions and third on the identification of opportunities and strategies needed to remove slum and blighted conditions in the CRA district. Focus Area 1 – Economic Development & Redevelopment prioritizes activities in the two primary commercial corridors, Westgate Avenue & Congress Avenue by devising strategies and providing programs and incentives to stimulate economic development in those corridors. Focus Area 1 focuses also albeit to a lesser degree on the Okeechobee Blvd. and the Military Trail. Corridors. Focus Area 2 – Market Positioning highlights the benefits of investing in the CRA District to potential developers and business owners. Focus Area 3 – Housing responds to the obligations of CRA to facilitate the development of decent affordable housing in the CRA District. Focus Area 4 – Community Improvement puts in place a strategy to support crime prevention activities, property maintenance and clean-up and community events. Focus Area 5 – Infrastructure proposes program ideas needed to improve and develop a safe physical environment for residents such as installing streetlights, sidewalks, drainage system and public open spaces.

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Focus Area 6 – Planning for Redevelopment explores the best strategies to put in place to develop, fund and implement redevelopment programs that will improve the CRA District. It is the CRA's intent to revise the Plan every five years. The Agency will continue to use its Plan to develop annual budgets.

In fiscal year 2022, the CRA Board forgave five loans totaling \$50,000 in economic development fund to aid small businesses affected by the COVID-19 pandemic. The funds were disbursed in the previous year as a one-year forgivable loan to qualified businesses. This program aimed at retaining vulnerable businesses that were struggling during the pandemic. This program is the implementation of strategies outlined in Section 4 and 5 of the Plan addressing Focus Area 1, 2 and 5.

The CRA used \$376,787 to purchase a duplex on Nokomis Avenue for future redevelopment activity. The property is part of an assemblage needed to develop a mixed-use project in the Westgate Avenue Corridor. A portion of the purchase price was reimbursed to the CRA through a Community Development Block Grant awarded by Palm Beach County Housing and Economic Development Department. Acquisition of land for future redevelopment is part of Focus Areas 1, 2 and 3 of the CRA Redevelopment Plan.

The CRA funded the community garden development with \$96,821. The garden and its greenmarket provide fresh produce, field trips and educational opportunities for the residents of the CRA. It also exposes non-resident visitors to the Westgate area. This activity is developed under Focus Areas 1, 2 and 4 by creating jobs (1), luring businesses, resident developers into the area (2) and improving the community (4).

Several homeowners received grants to improve the appearance of their home or address code violations under the CRA's Neighborhood Improvement Program. Residents were able to repair septic systems, replace roofs, install fences, windows and doors, and address other issues to improve their home. A total of \$36,345 was spent on this program. This program is an implementation of housing activities found under Focus Area 3.

The Site Development Assistance Program provided funding for several housing development projects. A total of \$110,000 was spent. Housing activities are discussed in the Plan under Focus Area 3.

The CRA continues to cooperate with Palm Beach County Sheriff's Office to ensure a solid police presence in the district. The CRA rents a facility in the area for the deputies to use. The facility is located in an area that badly needs the police presence. The officers utilize the facility as needed, instead of driving away from the area, to write reports, use internet and make calls. Their presence and that of their cars have pushed away many bad elements. \$31,000 was spent for this program. These endeavors are part of Focus Area 4 of the Plan.

In Fiscal Year 2021-2022, the CRA spent \$210,171 to construct a dog park for the community. The park was developed in partnership with Solid Waste Authority (SWA) who provided a portion of the cost. SWA reimbursed the CRA \$46,350. The park provides secure open space for residents to take their dog. The park activities relate to Focus Area 5 of the Plan.

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The agency spent funds to pay for the maintenance of streetlights, vacant lots, parks, preserves and vacant buildings. These activities fall under Focus Areas 2, 4 and 5.

Many infrastructure improvement projects are being developed by the CRA in collaboration with Palm Beach County Engineering Department. The CRA made an advance payment of \$1,398,000 to Palm Beach County for the construction of Phase 2 of the Belvedere Heights project to install sidewalks and streetlights. Other advance payments totaling \$328,550 were issued for the administration and design of the Cherry Road streetscape. The construction of these projects is funded, in part, by grant funding from the Palm Beach County Transportation Planning Agency (TPA) in collaboration with the Florida Department of Transportation (FDOT). Moreover, the CRA continues to fund the maintenance of drainage infrastructure created in previous years to mitigate flooding in the area. These efforts fall under Focus Area 5 of the Redevelopment Plan.

