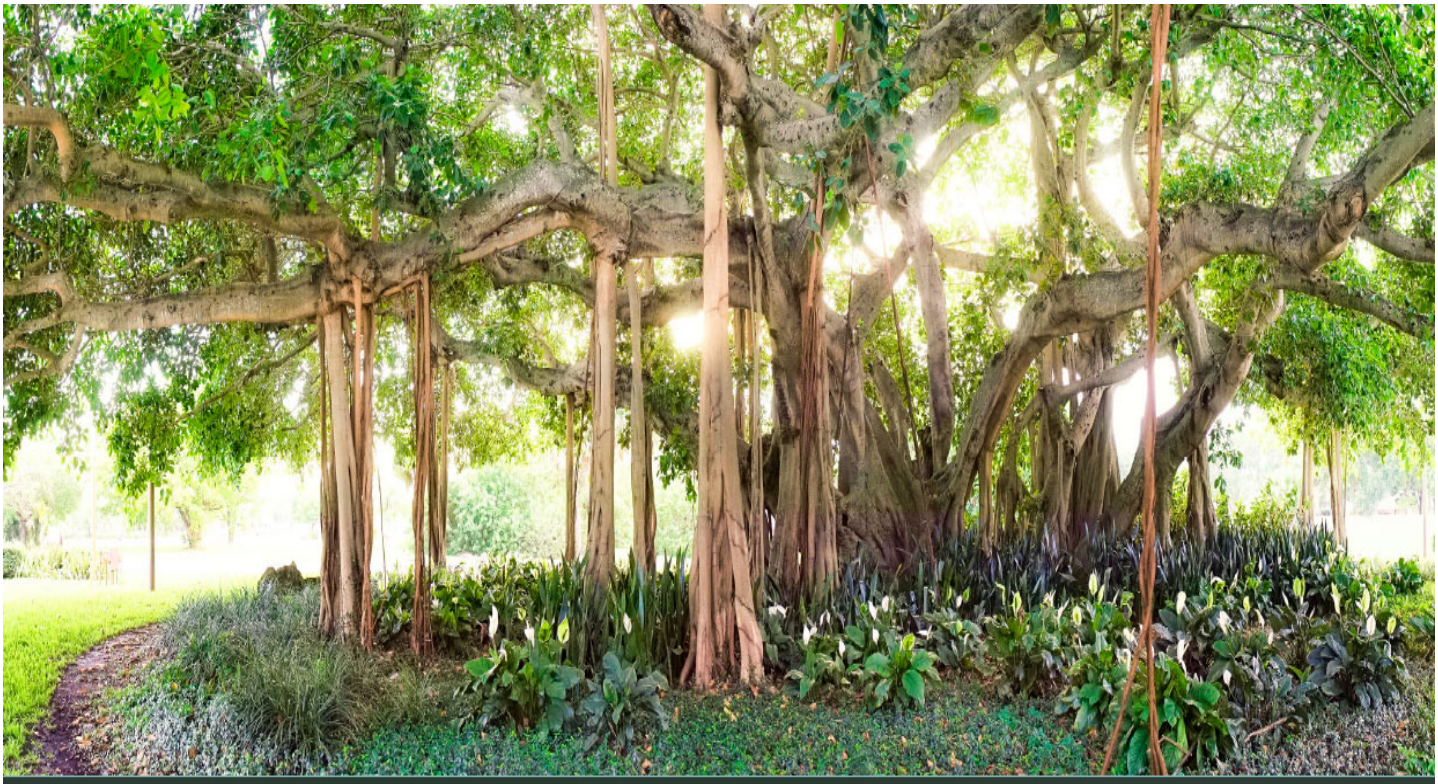


THE CITY OF PALM BEACH GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

CITY OF PALM BEACH GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared By
Finance Department
City of Palm Beach Gardens, Florida

CITY OF PALM BEACH GARDENS, FLORIDA

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INTRODUCTORY SECTION

May 25, 2022

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Palm Beach Gardens, Florida

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Palm Beach Gardens, Florida for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of the City of Palm Beach Gardens. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Palm Beach Gardens has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Palm Beach Gardens' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Palm Beach Gardens' comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Palm Beach Gardens' financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Palm Beach Gardens for the year ended September 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of Palm Beach Gardens' financial statements for the year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Palm Beach Gardens' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Palm Beach Gardens, incorporated in 1959, is located in the southeastern part of Florida, approximately 7 miles north of West Palm Beach and 70 miles north of Miami. The City currently has a land area of 56 square miles, making it one of the largest cities in Palm Beach County, and has a population of 59,755. The City is empowered to levy a property tax on real property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City of Palm Beach Gardens has operated under the Council-Manager form of government from its inception. Policy-making and legislative authority are vested in the Governing Council, which consists of a Mayor and four Council Members. The Governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Governing Council, for overseeing the day-to-day operations of the City and for appointing the heads of the City's departments. The Council is elected on a non-partisan basis. Council Members are elected to three-year staggered terms, with two Council Members elected one year and three Council Members the following year. Council Members are elected at large; the Mayor is selected annually from among the Council Members by the Council Members themselves.

The City of Palm Beach Gardens provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Water and sewer services are provided through Seacoast Utilities, a legally separate Water and Sewer Authority, which functions totally independent of the City of Palm Beach Gardens, and therefore has not been included as an integral part of the City of Palm Beach Gardens' financial statements. There are no component units of the City of Palm Beach Gardens at this time.

The annual budget serves as the foundation for the City of Palm Beach Gardens' financial planning and control. All departments of the City of Palm Beach Gardens are required to submit requests for appropriation to the City Manager in March each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to July 31. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Palm Beach Gardens' fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The budget may be amended in several ways. An intradepartmental or interdepartmental transfer within the same fund may be authorized by the City Manager. A transfer between different funds may be authorized initially by the City Manager, subject to approval within 30 days by resolution adopted by the City Council. A third way is a transfer from the contingency account of the City Council, which may be authorized only by resolution adopted by the Council; except that, in the event of an emergency declared by the Manager, such a transfer may be made initially upon authorization of the Manager, subject to approval within 30 days by resolution adopted by the Council. Any increase in the total appropriations for a fund must be approved by ordinance of the Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 92-93.

Local Economy. The City of Palm Beach Gardens has evolved into an upscale community with a fairly diverse economic base including employment in the fields of healthcare, technology, tourism and leisure, engineering, and education. The City also benefits from having the Scripps Florida Research Institute and Max Planck Society located in Northern Palm Beach County. The City has a strong tax base with approximately 77% of ad valorem taxes generated by the residential component. Additionally, the City does not assess many of the traditional taxes that other municipalities use for generating revenue, but rather, it primarily depends on ad valorem taxes to fund services. Residents are not assessed additional taxes for utility, solid waste, storm water, or fire rescue; and pay a minimal amount in communication services taxes. The City has opted to pay for these services out of ad valorem assessments.

The City of Palm Beach Gardens has been fortunate to have land mass that has been available for future development, which will only further enhance the City's economic base and allow the City to continue to prosper with additional employment opportunities and increases in property valuations and revenues. There is a significant amount of development within the City and multiple developments that could potentially increase employment.

The following are some of the significant projects taking place:

Downtown Palm Beach Gardens – The property owners have been moving forward with plans to update and rejuvenate the site. The project name was changed from Downtown at the Gardens to Downtown Palm Beach Gardens. A new 116,862 square foot LifeTime Health Club facility with a 426-space parking garage is well under construction with completion estimated for May 2022. The Phase I portion of renovations at the shopping center are recently completed that includes replacement of the hardscape and landscape materials throughout and relocation of the existing carousel to the lakefront. Phase II was recently approved for a new 8-story, 280-unit multifamily apartment building to replace the existing Cheesecake Factory building and surface parking lot, and a new 9-story, 108,891 square foot mixed-use tower that incorporates a mix of retail, restaurant, office, and a 174-room hotel. Construction on this phase is estimated to begin last quarter, 2022.

PGA Station – This project was approved for a site amendment in November, 2021, to add an 8-story, 396-unit multi-family residential building that includes 40 workforce housing units, with a 606-space parking garage, and a new 8-story, 200,000 square foot office building with a separate 998-space parking garage that contains 7,049 square feet of ground-floor retail space along two facades of the parking garage. Construction on the residential building is expected this year.

Avenir – The project includes a 4,763-acre site with plans for 2,407 acres of conservation, 2,690 single family homes, 960 age-restricted dwelling units, 250 multifamily townhomes, 1.8 million square feet of office, 400,000 square feet of retail, 200,000 square feet of medical office and 300 hotel rooms. The project also includes 20 acres of agriculture, a 115-acre public civic/park/recreation parcel, and a 15-acre city annex parcel. The projected increase in population from this project represents approximately 15% of the City's current population. The project currently has several different neighborhoods with various builders of single-family homes under construction as well as a 16,839 square foot Clubhouse and Recreation facility that includes indoor activities, covered outdoor dining, playground facilities, tennis and pickle ball courts, outdoor play space, resort style pool, lap pool, spa, and a splash pad. The City is currently reviewing the project's Town Center District that includes a site plan for approximately 250 townhomes, a site plan for 118

single-family homes, a site plan for 562 single-family homes, a site plan for 200 single-family homes, and a 600-student Charter school.

Alton – Alton is a 681-acre Development of Regional Impact (DRI) project with approval for 1,018 single family homes, 681 multifamily townhomes, 353 apartment units, 2.6 million square feet of industrial/research, 1.2 million square feet of office, 450,000 square feet of retail, and 300 hotel rooms. Construction activity at Alton currently continues in the residential neighborhoods with both single family and multifamily townhomes under construction. The Alton Town Center has recently completed construction of the 135,877 square foot Home Depot, and 18 out of 21 buildings are complete.