The CRA spent funds to clean up and fence several parcels of land on Oswego Avenue to further the goal of improving the infrastructure of the community as proposed in Focus Area 5 of the Redevelopment Plan. A total of \$11,402 was spent for this effort.

Some funds were used to pay planning consultants, lawyers, engineers, and surveyors to process code amendments, design engineering projects, research property titles, prepares surveys and plats to facilitate redevelopment activities in the area. Planning activities are discussed in Focus Area 6 of the Redevelopment Plan.

In 2022, the budget grew by 7.7% due to tax revenues increase resulting from current valuation of residential and commercial properties. The Westgate Dog Park and Phase 1 of the Belvedere Heights infrastructure improvement were completed in 2022. Phase 2 nears completion. Several other projects are scheduled to break ground in 2023.

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.

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.

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**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2022**

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, 2022, 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
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**Management's Discussion and Analysis
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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 decreased to \$15,160,351 during fiscal year 2022 from \$15,319,152 during fiscal year 2021. A condensed summary of Westgate CRA's net position for the fiscal years 2022 and 2021 is presented below:

	2022	2021
Assets		
Current and other assets	\$ 3,943,558	\$ 4,532,884
Assets held for resale	4,080,449	3,703,662
Capital assets, net	7,923,600	7,455,993
Total assets	\$ 15,947,607	\$ 15,692,539
Deferred outflows from pension activities	102,590	91,014
Liabilities		
Other liabilities	\$ 133,441	\$ 85,655
Noncurrent liabilities - due within one year		
- Lease liability	75,774	-
Noncurrent liabilities - due in more than one year		
- Compensated absences	15,689	15,232
- Lease liability	288,455	-
Net Pension liability	328,268	151,166
Total liabilities	\$ 841,627	\$ 252,053
Deferred inflows from pension activities	48,219	212,348
Net Position:		
Net investment in capital assets	\$ 7,559,371	\$ 7,455,993
Restricted	835,225	920,541
Unrestricted	6,765,755	6,942,618
Total net position	\$ 15,160,351	\$ 15,319,152

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Net position invested in capital assets, net of the related debt (approximately 50% and 49% of the CRA's total net position at September 30, 2022 and 2021, respectively) represent the CRA's investment in capital assets (e.g. land, construction in progress, office furniture, equipment, vehicle and infrastructure). The CRA uses these capital assets to provide services to its redevelopment community and consequently these assets are not available for future spending.

An additional portion of the CRA's net position (approximately 5% and 6% of the CRA's total net position at September 30, 2022 and 2021, respectively) represents resources that are subject to restrictions on how they may be used.

The remaining balance of net position, (approximately 45% and 45% of the CRA's total net position at September 30, 2022 and 2021, 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.

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**Management's Discussion and Analysis
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Financial Analysis of the Statements of Net Position

The following analysis summarized the changes in net position for the years ended September 30, 2022 and 2021:

	2022	2021
Revenues:		
Incremental property taxes	\$ 2,945,851	\$ 2,734,095
Grants	315,077	93,333
Interest	2,739	533
Rental income	34,044	67,751
Other	13,840	13,646
Total revenues	\$ 3,311,551	\$ 2,909,358
Expenditures:		
Community redevelopment	\$ 1,482,145	\$ 1,864,387
Redevelopment projects	1,959,675	-
Debt services:		
Principal	28,532	-
Total expenditures	\$ 3,470,352	\$ 1,864,387
Increase (decrease) in net position	(158,801)	1,044,971
Beginning net position:	15,319,152	14,274,181
Ending net position	\$ 15,160,351	\$ 15,319,152

Governmental activities decreased the CRA's net position by \$158,801 representing a decrease of \$1,203,772 from the prior year.

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

At September 30, 2022, the CRA's governmental funds reported combined ending fund balance of \$7,890,566 is a decrease of \$260,325 in comparison to that of the prior year.

The fund balance of the Debt Service Fund increased \$2,575 for the year ended September 30, 2022. Total fund balance at September 30, 2022, amounted to \$309,089, 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 \$526,136 is a decrease of \$6,425 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:

- Grant Income was \$237,247 over budget due to no amount included in budget.
- Interest income was \$164 under budget due to over budgeting of interest income based on funds maintained in SBA Reserve account.
- Rental Income was \$42,579 under budget due to lease termination in fiscal 2022.
- Other income was \$13,840 over budget due to no amount included in budget.
- General government expenditures were \$1,569,011 under budget due to reduced operating and maintenance costs.
- Investment in capital assets was \$348,720 over budget due to no amount budgeted for the implementation of GASB 87, *Leases*.
- Loan proceeds was \$348,720 under budget due to no amount budgeted for the implementation of GASB 87, *Leases*.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2022**

Capital Assets

During fiscal year 2022, the Westgate CRA's capital assets increased \$423,565 due primarily to recording of leased assets - depreciation and amortization expenses, purchase of cameras for Oswego Oaks Park, fencing and completion of Oswego Avenue Dog Park.

	Restated* 10/01/21 Balance	Additions	Deletions	9/30/22 Balance
Capital assets not being depreciated:				
Land	\$ 3,924,003	\$ -	\$ -	\$ 3,924,003
Construction in progress	15,401	210,171	(225,572)	-
Total capital assets not Being depreciated	<u>3,939,404</u>	<u>210,171</u>	<u>(225,572)</u>	<u>3,924,003</u>
Capital assets being depreciated:				
Office equipment and fixtures	106,921	24,409	-	131,330
Vehicle	12,831	-	-	12,831
Infrastructure	4,317,111	225,572	-	4,542,683
Leased asset - building	-	348,720	-	348,720
Leased asset - equipment*	44,042	-	-	44,042
Less accumulated amortization	-	(45,269)	-	(45,269)
Less accumulated depreciation	(920,274)	(114,466)	-	(1,034,740)
Total capital assets Being depreciated, net	<u>3,560,631</u>	<u>438,966</u>	<u>-</u>	<u>3,999,597</u>
Total capital assets	<u><u>\$ 7,500,035</u></u>	<u><u>\$ 649,137</u></u>	<u><u>\$ (225,572)</u></u>	<u><u>\$ 7,923,600</u></u>

* Restated for GASB 87, as of 10/1/21.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Management's Discussion and Analysis
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Capital Assets

During fiscal year 2021, the Westgate CRA's capital assets decreased \$113,273 due primarily to recording of depreciation expense, and purchase of laptop, server and conference room equipment.

	10/01/20 Balance	Additions	Deletions	9/30/21 Balance
Capital assets not being depreciated:				
Land	\$ 3,924,003	\$ -	\$ -	\$ 3,924,003
Construction In Progress	15,401	-	-	15,401
Total capital assets not Being depreciated	<u>3,939,404</u>	<u>-</u>	<u>-</u>	<u>3,939,404</u>
Capital assets being depreciated:				
Office equipment and fixtures	97,638	9,283	-	106,921
Vehicle	12,831	-	-	12,831
Infrastructure	4,317,111	-	-	4,317,111
Less accumulated depreciation	<u>(797,718)</u>	<u>(122,556)</u>	<u>-</u>	<u>(920,274)</u>
Total capital assets Being depreciated, net	<u>3,629,862</u>	<u>(113,273)</u>	<u>-</u>	<u>3,516,589</u>
Total capital assets	<u><u>\$ 7,569,266</u></u>	<u><u>\$ (113,273)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,455,993</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

At the close of fiscal year 2022, the CRA had no outstanding notes or mortgages payable.

However, during fiscal year 2022, the Agency implemented GASB 87, *Leases* and reported lease liabilities as disclosed in Note 8.

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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.

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
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**Statement of Net Position
For the Fiscal Year Ended September 30, 2022**

	Governmental Activities
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Assets	
Cash and cash equivalent	\$ 917,954
Rent receivable	1,580
Grant receivables	237,247
Project advances	2,762,205
Prepaid expenses	19,688
Other assets	4,884
Assets held for resale	4,080,449
Capital assets, net of depreciation	7,923,600
Total assets	<u>15,947,607</u>
Deferred outflows of resources from pension activities	<u>102,590</u>
Liabilities	
Accounts payable and accrued expenses	\$ 133,441
Noncurrent liabilities	
Due within one year	
Lease liability	75,774
Due in more than one year	
Compensated absences	15,689
Lease liability	288,455
Net pension liability	328,268
Total liabilities	<u>841,627</u>
Deferred inflows of resources from pension activities	<u>48,219</u>
Net position	
Net investment in capital assets	7,559,371
Restricted for:	
Debt service	309,089
Capital projects	526,136
Unrestricted	6,765,755
Total net position	<u><u>\$ 15,160,351</u></u>

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Statement of Activities
For the Fiscal Year Ended September 30, 2022**

	<u>Governmental Activities</u>
Expenses:	
General government	\$ 1,482,145
Redevelopment projects	1,959,675
Retirement of principal	28,532
Total government activities	<u>\$ 3,470,352</u>
 General revenues:	
Incremental property taxes	\$ 2,945,851
Grants	315,077
Interest	2,739
Rental income	34,044
Other	13,840
Total general revenues	<u>\$ 3,311,551</u>
Change in net position	(158,801)
Net position - beginning of year	<u>15,319,152</u>
Net position - end of year	<u><u>\$ 15,160,351</u></u>