The City's Transit Oriented Design (TOD) master plan was finalized in October 2018. The Master Plan has illustrated a series of different TOD development scenarios on strategic parcels within the Tri-Rail station area where new uses can be added to existing sites in various redevelopment approaches. It calls for a more extensive mix of uses, with expanded options for housing, office, retail/entertainment, and hospitality which will produce a more balanced use of the transportation network and greater efficiency for utilization of the City's infrastructure. In conjunction, the City adopted a Mobility Fee which went into effect in January 2020 and will be used for funding and other potential transit uses.

In an effort to diversify and thus stabilize the economic base, the City of Palm Beach Gardens realized the need to attract industries and employers. Before state and local officials began courting The Scripps Research Institute, the City adopted an Economic Development Element in the City's Comprehensive Plan in January 2005. Its adoption indicated the City's commitment to its economic goal to achieve a balanced and diversified economy which is compatible with the City's quality-built environment and protects important natural resources. The City adopted policies in order to attain the objectives of a balanced and diversified economy, moderate seasonality in employment, increase opportunity for small business enterprises, improve the availability of education and training opportunities, and maintain the balance between man-made and natural environments. Based on the skill sets of the citizenry (available work force) and demographic data collected, growth in targeted cluster industries such as biotechnology, communications, information technology, medical products, marine biology, aerospace research, and associated ancillary businesses would be encouraged. The City has committed a portion of fund balance that will be used to provide future economic incentives as a way to attract companies in these industries.

The City has currently earmarked funds for four companies that have already or plan to expand and establish headquarters within the City of Palm Beach Gardens. Chromalloy Gas Turbine LLC – manufacturer of jet turbines, TBC Corporation - a tire distribution company, Zimmer Biomet Holdings – a medical device company, and Carrier Corp. – a manufacturing company that focuses on HVAC, refrigeration and fire and security solutions.

Carrier Corporation was granted an ad valorem property tax exemption as part of a tax abatement agreement. In return, Carrier Corporation will retain and create 450 local jobs and commit to a capital investment of $140 million. According to the regional economic model estimates, the agreement will have a five-year local economic impact of $662.4 million.

Major industries with headquarters or divisions located within the government's boundaries or in close proximity include bioscience, technology, medical manufacturing, education, health care, financial services, and leisure service industries. Major employers include Palm Beach County School Board, Palm Beach Gardens Medical Center, TBC Corp, PGA National Resort & Spa,

Zimmer Biomet, Carrier Corporation, Belcan Engineering, NuVista Living, and Cross Match Technologies.

The City of Palm Beach Gardens had an unemployment rate of 3.0% as of September 2021. This rate compares favorably to the State of Florida rate of 4.8% and to the national unemployment rate of 4.7%. With the prospect of new development projects and the addition of a number of corporate headquarters, future employment within the City appears more than stable.

Long-term financial planning. As mentioned previously, there are major developments that present many opportunities for the future financial stability of the City. However, there are also many challenges that will need to be dealt with. There will be quality of life issues that the City must face, such as transportation, roads, education, recreation, public safety and general government levels of services that must not be compromised for either existing or future residents.

Palm Beach County voters approved a ballot issue to enact a one-cent infrastructure sales surtax to pay for the acquisition and improvements to public infrastructure. The additional tax went into effect January 1, 2017 and will be in place for up to ten years with the City's share of the proceeds estimated to be approximately $30 million. The City reviewed current and long-term infrastructure needs and formulated a plan for the expenditure of the one-cent sales surtax to address current and projected shortages of office and meeting space, current and future parks, recreation amenities, as well as the long-term maintenance needs associated with the expansion of the parks and facilities. The City earmarked funds for certain projects that will address the demands caused by growth occurring within the City.

Unassigned fund balance in the general fund (33.0% of total general fund expenditures) exceeds the policy guideline of a minimum of 17%. Due to the potential risk of future uncertainties relating to natural disasters, an economic downturn, or legislative changes that could have an impact on local government revenue, the City is dedicated to maintaining a strong fund balance position throughout the coming fiscal years.

Major Initiatives. During 2021, there were several projects completed that will further enhance the City's roads, parks and facilities. Major projects included District Park improvements, City Hall expansion and a new Operations Center, as well as tennis center clubhouse and baseball complex expansion projects.

The following projects were completed during the fiscal year ended September 30, 2021:

The Gardens North County District Park project which consisted of the construction of three multi-purpose fields, two flexible use playing fields, a concession/restroom building, splash pad and playgrounds, preserve area, nature trails, lighting, parking and landscaping. The cost of improvements were covered by the one-cent infrastructure sales surtax.

The City Hall expansion project included expanding City Hall by 17,000 square feet and renovating 9,000 square feet of existing space. The cost of improvements were covered by the one-cent infrastructure sales surtax.

The Operations Center was constructed as part of a plan to centralize all maintenance divisions within the City to improve operations and to be used during emergency management responses

to house emergency response staff and equipment. The cost of construction was covered by the one-cent infrastructure sales surtax.

The tennis center club house expansion project included the complete renovation of the clubhouse to address the aging facilities in order to support tennis operations.

The baseball complex expansion project included the addition of one new baseball field, covered batting cages, pitching areas, an artificial turf practice area, and a 10,000 square foot training facility proposed through a public-private partnership.

Awards and Acknowledgements

The Government Finance Officers Association ("GFOA") recognized the City of Palm Beach Gardens as a triple crown winner for receiving awards for three different documents.

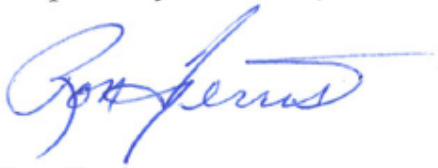
The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Beach Gardens for its annual comprehensive financial report ("ACFR") for the year ended September 30, 2020. This was the 26th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

The GFOA awarded the Award for Distinguished Budget Presentation to the City of Palm Beach Gardens for its operating and capital improvements budget for the year ended September 30, 2021. This was the 24th consecutive year the government has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The GFOA awarded the Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Palm Beach Gardens for the year ended September 30, 2020. This was the 2nd consecutive year that the government has received the award for providing the public and other interested parties an easy to understand and concise overview of the information extracted from the ACFR.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Governing Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Palm Beach Gardens' finances.

Respectfully submitted,



Ron Ferris
City Manager



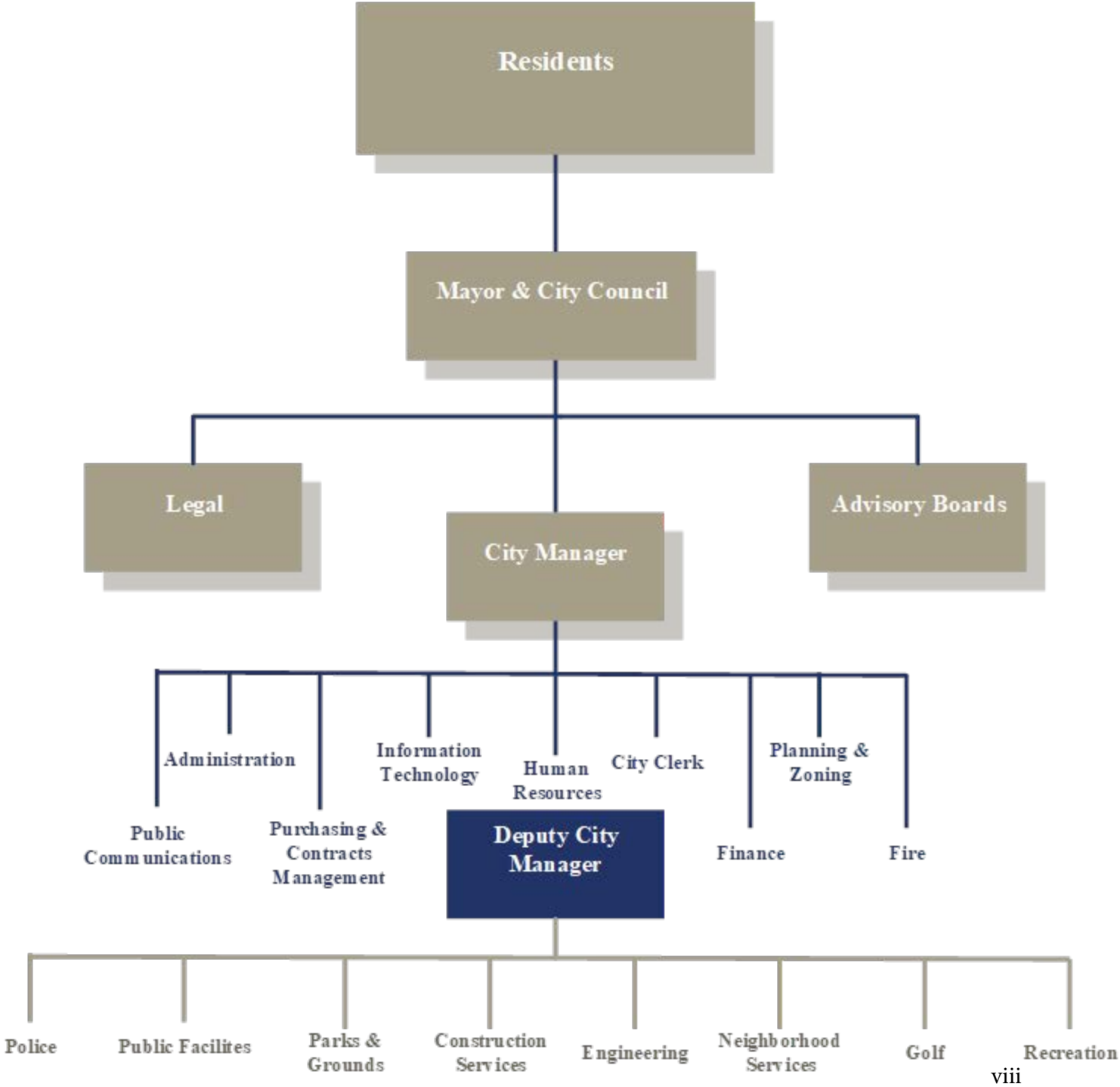
Allan Owens, CPA, CGFO
Finance Administrator