See Notes to Financial Statements.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Fiscal Year Ended September 30, 2022**

Total fund balances - total governmental funds	\$ 7,890,566
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets are \$9,003,609, net accumulated depreciation and amortization of (\$1,080,009) are not current financial resources and therefore are not reported in the governmental fund balance sheet.	7,923,600
Non-current liabilities, are not reported in the governmental funds	
Compensated absences	(15,689)
Lease liability	(364,229)
Accounting for the Agency's participation in the Florida Retirement System - the following amounts are reported in the Government-Wide Statements:	
Deferred outflows	102,590
Deferred inflows	(48,219)
Net pension liability	<u>(328,268)</u>
Net position of governmental activities	<u><u>\$ 15,160,351</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, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalent	\$ 253,756	\$ 305,056	\$ 359,142	\$ 917,954
Due from other funds	-	4,033	166,994	171,027
Rent receivable	1,580	-	-	1,580
Other receivables	237,247	-	-	237,247
Project advances	2,762,205	-	-	2,762,205
Prepaid expenses	19,688	-	-	19,688
Assets held for resale	4,080,449	-	-	4,080,449
Other assets	4,884	-	-	4,884
Total assets	\$ 7,359,809	\$ 309,089	\$ 526,136	\$ 8,195,034
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued expenses	\$ 133,441	\$ -	\$ -	\$ 133,441
Due to other funds	171,027	-	-	171,027
Total liabilities	304,468	-	-	304,468
Fund Balances				
Nonspendable:				
Assets held for resale	4,080,449	-	-	4,080,449
Project advances	2,762,205	-	-	2,762,205
Prepaid expenses	19,688	-	-	19,688
Restricted:				
Capital projects	-	-	526,136	526,136
Debt service	-	309,089	-	309,089
Unassigned	192,999	-	-	192,999
Total fund balances	7,055,341	309,089	526,136	7,890,566
Total liabilities and fund balances	\$ 7,359,809	\$ 309,089	\$ 526,136	\$ 8,195,034

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, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Incremental property taxes	\$ 2,945,851	\$ -	\$ -	\$ 2,945,851
Grants	237,247	-	77,830	315,077
Interest	164	2,575	-	2,739
Rental income	34,044	-	-	34,044
Other	13,840	-	-	13,840
Total revenues	\$ 3,231,146	\$ 2,575	\$ 77,830	\$ 3,311,551
Expenditures:				
Current:				
General government	\$ 1,349,089	\$ -	\$ -	\$ 1,349,089
Redevelopment projects	-	-	1,959,675	1,959,675
Debt service:				
Principal	28,532	-	-	28,532
Total expenditures	1,377,621	-	1,959,675	3,337,296
Excess (deficiency) of revenues over expenditures	1,853,525	2,575	(1,881,845)	(25,745)
Other financing sources (uses):				
Investment in capital assets	(348,720)	-	(234,580)	(583,300)
Lease proceeds	348,720	-	-	348,720
Operating transfer out:	(2,110,000)	-	-	(2,110,000)
Operating transfer in:	-	-	2,110,000	2,110,000
Total other financing sources (uses)	(2,110,000)	-	1,875,420	(234,580)
Net changes in fund balance	(256,475)	2,575	(6,425)	(260,325)
Fund balance - beginning	7,311,816	306,514	532,561	8,150,891
Fund balance - ending	\$ 7,055,341	\$ 309,089	\$ 526,136	\$ 7,890,566

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, 2022**

Net change in fund balance - total government funds	\$	(260,325)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Depreciation and amortization expenses on capital assets are 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 and amortization expenses are not reported as expenditure in governmental funds.</p>		
		(159,735)
<p>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.</p>		
Investment in capital assets		583,300
<p>Repayment of leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position</p>		
		28,532
<p>Lease proceeds provided current financial resources to the governmental funds, but issuing debt increases long-term liabilities in the statement of net position</p>		
		(348,720)
<p>Some expenses reported in the statement of activities do not require the use of current financial resource and, therefore not reported as expenditures in governmental funds.</p>		
Net change in long-term compensated absences		(456)
<p>Accounting for the Agency's participation in the Florida Retirement System:</p>		
Adjustment of required contribution to net pension expense.		(1,397)
		(1,397)
Change in net position of government-wide statement of activities	\$	(158,801)

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, 2022**

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, 2022**

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, 2022**

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 and amortized using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation or amortization 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
Lease Asset – Building	5
Lease Asset – Equipment	5

Lease Assets

Due to the implementation of GASB 87, lease assets are reported within the government-wide financial statement and valued at the future minimum lease payment. The lease assets are amortized using straight-line basis over the shorter of lease term or estimated useful life of the underlying assets.