CITY OF PALM BEACH GARDENS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2021

TITLE	NAME
Mayor	Rachelle Litt
Vice-Mayor	Chelsea Reed
Council Member	Carl Woods
Council Member	Mark Marciano
Council Member	Marcie Tinsley
City Manager	Ronald M. Ferris
Deputy City Manager	Stephen Stepp
City Attorney	Lohman Law Group, P.A.
City Clerk	Patricia Snider
Finance Administrator	Allan Owens
Human Resources Administrator	Sheryl Stewart
City Engineer	Todd Engle
Information Technology Administrator	Eric Holdt
Chief of Police	Clinton Shannon
Fire Chief	Keith Bryer


Residents
Mayor & City Council
Legal
Advisory Boards
City Manager
Administration
Information Technology
Human Resources
City Clerk
Planning & Zoning
Public Communications
Purchasing & Contracts Management
Deputy City Manager
Finance
Fire
Police
Public Facilites
Parks & Grounds
Construction Services
Engineering
Neighborhood Services
Golf
Recreation



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Palm Beach Gardens
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO


PALM BEACH
Gardens

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Palm Beach Gardens, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, which represent 88 percent, 89 percent, and 66 percent, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Marcum LLP ▪ 525 Okeechobee Boulevard ▪ Suite 750 ▪ West Palm Beach, Florida 33401 ▪ **Phone** 561.653.7300 ▪ **Fax** 561.653.7301 ▪ **marcumllp.com**

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the budgetary comparison schedule and notes, schedule of total OPEB liability and related ratios, the schedules of the City's net pension liability and related ratios, schedules of proportionate share of net pension liability, schedules of City contributions and the schedules of investment returns - pensions, on pages 92 through 107 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, and the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 25, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, FL
May 25, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As management of the City of Palm Beach Gardens, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2021. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to vi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Palm Beach Gardens exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $151.2 million (*net position*).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $99.5 million, an increase of approximately $29.4 million in comparison with the prior year. 32.8% of this total amount is available for spending at the government's discretion *(unassigned fund balance).*
- At the end of the current fiscal year, unassigned fund balance of the general fund was $32.6 million, or 33.0% of total general fund expenditures for financial reporting purposes. This amount includes the $6.6 million budget stabilization fund.
- The City's total governmental activities debt increased by $9.0 million (31.2%) during the current fiscal year due to the issuance of a $14 million public improvement bond to finance the cost of an 18 hole par-three golf course and related facilities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Palm Beach Gardens' basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to these basic financial statements, this report contains other supplementary information.

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

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). Both the government-wide and fund financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are

intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include public safety, physical environment, transportation, culture and recreation, and general government services. The City does not operate any business-type activities.

The government-wide financial statements can be found on pages 17 – 18 of this report.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund and One-Cent Sales Surtax Capital Improvements fund, of which both are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 108 – 124 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget (pages 92 – 93).

The basic governmental fund financial statements can be found on pages 19 – 22 of this report.

Proprietary Funds. The City maintains only one type of proprietary fund. Internal service funds are used to account for the City’s fleet maintenance and self-insurance provided to all departments on a cost reimbursement basis.

The basic proprietary fund financial statements can be found on pages 23 – 25 of this report. Combining and individual fund statements for the internal service funds can be found on pages 125 – 127 of this report.

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

The basic fiduciary fund financial statements can be found on pages 26 – 27 of this report. Combining and individual fund statements for the fiduciary funds can be found on pages 128 – 129 of this report.

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

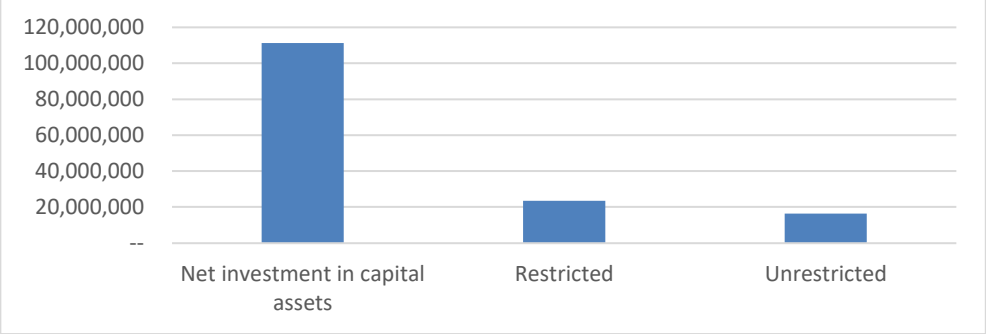
The notes to the basic financial statements can be found on pages 28 – 91 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the budgetary comparison schedule of the General Fund and information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

Required supplementary information can be found on pages 92 – 107 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Palm Beach Gardens, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $151.2 million at the close of the most recent fiscal year. The largest portion of the City's net position (73.7%) represents investment in capital assets (e.g., land, buildings and improvements, roadways, machinery and equipment), less any related outstanding debt and related deferred outflows used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.



As the chart shown below illustrates, an additional portion of the City's net position, $23.5 million (15.5%), represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $16.4 million (10.8%) may be used to meet the City's ongoing obligations to citizens and creditors.

City of Palm Beach Gardens
Summary of Net Position
September 30, 2021 and 2020

The following table illustrates a summary of net position for Governmental activities:

	Governmental Activities	
	2021	2020
Current and other assets	**$ 124,738,951**	$ 92,694,780
Capital assets, net	**136,336,741**	141,792,177
Total assets	**261,075,692**	234,486,957
Total deferred outflows of resources	**29,344,832**	33,776,862
Long-term liabilities	**108,161,764**	112,382,368
Other liabilities	**12,954,303**	10,098,833
Total liabilities	**121,116,067**	122,481,201
Total deferred inflows of resources	**18,120,425**	9,356,652
Net investment in capital assets	**111,362,529**	112,859,024
Restricted	**23,464,670**	16,642,836
Unrestricted	**16,356,833**	6,924,106
Total net position	**$ 151,184,032**	$ 136,425,966

At the end of the current fiscal year, the City is able to report positive balances in net position for all governmental type activities.

There was an overall increase in the City's assets of $26.6 million or 11.3% during the current fiscal year. This was due to increases in cash and investments mostly due to unspent bond proceeds and American Rescue Plan Act funding.

The City's deferred inflows and outflows of resources as well as a portion of liabilities all significantly changed due to the posting of activity to record changes in the net pension and total OPEB liabilities as well as deferred inflows and outflows relating to the City's pension plans. Long-term liabilities decreased due to a reduction in the net pension liability. The current year changes resulted in a decrease to deferred outflows of resources of $4.4 million, an increase in liabilities of $1.4 million, and an increase in deferred inflows of resources of $8.8 million.

The following table summarizes changes in net position for governmental activities:

City of Palm Beach Gardens
Summary of Changes in Net Position
Years Ended September 30, 2021 and 2020

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	**$ 36,023,005**	$ 33,705,415
Operating grants and contributions	**3,201,518**	4,496,879
Capital grants and contributions	**2,949,930**	50,748
General Revenues:		
Taxes:		
Property taxes	**69,931,518**	67,588,710
Local business tax	**1,587,489**	1,590,949
Public service taxes	**1,904,408**	1,913,129
Unrestricted intergovernmental:		
Sales tax and local option gas tax	**10,055,755**	8,494,954
State shared revenue	**2,012,696**	1,708,901
Local shared revenue	**11,469**	-
Unrestricted investment earnings	**166,002**	1,763,480
Gain on disposal of capital assets	**86,594**	95,446
Miscellaneous	**2,186,084**	1,853,428
Total revenues	**130,116,468**	123,262,039
Expenses:		
General government	**24,161,709**	26,387,153
Public safety	**60,409,881**	55,430,678
Culture/recreation	**11,805,008**	10,761,387
Physical environment	**15,755,751**	14,739,278
Transportation	**2,345,466**	2,284,421
Interest on long-term debt	**821,587**	866,902
Other debt service costs	**59,000**	-
Total expenses	**115,358,402**	110,469,819
Change in net position	**14,758,066**	12,792,220
Net position – beginning	**136,425,966**	123,633,746
Net position – ending	**$ 151,184,032**	$ 136,425,966

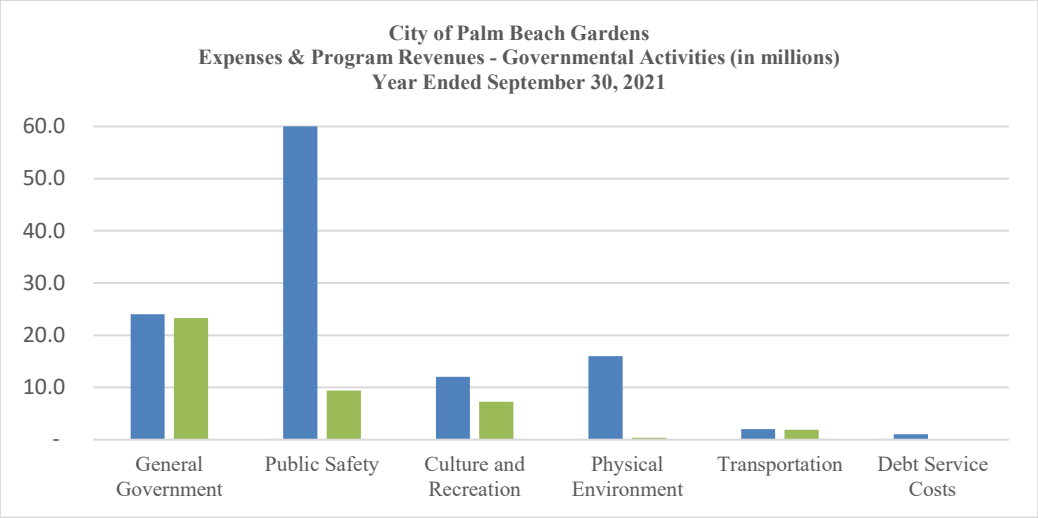
Governmental Activities. As illustrated in the table on the previous page, net position of the City's governmental activities increased by approximately $14.8 million or 10.8% from $136.4 million in last fiscal year to $151.2 million in the current fiscal year. Key elements of this increase are:

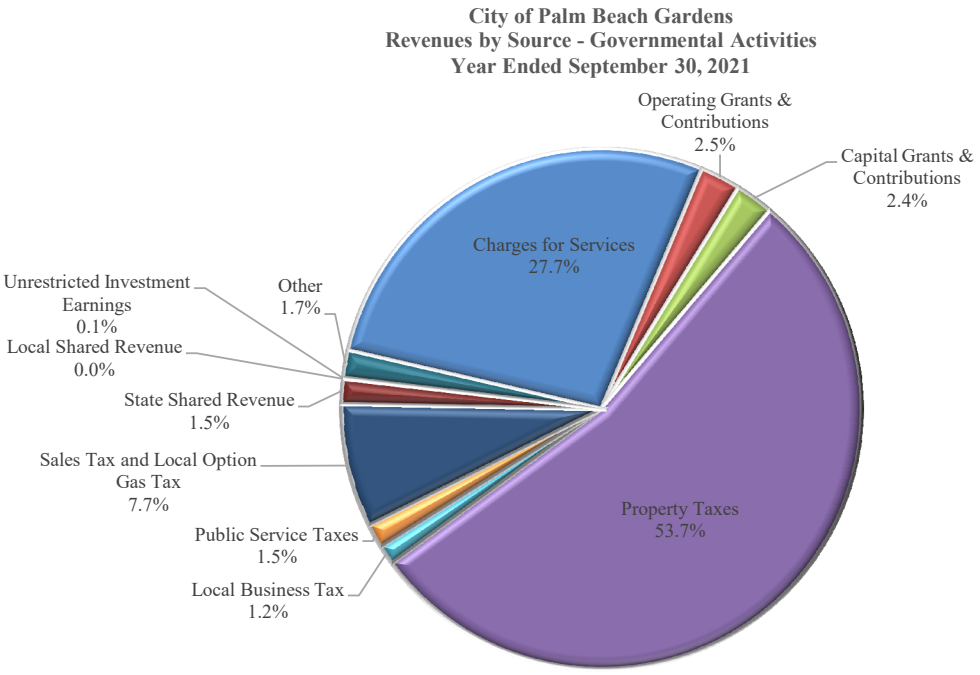
- Total revenues exceeded expenses by $14.8 million mostly due to unanticipated grant reimbursements and federal contributions related to aid for coronavirus relief programs as well as an increase in property taxes due to rising property values.

- Total revenues increased by $6.9 million as a net result of increases in property taxes of $2.3 million (3.5%), increases in sales tax collections of $1.6 million (18.4%), increases in charges for services of $2.3 million (6.9%) due to an increase in building permit activity, increases in capital grants and contributions of $2.9 million related to the federal contributions mentioned in the previous bullet point. These amounts were offset by a reduction in investment earnings of $1.6 million due to the decrease in interest rates throughout the fiscal year.

- Total expenses increased $4.9 million (4.4%), mainly due to personnel increases and the filling of vacant and new positions.

The chart below depicts expenses and program revenues by function for all governmental activities. The graph illustrates the relatively minor amount of support for governmental operations that is derived from program revenues.



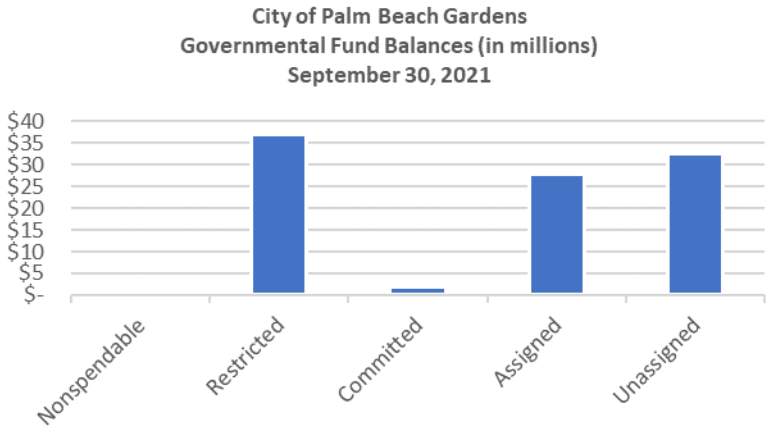


As illustrated in the chart above, property taxes comprise 53.7% of total governmental activity revenues.

Financial Analysis of the City's Funds

As noted earlier, the City of Palm Beach Gardens uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $99.5 million, an increase of $29.4 million in comparison with the prior year.

Approximately 32.8% of this total amount ($32.6 million) represents unassigned fund balance, which includes the budget stabilization fund and amounts available for spending at the City's discretion. The remainder of fund balance was restricted, committed, assigned, or nonspendable for a variety of purposes, such as construction projects, infrastructure improvements, economic development, and law enforcement.

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

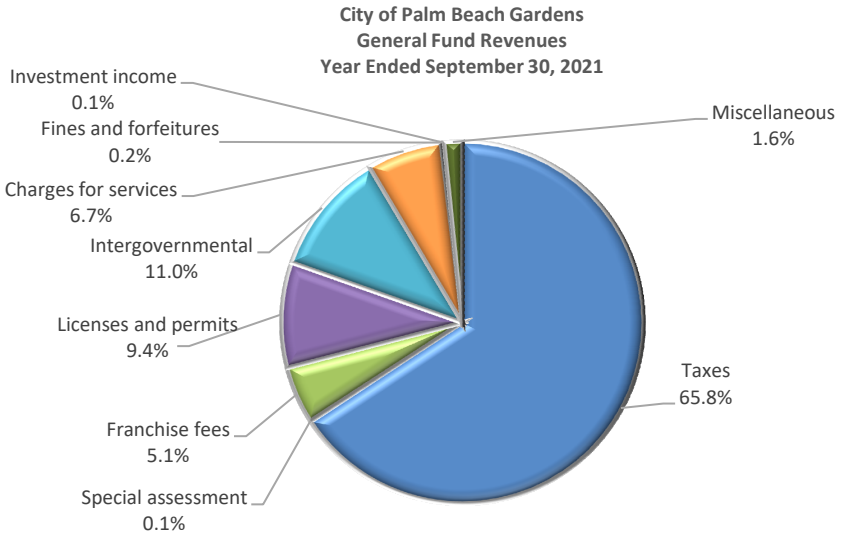
At the end of the current fiscal year, unassigned fund balance of the General Fund was $32.6 million, nonspendable fund balance was approximately $20 thousand, restricted fund balance was approximately 17.1 million, committed fund balance was approximately $1.8 million, and assigned fund balance was $24.0 million for a total fund balance of $75.6 million.

The amount of General Fund revenues by type, their percent of the total and the amount of change compared to last fiscal year are shown in the following schedule:

Revenue Sources	**2021 Amount**	**Percent of Total**	2020 Amount	Percent of Total	Increase (Decrease) From 2020	Percentage of Increase (Decrease)
Taxes	**$ 73,423,415**	**65.8%**	$ 71,092,788	67.5%	$ 2,330,627	3.3%
Special assessment	**112,436**	**0.1%**	112,970	0.1%	(534)	100.0%
Franchise fees	**5,731,627**	**5.1%**	5,473,521	5.2%	258,106	4.7%
Licenses and permits	**10,499,890**	**9.4%**	7,468,226	7.1%	3,031,664	40.6%
Intergovernmental	**12,325,700**	**11.0%**	10,091,901	9.6%	2,233,799	22.1%
Charges for services	**7,429,263**	**6.7%**	7,353,394	7.0%	75,869	1.0%
Fines and forfeitures	**222,458**	**0.2%**	437,638	0.4%	(215,180)	(49.2)%
Investment income	**150,654**	**0.1%**	1,542,513	1.5%	(1,391,859)	(90.2)%
Miscellaneous	**1,753,877**	**1.6%**	1,690,216	1.6%	63,661	3.8%
Total revenues	**$ 111,649,320**	**100.0%**	$ 105,263,167	100.0%	$ 6,386,153	6.1%

As illustrated above, General Fund revenues increased by approximately $6.4 million, or 6.1%, in fiscal year 2021.

Taxes increased by $2.3 million or 3.3% as a result of an increase in property values and new construction. Licenses and permits increased by $3.0 million or 40.6% due to an increase in building permit activity. Intergovernmental revenue increased by $2.2 million or 22.1% due to $2.9 million received as part of the American Rescue Plan Act. Investment income decreased by $1.4 million or 90.2% due to a reduction in interest rates and the effect of unrealized losses.