**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, 2022**

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 \$612,698 as of September 30, 2022.

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 11).

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, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

H. Long-Term Obligations - Leases

Long-term obligations such as lease 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.

Leases are contracts that convey control of a right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transition. For leases with a maximum term of 12-months or less at the commencement date of the lease, the Agency recognizes rental income or expense as amounts become due under the lease agreement. The Agency, as a lessee, has lease agreements exceeding 12 months for office space and equipment, which are included in capital assets (note 4).

I. 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.

J. 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, 2022**

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.

K. 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%.

L. 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.

M. 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.

N. 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, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

O. 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 11 for additional information regarding the Agency's retirement plans and related amounts.

P. Related Party Transactions

The Agency is a component of Palm Beach County, Florida. For the year ended September 30, 2022, the Agency's increment revenues include \$2,945,851 received from the County.

Q. Impact of Recently Issued Accounting Principles

Recently Issued Adopted Accounting Pronouncements

In June 2017, GASB Statement No. 87, *Leases*, will be effective for the Agency beginning with its year ending September 30, 2022. 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 implemented this statement within the Agency's financial statements.

In June 2019, 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. The adoption of this statement did not impact the Agency's financial statement.

In January 2021, GASB Statement No. 92, *Omnibus 2021*, will be effective for the Agency beginning with its year ending September 30, 2022. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literatures by addressing practice issues that have been identified during implementation and application

**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, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

Recently Issued Adopted Accounting Pronouncements, Continued

of certain GASB Statements. The adoption of this statement did not impact the Agency's financial statement.

In June 2021, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, will be effective for the Agency beginning with its year ending September 30, 2022. The primary objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this statement did not impact the Agency's financial statement.

In October 2021, GASB Statement No. 98, *The Annual Comprehensive Financial Report*, will be effective for the Agency beginning with its year ending September 30, 2022. The term annual comprehensive financial report and its acronym ACFR. Management implemented this statement within the Agency's financial statements.

Recently Issued Accounting Pronouncements

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*, will be effective for the Agency beginning with its year ending September 30, 2023. 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. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements.

In March 2021, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the Agency beginning with its year ending September 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. 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, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements, Continued

In May 2021, GASB Statement No. 96, *Subscription-based Information Technology Arrangement*, will be effective for the Agency beginning with its year ending September 30, 2023. The primary objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements.

In April 2022, GASB Statement No. 99, *Omnibus 2022*, will be earliest effective for the Agency beginning with its year ending September 30, 2023. The primary objective is to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements.

In June 2022, GASB Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, will be effective for the Agency beginning with its year ending September 30, 2024. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understanding, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements.

In June 2022, GASB Statement No. 101, *Compensated Absences*, will be effective for the Agency beginning with its year ending September 30, 2025. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is currently evaluating the impact of the adoption of this statement on the Agency's financial statements.

R. Subsequent Events – Line of Credit

On November 17, 2022, the Agency entered into an interlocal agreement with Florida Municipal Loan Council for an \$11,000,000 Revenue Note, Series 2022, with Truist Bank, the lender, maturing on May 1, 2037 at an interest rate of 4.10%. The loan is secured by the Agency's Tax Increment Revenue.

**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, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

Subsequent Events – Line of Credit, Continued

In preparing these financial statements the Agency has evaluated events and transactions for potential recognition or disclosure through February 15, 2023, 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, 2022, cash and cash equivalents included \$612,698 of cash on hand and cash deposited in banks and \$305,056 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, 2022 the Agency had bank deposits in excess of the FDIC insurance in the amount of \$362,698.

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 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.

**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, 2022**

Note 2. Cash and Cash Equivalents (Continued)

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2021 through September 30, 2022. As of September 30, 2022 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, 2022 is 21 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, 2022, is 72 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.

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, 2022, revenue of \$2,945,851 was recognized.