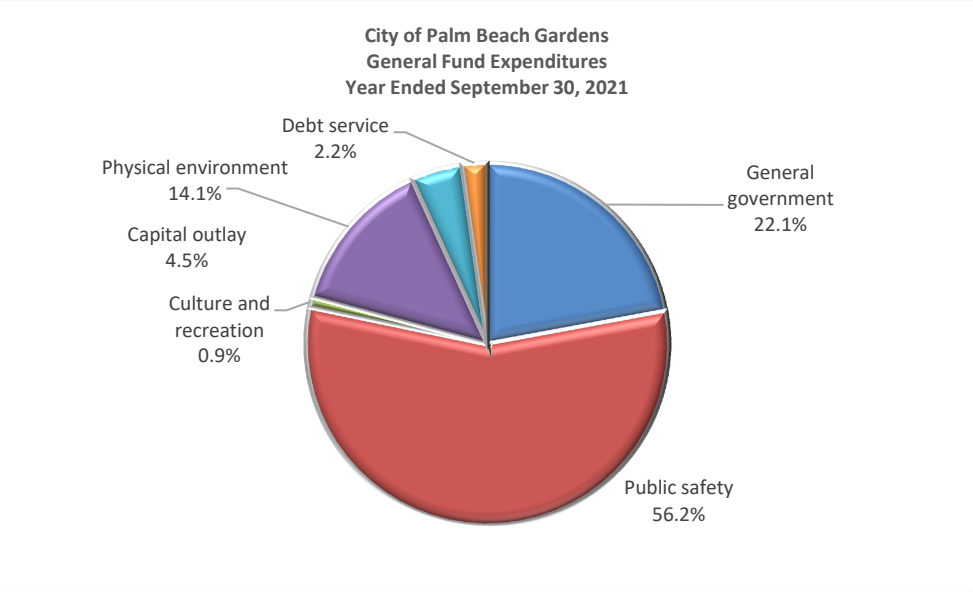
The graph above illustrates the percentage composition of General Fund revenues by type. As can be seen, taxes comprise the majority of General Fund revenues, with the next largest sources of revenues being licenses and permits and intergovernmental revenues.

Expenditures in the General Fund are shown in the following schedule:

Expenditures	2021 Amount	Percent of Total	2020 Amount	Percent of Total	Increase (Decrease) From 2020	Percentage of Increase (Decrease)
General government	**$ 21,802,557**	**22.0%**	$ 21,419,757	21.0%	$ 382,800	1.8%
Public safety	**55,416,990**	**56.2%**	52,588,700	51.4%	2,828,290	5.4%
Culture and recreation	**902,850**	**0.9%**	800,757	0.8%	102,093	12.7%
Physical environment	**13,873,167**	**14.1%**	13,569,137	13.3%	304,030	2.2%
Capital outlay	**4,483,499**	**4.5%**	10,249,870	10.0%	(5,766,371)	(56.3)%
Debt service	**2,205,500**	**2.2%**	3,612,507	3.5%	(1,407,007)	(38.9)%
Total expenditures	**$ 98,684,563**	**100.0%**	$102,240,728	100.0%	$ (3,556,165)	(3.5)%

In fiscal year 2021, total General Fund expenditures decreased $3.6 million or 3.5% compared to the prior year. The decrease is due to a reduction in capital outlay of $5.8 million or 56.3% as a result of the construction of the tennis center clubhouse and the fire training tower in the prior year. This reduction was offset by an increase in personnel costs across the other functions.

As illustrated in the graph below, Public Safety expenditures account for 56.2% of total General Fund expenditures.



Road Impact Fund. The City's Road Impact Fund is a capital project fund established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing increased traffic service levels. Revenues consisted of approximately $1.2 million from impact fees and $1 thousand from investment income. Capital outlay expenditures of $378 thousand were related to road improvements within the City. At the end of the current fiscal year, fund balance was $1.8 million. Current year impact fees were approximately $1.1 million greater than prior year collections.

General Fund Budgetary Highlights

During the past year, the budget was amended once. The Council authorized the budget amendment principally to:

- Adjust the carryover of funds by the amounts restricted, committed, or assigned for purchase orders and projects from the previous fiscal year.
- Adjust fund balance carryovers to actual amounts per the fiscal year 2020 audit.
- Record the proceeds and the related capital outlay of the issuance of a public improvement bond for the construction of an 18 hole par-three golf course and related facilities.
- Record funding and related costs for two grant programs.
- Adjust funds for the negative impact caused by the COVID-19 pandemic.

Actual revenue exceeded final budgeted revenue by approximately $11.7 million mostly due to favorable variances in building permit and inspection activity of $6.0 million and $4 million in intergovernmental revenue due to funding related to the COVID-19 pandemic and proceeds from the American Rescue Plan Act.

Expenditures were $28.6 million less than the final budget. The variance is mostly attributed to unspent bond proceeds and capital projects and purchase orders that will be included in the next fiscal year's budget amendment to carryover funds.

Capital Assets and Debt Administration

Capital Assets. The following table illustrates the City's capital assets for its governmental activities as of September 30, 2021, which amount to $136.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, roadways, drainage and structures, improvements other than buildings and machinery and equipment. The total decrease in the City's capital assets for the current fiscal year was 3.9%.

	Governmental Activities	
	2021	2020
Land	**$ 19,779,365**	$ 19,779,365
Construction in progress	**4,353,595**	31,485,281
Buildings	**40,963,031**	21,094,555
Roadways	**23,806,749**	24,400,572
Drainage and structures	**12,457,608**	12,638,484
Machinery and equipment	**12,145,933**	11,842,530
Improvements other than buildings	**22,830,460**	20,551,390
Total	**$ 136,336,741**	$ 141,792,177

Major capital asset additions during the current fiscal year included the following:

- Building additions including City Hall expansion, a new Operations Center and a new tennis center clubhouse totaling $19.1 million.
- District Park improvement projects totaling $2.0 million.
- Baseball complex expansion project totaling $2.9 million.
- Fire training tower totaling $1.7 million.
- Golf course maintenance building renovation totaling $1.6 million.

Additional information on the City's capital assets can be found in Note 5 starting on page 50 of this report.

Long-term Debt. The following table illustrates the City's governmental activities long-term debt. At the end of the current fiscal year, the City had total debt outstanding of $37.7 million. All of the City's outstanding debt is secured by specified revenue sources.

	Governmental Activities	
	2021	2020
Debt payable:		
Non ad valorem bonds payable	**$ 34,179,509**	$ 23,874,816
Capital leases payable	**3,503,270**	4,851,343
Total	**$ 37,682,779**	$ 28,726,159

All of the City's general obligation debt is rated AAA by Standard & Poor's and Aaa by Moody's. The City's non-ad valorem debt is rated AAA by Standard & Poor's, AA+ by Fitch and Aa1 by Moody's. The City's comprehensive plan provides that debt expenditures shall not exceed 20% of total annual revenues and total outstanding debt is limited to no more than 10% of the City's property tax base.

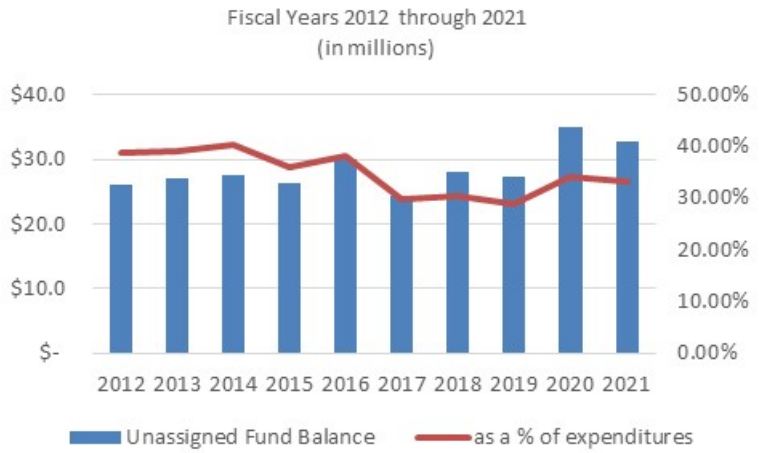
Additional information on the City's long-term debt can be found in Note 6 starting on page 51 of this report.

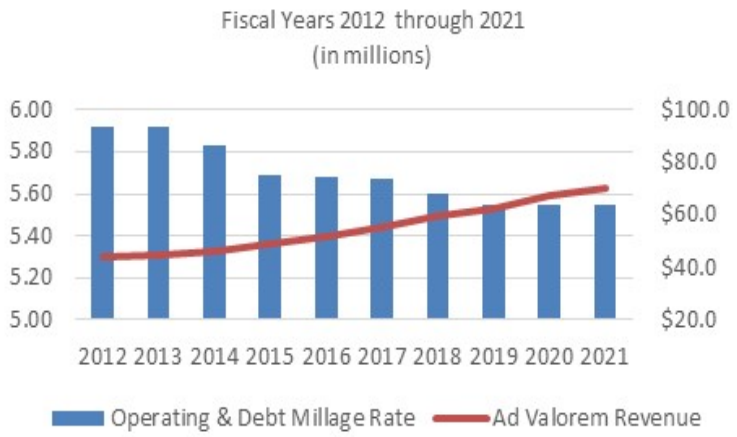
Economic Factors and Next Year's Budgets and Rates

The City's local economy is primarily based upon construction, retail and service activities. The unemployment rate for the City is currently 3.0%. The City's current economic condition continues to expand as new construction continues to grow with $674 million in permit valuation issued during the fiscal year.

These factors were considered in preparing the City of Palm Beach Gardens' budget for the year ending September 30, 2022.

During the current fiscal year, unassigned fund balance in the General Fund was $32.6 million. It is approximately equal to four months of the General Fund expenditures. The current year balance includes approximately $6.7 million as part of the budget stabilization fund. Over the last ten years, the City has been able to maintain its unassigned fund balance, not only in dollar value but as a percentage of expenditures, within the fund balance policy target of 17% as shown in the graph to the right.





In 1995, the State of Florida limited increases in homesteaded property taxable values in any given year to 3% or cost of living, whichever is lower. The graph to the left indicates the property tax revenue collected and millage rate trends over the last ten years. The left axis refers to the millage rate and the right axis refers to the dollar value (millions) of revenue collected. The millage rate has remained the same for the last two fiscal years and will remain constant for the 2022 budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Palm Beach Gardens' finances for all those with an interest in the City's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Allan Owens, Finance Administrator, Finance Department, City of Palm Beach Gardens, 10500 North Military Trail, Palm Beach Gardens, Florida 33410.


PALM BEACH
Gardens

BASIC FINANCIAL STATEMENTS

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities
Assets	
Cash and cash equivalents	$ 74,217,551
Investments	44,245,887
Receivables (net)	2,713,098
Due from other governments	917,554
Inventory	308,914
Prepaid items	77,821
Investment in joint venture	2,258,126
Capital assets not being depreciated	24,132,960
Capital assets being depreciated, net	112,203,781
Total Assets	261,075,692
Deferred Outflows of Resources	
Deferred outflows relating to pensions	28,729,268
Deferred outflows relating to OPEB	615,564
Total Deferred Outflows of Resources	29,344,832
Liabilities	
Accounts payable	2,628,414
Contracts and retainage payable	801,582
Accrued liabilities	3,770,008
Claims payable	725,867
Unearned revenue	4,597,638
Accrued interest payable	430,794
Noncurrent liabilities:	
Due within one year	5,886,247
Due in more than one year	37,459,017
Net pension liability	55,074,792
Total OPEB liability	9,741,708
Total Liabilities	121,116,067
Deferred Inflows of Resources	
Deferred inflows relating to pensions	16,573,413
Deferred inflows relating to OPEB	1,547,012
Total Deferred Inflows of Resources	18,120,425
Net Position	
Net investment in capital assets	111,362,529
Restricted for:	
Capital improvements	13,101,612
Road improvements	4,920,589
Other purposes	5,442,469
Unrestricted	16,356,833
Total Net Position	$ 151,184,032

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2021

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental Activities					
General government	$ 24,161,709	$ 18,999,934	$ 1,338,964	$ 2,928,896	$ (893,915)
Public safety	60,409,881	7,708,650	1,677,448	21,034	(51,002,749)
Culture and recreation	11,805,008	7,198,794	48,033	--	(4,558,181)
Physical environment	15,755,751	368,005	--	--	(15,387,746)
Transportation	2,345,466	1,747,622	137,073	--	(460,771)
Interest on long-term debt	821,587	--	--	--	(821,587)
Other debt service costs	59,000	--	--	--	(59,000)
Total Governmental Activities	$ 115,358,402	$ 36,023,005	$ 3,201,518	$ 2,949,930	(73,183,949)
		General Revenues			
		Taxes:			
		Property taxes			69,931,518
		Local business tax			1,587,489
		Public service taxes			1,904,408
		Unrestricted intergovernmental:			
		Sales tax and local option gas tax			10,055,755
		State shared revenue			2,012,696
		Local shared revenue			11,469
		Unrestricted investment earnings			166,002
		Gain on disposal of capital assets			86,594
		Miscellaneous			2,186,084
		Total General Revenues			87,942,015
		Change in Net Position			14,758,066
		Net Position - Beginning			136,425,966
		Net Position - Ending			$ 151,184,032

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	General Fund	Road Impact Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 36,641,335	$ 4,844,451	$ 22,363,303	$ 63,849,089
Investments	44,245,887	--	--	44,245,887
Receivables:				
Accounts (net of allowance for doubtful accounts of $1,638,342)	381,689	--	34,760	416,449
Special assessment	907,573	--	--	907,573
Franchise fees	1,169,538	--	--	1,169,538
Utility taxes	162,236	--	--	162,236
Interest	55,812	--	--	55,812
Due from other governments	543,674	--	373,880	917,554
Inventory	--	--	118,195	118,195
Prepaid items	19,671	--	5,650	25,321
Total Assets	$ 84,127,415	$ 4,844,451	$ 22,895,788	$ 111,867,654
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	$ 2,168,188	$ 835	$ 126,104	$ 2,295,127
Contracts and retainage payable	551,821	--	249,761	801,582
Accrued liabilities	3,491,606	--	247,959	3,739,565
Unearned revenue	1,420,985	3,039,746	136,907	4,597,638
Total Liabilities	7,632,600	3,040,581	760,731	11,433,912
Deferred Inflows of Resources				
Unavailable revenue - special assessment	907,573	--	--	907,573
Fund Balances				
Nonspendable:				
Prepaid items	19,671	--	5,650	25,321
Inventory	--	--	118,195	118,195
Restricted for:				
American Rescue Plan Act	2,928,895	--	--	2,928,895
Debt service	12,866,335	--	--	12,866,335
Capital improvements	--	--	13,745,425	13,745,425
Road improvements	--	1,803,870	3,116,719	4,920,589
Law enforcement	1,326,386	--	245,650	1,572,036
Art improvements	--	--	941,538	941,538
Committed to:				
Economic development	1,843,141	--	--	1,843,141
Assigned to:				
Capital improvement and replacement	19,467,434	--	--	19,467,434
Special projects	859,740	--	--	859,740
Other purposes	1,647,126	--	3,961,880	5,609,006
Subsequent year budget	2,030,391	--	--	2,030,391
Unassigned	32,598,123	--	--	32,598,123
Total Fund Balances	75,587,242	1,803,870	22,135,057	99,526,169
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 84,127,415	$ 4,844,451	$ 22,895,788	$ 111,867,654

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

Total fund balances - governmental funds (page 19)		$ 99,526,169
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Excludes internal service fund capital assets.)		135,501,560
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (Excludes internal service fund liabilities.) Long-term liabilities at year-end consist of:		
Bonds payable	$ (34,179,509)	
Net pension liability	(54,520,741)	
Capital leases payable	(3,439,777)	
Total OPEB liability	(9,504,080)	
Accrued interest payable	(430,794)	
Compensated absences	(5,163,784)	
		(107,238,685)
Certain deferred inflows and outflows are not required to be reported in the governmental funds but are required to be reported at the government-wide level.		
Deferred outflows relating to pension activity	28,393,988	
Deferred outflows relating to OPEB activity	603,070	
Deferred inflows relating to pension activity	(16,152,566)	
Deferred inflows relating to OPEB activity	(1,511,013)	
		11,333,479
The internal service funds are used by management to charge the cost of fleet maintenance activities and insurance to individual funds. The assets, deferred outflows and liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position.		8,895,810
Other long-term assets/deferred outflows and liabilities/ deferred inflows are not available to pay for current period revenues or expenditures, and therefore, are not recognized in the funds.		
Investment in joint venture		2,258,126
Special assessment		907,573
Total Net Position of Governmental Activities (page 17)		$ 151,184,032

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Road Impact Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes:				
Ad valorem taxes	$ 69,931,518	$ --	$ --	$ 69,931,518
Local business taxes	1,587,489	--	--	1,587,489
Utility taxes	1,904,408	--	--	1,904,408
Special assessment	112,436	--	--	112,436
Franchise fees	5,731,627	--	--	5,731,627
Licenses and permits	10,499,890	--	--	10,499,890
Intergovernmental	12,325,700	--	5,190,877	17,516,577
Impact fees	--	1,220,845	3,153,908	4,374,753
Charges for services	7,429,263	--	5,539,763	12,969,026
Fines and forfeitures	222,458	--	11,241	233,699
Investment earnings	150,654	886	10,562	162,102
Miscellaneous	1,753,877	--	1,240,398	2,994,275
Total Revenues	111,649,320	1,221,731	15,146,749	128,017,800
Expenditures				
Current:				
General government	21,802,557	--	--	21,802,557
Public safety	55,416,990	--	349,029	55,766,019
Culture and recreation	902,850	--	6,525,901	7,428,751
Physical environment	13,873,167	--	--	13,873,167
Transportation	--	--	824,380	824,380
Capital outlay	4,483,499	378,113	2,532,404	7,394,016
Debt service:				
Principal	1,952,066	--	2,917,518	4,869,584
Interest	194,434	--	448,875	643,309
Bond issuance costs	59,000	--	--	59,000
Total Expenditures	98,684,563	378,113	13,598,107	112,660,783
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,964,757	843,618	1,548,642	15,357,017
Other Financing Sources (Uses)				
Transfers in	--	--	2,339,968	2,339,968
Transfers out	(2,339,968)	--	--	(2,339,968)
Bond proceeds	14,000,000	--	--	14,000,000
Total Other Financing Sources (Uses)	11,660,032	--	2,339,968	14,000,000
Net Change in Fund Balances	24,624,789	843,618	3,888,610	29,357,017
Fund Balances - Beginning	50,962,453	960,252	18,246,447	70,169,152
Fund Balances - Ending	$ 75,587,242	$ 1,803,870	$ 22,135,057	$ 99,526,169

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds (page 21)		$ 29,357,017
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. The amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold, and therefore, were not capitalized.		
Expenditures for capital assets	$ 4,694,893	
Less: current year depreciation	(9,887,887)	
		(5,192,994)
Governmental funds report special assessments as revenue when collected, but the statement of activities recorded the full amount of the special assessment as revenue when there became an enforceable legal claim.		
Special assessment		(112,436)
In the statement of activities, the net effect of various miscellaneous transactions involving capital assets (disposals) is to increase net position, whereas in the governmental funds these items have no effect on current financial resources:		
Loss on disposal of capital assets		(60,786)
Debt proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the payment of premiums, discounts and similar items when debt is first issued.		
Bonds issued	(14,000,000)	
Principal payments on debt	4,869,584	
		(9,130,416)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Increase in accrued interest payable	(170,143)	
Increase in compensated absences	(369,271)	
		(539,414)
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68.		
Amount of pension expenses recognized at government-wide level		1,455,059
Certain OPEB expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 75.		
Amount of OPEB expenses recognized at government-wide level		(1,067,435)
Governmental funds report the investment in joint venture as expenditures. However, the cost of the investment in joint venture is recorded as an asset in the statement of net position		108,842
Internal service funds are used by management to charge the cost of fleet maintenance and self-insurance activities to individual funds. The net revenues of the internal service funds are reported with governmental activities		(59,371)
Change in Net Position of Governmental Activities (page 18)		$ 14,758,066