**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, 2022**

Note 4. Capital Assets

Changes in capital assets during the year ended September 30, 2022 were as follows:

	Restated* Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 3,924,003	\$ -	\$ -	\$ 3,924,003
Construction in Progress	15,401	210,171	(225,572)	-
Total capital assets not being depreciated	3,939,404	210,171	(225,572)	3,924,003
Capital assets being depreciated:				
Office equipment and fixtures	106,921	24,409	-	131,330
Vehicle	12,831	-	-	12,831
Infrastructure	4,317,111	225,572	-	4,542,683
Lease Asset - Building	-	348,720	-	348,720
Lease Asset - Equipment*	44,042	-	-	44,042
Less accumulated depreciation and amortization	(920,274)	(159,735)	-	(1,080,009)
Total capital assets being depreciated, net	3,560,631	438,966	-	3,999,597
Total capital assets	\$ 7,500,035	\$ 649,137	\$ (225,572)	\$ 7,923,600

*Restated for GASB 87, as of 10/1/21, see also Note 8.

Depreciation and amortization expense for the year ended September 30, 2022 was \$114,466 and \$45,269, respectively.

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

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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

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	\$ 3,703,662	\$ 376,787	\$ -	\$ 4,080,449

Note 6. Project Advances

Project advances represent payments to Palm Beach County Engineering Department of \$2,762,205 for design costs associated with four projects submitted for funding to the Transportation Planning Agency. Scope of work for projects include installation of streetlights, calming elements such as street parking, wider sidewalks, bike lanes, narrower lanes, and hardscape in the Belvedere Heights, Seminole Boulevard, Westgate Avenue Corridor and Cherry Road projects.

Note 7. Compensated Absences

The changes in long-term compensated absences for the year ended September 30, 2022 are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Compensated Absences	\$ 15,232	\$ 1,824	\$ (1,367)	\$ 15,689

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 8. Lease Liabilities

Lease agreements are summarized as follows:

<u>Lease Assets</u>	<u>Date</u>	<u>Payment Term</u>	<u>Monthly Payment</u>	<u>Implicit Interest Rate</u>	<u>Total Lease Liability</u>	<u>Balance Sept. 30</u>
Building	6/1/2022	5 years	\$ 5,396	4%	\$ 348,720	\$ 332,584
Equipment	3/20/2020	5.25 years	1,117	4%	44,041	31,645
Total Lease Liability						<u>\$ 364,229</u>

The building was leased with the terms noted above. This lease will not be renewed and the Agency will not acquire the building at the end of the lease.

The copier equipment was leased with the terms noted above. This lease is not renewable and the Agency will not acquire the equipment at the end of the lease.

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Fiscal Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 75,774	\$ 3,335
2024	76,345	6,551
2025	74,047	9,284
2026	66,450	10,615
2027	71,613	14,951
Total	<u>\$ 364,229</u>	<u>\$ 44,736</u>

Note 9. 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.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 10. Commitments and Contingencies

Contingencies

Grants – The Agency has received federal and local 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 11. 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, 2022, 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
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. 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

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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. 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

The following membership classes and contribution rates, which apply to both the FRS Pension Plan and the FRS Investment Plan, were in effect at September 30, 2022:

<u>Membership Class</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate*</u>
Regular	3.00%	11.91%
Special Risk	3.00%	27.83%
Senior Management	3.00%	31.57%
Deferred Retirement Option Program	N/A	18.60%

* Employer contribution rates in the above table includes a 1.66% contribution for the Retiree Health Insurance Subsidy Program

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

The Agency's contributions to the FRS Plan totaled \$29,939 for the fiscal year ended September 30, 2022.

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

At September 30, 2022, the Agency reported a liability of \$236,192 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, 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 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the Agency's proportionate share was .000634788 percent, which was a decrease of .0000207 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Agency recognized FRS pension expense adjustment of \$2,122. 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
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

Description	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,218	\$ -
Change of assumptions	29,088	-
Net difference between projected and actual earnings on Pension Plan investments	15,596	-
Changes in proportion and differences between Agency Pension Plan contributions and proportionate share of contributions	23,187	(28,436)
Agency's Pension Plan contributions subsequent to the measurement date	<u>7,185</u>	<u>-</u>
Total	<u><u>\$ 86,274</u></u>	<u><u>\$ (28,436)</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, 2022. 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:

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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

Fiscal Year Ending September 30:	Amount
2023	\$ 12,250
2024	4,622
2025	(4,137)
2026	35,993
2027	1,925
Thereafter	-
Total	\$ 50,653

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Inflation	2.40 %
Salary increases	3.25%, including inflation
Long-term expected rate of return	6.70%, net of pension plan investment expense
Actuarial cost method	Individual entry age

Mortality rates were based on the PUB-2010 BASE table, projected generationally with scale MP-2018.