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2021

	Governmental Activities
	Internal Service Funds
Assets	
Current assets:	
Cash and cash equivalents	$ 10,368,462
Accounts receivable	1,490
Inventory	190,719
Prepaid items	52,500
Total current assets	10,613,171
Noncurrent assets:	
Capital assets being depreciated, net	835,182
Total noncurrent assets	835,182
Total Assets	11,448,353
Deferred Outflows of Resources	
Deferred outflows relating to pensions	335,280
Deferred outflows relating to OPEB	12,494
Total Deferred Outflows of Resources	347,774
Liabilities	
Current liabilities:	
Accounts payable	333,288
Accrued liabilities	30,443
Claims payable	725,867
Capital lease payable, current portion	20,099
Total current liabilities	1,109,697
Noncurrent liabilities:	
Claims payable	443,365
Net pension liability	554,051
Total OPEB liability	237,628
Compensated absences payable	55,336
Capital lease payable, net of current portion	43,394
Total noncurrent liabilities	1,333,774
Total Liabilities	2,443,471
Deferred Inflows of Resources	
Deferred inflows relating to pensions	420,847
Deferred inflows relating to OPEB	35,999
Total Deferred Inflows of Resources	456,846
Net Position	
Net investment in capital assets	771,689
Unrestricted	8,124,121
Total Net Position	$ 8,895,810

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 31, 2021

	Governmental Activities
	Internal Service Funds
Operating Revenues	
Charges for services	$ 3,719,019
Employer contributions	8,916,877
Employee contributions	1,614,669
Miscellaneous	554,839
Total Operating Revenues	14,805,404
Operating Expenses	
Personnel expenses	1,004,681
Claims expense	8,967,129
Insurance premiums	679,129
Repair and maintenance	517,246
Fuel and chemicals	612,167
Equipment rental	1,300,304
Operating supplies	217,442
Other professional and contractual	1,175,801
Other expenses	10,135
Depreciation	474,988
Total Operating Expenses	14,959,022
Operating Loss	(153,618)
Nonoperating Revenues/(Expenses)	
Investment income	3,900
Gain on disposal of capital assets	98,482
Interest expense	(8,135)
Total Nonoperating Revenues/(Expenses)	94,247
Change in Net Position	(59,371)
Net Position - Beginning	8,955,181
Net Position - Ending	$ 8,895,810

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 31, 2021

	Governmental Activities
	Internal Service Funds
Cash Flows from Operating Activities	
Receipts for interfund services provided	$ 14,250,565
Payments to suppliers for goods and services	(4,431,298)
Payments to employees for services	(999,906)
Payments for claims	(8,721,597)
Other operating revenues	554,839
Net Cash Provided by Operating Activities	652,603
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(273,332)
Proceeds from sale of capital assets	98,482
Principal paid on capital lease	(173,795)
Interest paid on capital lease	(8,135)
Net Cash Used in Capital and Related Financing Activities	(356,780)
Cash Flows from Investing Activities	
Interest earned	3,900
Net Cash Provided by Investing Activities	3,900
Net increase in cash and cash equivalents	299,723
Cash and cash equivalents, beginning of year	10,068,739
Cash and Cash Equivalents, End of Year	$ 10,368,462
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating loss	$ (153,618)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	474,988
Changes in operating assets/deferred outflows and liabilities/deferred inflows:	
Accounts receivable	(1,490)
Inventory	(57,610)
Prepaid items	649
Deferred outflows relating to pensions	29,796
Deferred outflows relating to OPEB	2,754
Accounts payable	139,572
Accrued liabilities	3,498
Claims payable	242,034
Net pension liability	(442,638)
Total OPEB liability	(141)
Compensated absences	11,774
Deferred inflows relating to pensions	381,317
Deferred inflows relating to OPEB	21,718
Total Adjustments	806,221
Net Cash Provided by Operating Activities	$ 652,603

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2021

	Pension Trust Funds
Assets	
Cash and cash equivalents	$ 509,443
Investments:	
Money market funds	5,409,908
U.S. Government obligations	12,830,859
Mortgage backed securities	14,428,436
Municipal obligations	2,209,427
Fixed income funds	8,748,440
Collateralized mortgage obligations	13,300,558
Certificates of deposit	290,068
Corporate obligations	18,033,001
Equity securities	94,241,664
Equity funds	75,284,209
Foreign bonds	888,390
International funds	2,431,634
Real estate funds	24,530,856
Total investments	272,627,450
Receivables:	
Interest and dividends	286,758
Employer	83,887
Pending trades	42,437
Employees	20,937
Total receivables	434,019
Prepaid items	350,534
Total Assets	273,921,446
Liabilities	
Accounts payable	284,484
Pending trades payable	1,777,611
Total Liabilities	2,062,095
Net Position	
Net position restricted for pension benefits	$ 271,859,351

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

YEAR ENDED SEPTEMBER 30, 2021

	Pension Trust Funds
Additions	
Contributions:	
City	$ 8,588,465
Insurance premium taxes collected by the State of Florida on behalf of the City of Palm Beach Gardens	1,442,569
Employees	1,449,255
Total contributions	11,480,289
Investment earnings:	
Net appreciation in fair value of investments	44,443,175
Interest and dividends	4,437,165
Other	205
Total investment earnings	48,880,545
Less investment expenses	(909,427)
Net investment earnings	47,971,118
Total Additions	59,451,407
Deductions	
Pension benefits	12,184,880
Refund of participant contributions	33,298
Administrative expenses	296,003
Total Deductions	12,514,181
Change in Net Position	46,937,226
Net Position Restricted for Pension Benefits	
Beginning of year	224,922,125
End of year	$ 271,859,351

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Palm Beach Gardens, Florida (the "City") was incorporated in 1959, pursuant to House Bill No. 2186, and is located in Northern Palm Beach County, Florida. The City is governed by an elected City Council (the "Council"), which appoints a City Manager. The City provides the following services to its residents: public safety, growth management, sanitation, streets and roads, parks, recreation and a golf course. The Council is responsible for legislative and fiscal control of the City. The City operates under a Council-Manager form of government.

Significant accounting and reporting policies and practices used by the City are described below:

A. FINANCIAL REPORTING ENTITY

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The financial statements were prepared in accordance with GASB Codification Section 2100, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Based upon the application of these criteria, there were no organizations that met the criteria for component units described above.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The City reported no business-type activities during the current fiscal year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits are recorded only when payment is due.

Property taxes when levied for, franchise taxes, licenses, charges for services, intergovernmental if eligibility requirements are 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 available. All other revenue items are considered to be measurable only when cash is received by the City.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

The City reports the following major governmental funds:

The *General Fund* – The general fund is the primary operating fund and is used to account for all financial resources applicable to the general operations of the City except those required to be accounted for in another fund.

The *Road Impact Fund* – This capital project fund was established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing increased traffic service levels.

Additionally, the City reports the following fund types:

The *Internal Service Funds* – The City operates two internal service funds to account for fleet management services provided to other departments on a cost reimbursement basis and to account for self-insurance health benefits.

The *Pension Trust Funds* – The City's three defined benefit pension plans are accounted for in individual pension trust funds. The pension trust funds are the General Employees' Pension, the Police Pension and the Fire Pension.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

principal ongoing operations. The principal operating revenues of an internal service fund are charges to other funds for usage. Operating expenses for the internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as deposits with financial institutions, money market accounts, local government investment pools and highly liquid investments which are readily convertible to known amounts of cash and have a maturity when purchased of three months or less.

For purposes of the statement of cash flows, cash and cash equivalents also include each respective fund's equity in pooled cash and investments that are described above. Each fund is able to withdraw cash at any time without prior notice or penalty and there is sufficient liquidity to meet the daily cash needs of each fund.

INVESTMENTS

The City categorizes investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. Investments are reported at fair value based on quoted market prices in active markets on a trade date basis. Money market mutual funds and commercial paper that has a remaining life of one year or less upon acquisition are reported at amortized cost. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains and losses for securities which are sold. Interest and dividend income are recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade basis. Additional information regarding the fair value measurement of investments is disclosed in Note 2.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

INTERFUND RECEIVABLES AND PAYABLES

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

RECEIVABLES

Receivables include amounts due for a special assessment, franchise taxes, insurance claims, utility taxes, extra police services and emergency medical services. The City does not require collateral for accounts receivable. Receivables for emergency medical service billings are reported net of an allowance for doubtful accounts, which is determined based on the age of the individual receivable. Generally, the allowance includes accounts over 60 days past due. Receivables are written off on an individual basis in the year the City deems them to be uncollectible.

INVENTORY

Inventory is valued at cost for items not held for sale and at the lower of cost or net realizable value (only if held for sale) using the first-in, first-out basis and accounted for using the consumption method whereby inventories are charged against operations in the period when used. Inventory in the special revenue recreation programs and golf course funds consists of merchandise held for resale. Inventory in the internal service fund consists of vehicle engine parts and fuel held for consumption. The non-spendable portion of fund balance for inventory in governmental fund types equals the physical inventory to indicate that a portion of fund balance is not available for appropriation.