The actuarial assumptions used in the June 30, 2022 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.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

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:

<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%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.30%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. 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 6.70%, 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 (5.70%) or one percentage point higher (7.70%) than the current rate:

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Agency's proportionate share of the net positions liability	\$ 408,478	\$ 236,192	\$ 92,141

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, 2022, the HIS contribution for the period October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2022 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 \$4,589 for the fiscal year ended September 30, 2022.

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

At September 30, 2022, the Agency reported a liability of \$92,076 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

as of the valuation date. The Agency's proportionate share of the net pension liability was based on the Agency's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the Agency's proportionate share was .000869328 percent, which was a decrease of .000015144 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Agency recognized HIS pension expense adjustment of (\$725). 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	\$ 2,795	\$ (405)
Change of assumptions	5,278	(14,244)
Net difference between projected and actual earnings on HIS Plan investments	133	-
Changes in proportion and differences between Agency HIS Plan contributions and proportionate share of contributions	6,801	(5,134)
Agency Pension Plan contributions subsequent to the measurement date	<u>1,308</u>	<u>-</u>
Total	<u><u>\$ 16,315</u></u>	<u><u>\$ (19,783)</u></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, 2022. 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:

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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

Fiscal Year Ending September 30:	Amount
2023	\$ (1,144)
2024	(617)
2025	(282)
2026	(624)
2027	(1,449)
Thereafter	(660)
Total	\$ (4,776)

Actuarial Assumptions – The total pension liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Inflation	2.40%
Salary increases	3.25%, including inflation
Discount Rate	3.54%
Municipal bond rate	3.54%
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2022, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2022, financial reporting. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB Measurement Date using standard actuarial roll forward procedures.

The actuarial assumptions that determined the total pension liability as of June 30, 2022 were based on certain results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2022**

Note 11. Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.54%. 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 selected by the FRS Actuarial Assumption Conference. The change in discount rate is due to changes in 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 3.54%, 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 (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Agency's proportionate share of the net positions liability	\$ 105,342	\$ 92,076	\$ 81,098

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
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**Required Supplementary Information
Budget Comparison Schedule - (Unaudited)
General Fund
For the Fiscal Year Ended September 30, 2022**

	Budget Original/ Final	Actual	Variance Favorable (Unfavorable)
Revenues:			
Incremental property taxes	\$ 2,950,477	\$ 2,945,851	\$ (4,626)
Grant	-	237,247	237,247
Interest	1,000	164	(836)
Rental income	76,623	34,044	(42,579)
Other	-	13,840	13,840
Total revenues	<u>3,028,100</u>	<u>3,231,146</u>	<u>203,046</u>
Expenditures:			
Current:			
General government	\$ 2,918,100	\$ 1,349,089	\$ 1,569,011
Debt Service:			
Principal	-	28,532	(28,532)
Total expenditures	<u>2,918,100</u>	<u>1,377,621</u>	<u>1,540,479</u>
Excess of revenues over expenditures	110,000	1,853,525	1,743,525
Other financing sources (uses):			
Investment in capital assets	-	(348,720)	(348,720)
Lease proceeds	-	348,720	348,720
Operating transfer in (out):	(2,110,000)	(2,110,000)	-
Total other financing sources (uses)	<u>(2,110,000)</u>	<u>(2,110,000)</u>	<u>-</u>
Net changes in fund balance	<u>\$ (2,000,000)</u>	(256,475)	<u>\$ 1,743,525</u>
Fund balance - beginning		<u>7,311,816</u>	
Fund balance - ending		<u>\$ 7,055,341</u>	

See Notes to Required Supplementary Information.

**Westgate/Belvedere Homes Community Redevelopment Agency
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**Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability**

For the Fiscal Year Ended September 30, 2022

	Florida Retirement System								
	2022	2021	2020	2019*	2018	2017**	2016	2015	2014
Proportion of the net pension liability (asset)	0.000634788	0.000614088	0.000528206	0.000742911	0.000763432	0.000741665	0.000714252	0.000751062	0.000756805
Proportionate share of the net pension liability (asset)	\$ 236,192	\$ 46,387	\$ 228,932	\$ 255,848	\$ 229,950	\$ 219,380	\$ 180,349	\$ 97,010	\$ 46,176
Covered-employee payroll	\$ 322,011	\$ 307,053	\$ 300,120	\$ 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	73.35%	15.11%	76.28%	83.03%	76.50%	77.05%	66.15%	43.09%	15.50%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
	Health Insurance Subsidy Program								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.000869328	0.000854184	0.000812188	0.000892173	0.000885052	0.000847238	0.000808229	0.000866528	0.001024079
Proportionate share of the net pension liability (asset)	\$ 92,076	\$ 104,779	\$ 99,167	\$ 99,825	\$ 93,675	\$ 90,591	\$ 94,196	\$ 88,372	\$ 95,754
Covered-employee payroll	\$ 322,011	\$ 307,053	\$ 300,120	\$ 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	28.59%	34.12%	33.04%	32.40%	31.16%	31.82%	34.55%	39.25%	32.15%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information will be compiled for each year as it becomes available.

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

For the Fiscal Year Ended September 30, 2022

Florida Retirement System									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 35,484	\$ 26,228	\$ 20,522	\$ 22,094	\$ 21,757	\$ 19,307	\$ 17,418	\$ 18,312	\$ 16,577
Contributions in relation to the contractually required contribution	<u>\$ (35,484)</u>	<u>\$ (26,228)</u>	<u>\$ (20,522)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Agency's covered-employee payroll	 \$ 322,011	 \$ 307,053	 \$ 300,120	 \$ 308,132	 \$ 300,595	 \$ 284,717	 \$ 272,642	 \$ 225,123	 \$ 297,851
 Contributions as a percentage of covered-employee payroll	 11.02%	 8.54%	 6.84%	 7.17%	 7.24%	 6.78%	 6.39%	 8.13%	 5.57%

Health Insurance Subsidy Program									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ -	\$ 5,097	\$ 4,982	\$ 5,115	\$ 4,800	\$ 4,484	\$ 4,143	\$ 3,312	\$ 3,508
Contributions in relation to the contractually required contribution	<u>\$ -</u>	<u>\$ (5,097)</u>	<u>\$ (4,982)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Agency's covered-employee payroll	 \$ 322,011	 \$ 307,053	 \$ 300,120	 \$ 308,132	 \$ 300,595	 \$ 284,717	 \$ 272,642	 \$ 225,123	 \$ 297,851
 Contributions as a percentage of covered-employee payroll	 0.00%	 1.66%	 1.66%	 1.66%	 1.60%	 1.57%	 1.52%	 1.47%	 1.18%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, information will be completed for each year 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, 2022**

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 2022 valuation.
(This information can be found in Note 9 sections titled "Benefits Provided".)

Changes in actuarial assumptions: The following changes were noted that affected the 2022 assumptions:

- FRS: The long-term expected rate of return was decreased from 6.80% to 6.70%.
- HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838.
- HIS: The election assumption for vested terminated members were updated from 20% to 50% to reflect recent experience.
- HIS: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.



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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, 2022, 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 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. 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 agency'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 15, 2023, 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 any other purposes.

Ward & Company, P.A.

West Palm Beach, Florida
February 15, 2023



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, 2022, and have issued our report thereon dated February 15, 2023.

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 15, 2023, 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 made in the preceding annual financial audit report.

Official Title and Legal Authority

- Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statement. Such disclosures are made in Note 1 of the Agency's Financial Statements. 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 to identify 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.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency reported:

- a. A total of 4 employees compensated in the last period of the Agency's fiscal year.
- b. A total of 8 independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year.
- c. Compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency totaled \$322,011 for the fiscal year.
- d. Compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency totaled \$171,921 for the fiscal year.
- e. The following is a list of construction projects with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported:

Project Name	Project Expenditures for FYE 9/30/2022
Oswego Avenue Dog Park	\$ 210,172
Belvedere Heights Sidewalk Grant Phase II - TPA	\$ 389,466
Westgate Avenue / Streetscape - TPA	\$ 113,709
Belvedere Heights Sidewalk Grant Phase I - TPA	\$ 1,375,277
Seminole Boulevard - TPA	\$ 81,233

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported on Required Supplementary Information Budget Comparison Schedule on page 46. There were no budget amendments during the fiscal year.

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 15, 2023

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

Management Letter in accordance with the
Rules of the Auditor General of the State of Florida

Current Year Findings and Response

Current Year Findings:

None noted.

Prior Year Finding:

None noted.



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Independent Accountant's Report on Compliance Pursuant To Section 218.415 Florida Statutes

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, 2022. 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, 2022.

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 15, 2023



Zenora Kerr Ward, CPA

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Independent Accountant's Report on Compliance with Sections 163.387(6) and (7), Florida Statutes

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

We have examined the Westgate/Belvedere Homes Community Redevelopment Agency (the Agency), a Component Unit of Palm Beach County, Florida compliance with Sections 163.387(6) and (7), Florida Statutes regarding the redevelopment trust fund during the year ended September 30, 2022. 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, 2022.

This report is intended solely for the information and use of the Florida Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and the Board of Directors and management of the Agency, 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 15, 2023