PREPAID ITEMS

Prepaid items consists of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. These items are accounted for using the purchasing method. Reported amounts in governmental funds are equally offset by a non-spendable category of fund balance to indicate that these amounts are not available for appropriation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure (e.g., streets, sidewalks, drainage or similar items) are reported in governmental activities in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of $5,000 or more and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. Lease agreements that qualify as capital leases are recorded at the present value of their future minimum lease payments as of the inception date. The City did not retroactively record their intangible assets with the implementation of GASB Statement No. 51. For fiscal year 2021, no separately identifiable assets met the threshold for recording.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, buildings, equipment and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	15 – 25
Roadways	3 – 40
Drainage and structures	35 – 75
Machinery and equipment	3 – 7
Improvements other than buildings	15
Land improvements	25

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is reported.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

UNEARNED REVENUE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Unearned revenue is a liability that arises when resources are obtained before revenue recognition criteria, other than time recognition criteria, have been satisfied. The unearned revenue consists mainly of business taxes and impact fees received in advance of the year for which they are levied. These amounts are recognized as revenue in the year that the revenue recognition criteria has been met.

In addition to assets and liabilities, the government-wide statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/ expense) until that time. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

The City has one item, unavailable revenues relating to a special assessment that is reported as a deferred inflow of resources within the governmental fund financial statements. These amounts are recognized as revenue in the year that the amounts become available.

Within the government-wide statement of net position, the City reports deferred inflows/outflows of resources related to pensions and other post-employment benefits ("OPEB") for amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension plans. The amounts will be amortized over a five-year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable. See Note 8 and 9 for additional details.

COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate a limited amount of earned but unused personal leave, which will be paid upon separation of service. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if it has matured, for example, as a result of employee resignation or retirements. Compensated absences for governmental activities typically have been liquidated in the general fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

ON-BEHALF PAYMENTS

The City receives on-behalf payments from the State of Florida to be used for Police and Fire-Rescue pension benefits. Such payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP basis government-wide and general fund financial statements, but are not budgeted and therefore are not included in the general fund budgetary comparison schedule. On-behalf payments paid to the City by the State totaled $1,442,569 for the year ended September 30, 2021. Pursuant to City Ordinance, the Fire Pension deducts 2% of the total compensation for participants from the Chapter 175 taxes received during the fiscal year and allocates this amount as Employee Contributions in lieu of increasing the members' contribution rate.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized during the current period. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received and principal payments on debt are reported as debt service expenditures.

NET POSITION

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investment in capital assets consist of capital assets reduced by accumulated depreciation and by any outstanding debt and any deferred inflows/outflows associated with the debt, incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Net position is reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by other governments, creditors or grantors. Unrestricted net position consists of all remaining net position that do not meet the definition of either of the other two components.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

FUND BALANCE

In the fund financial statements, fund balance is a measurement of available financial resources and is the difference between total assets and deferred outflows and total liabilities and deferred inflows in each fund. Governmental accounting principles distinguish fund balance classification based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, the City's fund balance amounts will be reported in the following categories:

Nonspendable. Represents amounts that are not in a spendable form, or are legally or contractually required to be maintained intact.

Restricted. Represents amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation.

Committed. Represents amounts that can be used only for the specific purposes determined by a formal action (ordinance or resolution which are of equal authority) of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through the same action that created the commitment.

Assigned. Represents amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council or by a designee to whom the governing body delegates the authority. Under the City's adopted policy through resolution, only the City Council or City Manager may assign amounts for specific purposes. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned. Includes all amounts not contained in other classifications and is the residual classification of the General Fund only. Unassigned amounts are the portion of Fund Balance which is not obligated or specifically designated and is available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

FUND BALANCE (CONTINUED)

The goal of the City's fund balance policy is to achieve and maintain an Unassigned Fund Balance in the General Fund at fiscal year-end of not less than 17% of expenditures, which represents approximately two (2) months' operating expenditures. If the Unassigned Fund Balance at fiscal year-end falls below the goal, the City shall develop a restoration plan to achieve and maintain the minimum fund balance. At the end of the fiscal year, the City's unassigned fund balance equaled 33.0% of expenditures.

FLOW ASSUMPTIONS

Net Position Flow Assumption
Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption
Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

USE OF ESTIMATES

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

E. IMPLEMENTATION OF GASB STATEMENTS

The following GASB Statements were effective for the City during the fiscal year ended September 30, 2021.

- GASB Statement No_ 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

- GASB Statement No._ 90, *Majority Equity Interests - an Amendment of GASB Statements No. 14 and No. 61,* defines a majority equity interest and specifies the basis for measurement of a majority equity interest in a legally separate organization.

- GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance,* extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The adoption of GASB No. 95 did not have an impact on the City financial statements.

- GASB Statement No. 98, *The Annual Comprehensive Financial Report* establishes the term *annual comprehensive financial report* and its acronym *ACFR.* That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in GAAP for state and local governments.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2021, excluding amounts held by Fiduciary Funds, include petty cash of $25,405 and deposits with financial institutions with a carrying value of $31,448,643 and a bank balance of $32,285,176. Cash equivalents also includes $42,743,503 in money market funds which are recorded at amortized cost. Cash equivalents consist of amounts invested in money market mutual funds, local government investment pools and securities with a maturity of less than three months.

The FL PALM is an external investment pool that is not registered with the Securities Exchange Commission (SEC) but operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 allows funds to use amortized cost to maintain a constant net asset value of $1.00 per share. There are no restrictions or fees to withdrawal from this pool.

Cash of the Fiduciary Funds at September 30, 2021, consist of deposits with financial institutions with a carrying value and bank balance of $509,443.

All deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer 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. Accordingly, all deposits with financial institutions are considered fully insured. The money market mutual fund deposits are uninsured and uncollateralized.

INVESTMENTS

Florida Statutes and the City's investment policy authorize the City to invest in obligations and agencies of the U.S. Government; fully collateralized interest bearing time deposits or savings accounts with banks or savings and loan associations; the State Board of Administration Florida PRIME Fund; local government investment pools; short-term corporate obligations; investments in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

1940, provided the portfolio of such investment company is limited to Government Obligations and to repurchase agreements fully collateralized by such Government Obligations; Government National Mortgage Association, Fannie Mae or Florida Home Loan Mortgage Corporation. The City's Pension Boards have full power and authority to invest and reinvest subject to the general terms, conditions, limitations and restrictions imposed by Part VII, Chapter 112, Florida Statutes, on the investments of public employee retirement systems.

The General Employees' Pension Plan is a participating member in the Florida Municipal Pension Trust Fund (FMPTF) and therefore the investments follow the policies established by the Master Trust Agreement. The agreement provides that the Master Trustees have the authority and discretion to manage and control the assets of the FMPTF. The established investment policy and portfolio guidelines are designed to assist the plan administrator in monitoring the assets and to guide investment managers with structuring portfolios that are consistent with the FMPTF desired performance results and levels of acceptable risk. A variance of more than 5% from the approved allocation percentages of any asset class requires approval by the Master Trustees. The FMPTF has adopted operating procedures consistent with the requirements for a 2a-7 like pool. The FMPTF is an external investment pool and therefore, the fair value of the City's position in the pool is the same as the value of pool shares.

Due to the various risks associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

FAIR VALUE HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes is fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1
Investments' fair values based on prices quoted in active markets for identical assets.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

Level 2
Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3
Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques for the City's investments. Level 1 and 2 prices are obtained from various pricing sources by the City's custodian bank:

Money market funds and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock and mutual fund equities.

Debt securities classified as Level 2 are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, and corporate obligations, including asset backed, bonds and notes.

The General Employees' Pension Plan invests in various funds in which the underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. Value is based on market corroborated data. (Level 2 inputs).

The General Employees' Pension Plan invests in a Core Plus Fixed Income Fund. This fund invests in two underlying funds, which are not publicly quoted. These underlying funds invest in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, litigation trusts for both U.S. and foreign companies and governments. Value is based on unobservable inputs. (Level 3 inputs).

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The General Employees' Pension Plan also invests in a Core Real Estate Fund. This fund invests in one underlying fund, which are not publicly quoted. The underlying fund invests in core real estate in the United States, which is valued based on quarterly real estate appraisals. Value is based on unobservable inputs. (Level 3 inputs).

The Police Officer and Fire Pensions hold certain investments in alternative assets consisting of real estate funds and a collective investment trust fund which hold a variety of investment vehicles that do not have readily available market quotations. The alternative investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

The following are recurring fair value measurements as of September 30, 2021:

Investment Types	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Primary Government				
U.S. Government obligations	$ 16,154,321	$ --	$ 16,154,321	$ --
Mortgage backed securities	5,925,167	--	5,925,167	--
Corporate obligations	4,620,408	--	4,620,408	--
Municipal obligations	656,699	--	656,699	--
Total Investments by Fair Value Level	27,356,595	$ --	$ 27,356,595	$ --
Commercial paper (exempt)	16,889,292			
Total Primary Government Investments	$ 44,245,887			

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

	Reported Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fiduciary Funds				
Investments by fair value level:				
U.S. Government obligations	$ 12,830,859	$ 5,268,954	$ 7,561,905	$ --
Mortgage-backed securities	14,428,436	--	14,428,436	--
Collateralized mortgage obligations	13,300,558	--	13,300,558	--
Fixed income funds	8,748,440	7,675,787	531,186	541,467
Corporate obligations	18,033,001	--	18,033,001	--
Municipal obligations	2,209,427	--	2,209,427	--
Foreign bonds	888,390	--	888,390	--
Certificates of deposit	290,068	--	290,068	--
Equity securities	43,048,242	43,048,242	--	--
Equity funds	128,210,156	126,866,769	1,343,387	--
International funds	699,109	--	699,109	--
Real estate funds	6,200,806	--	--	6,200,806
Total Investments by Fair Value Level	248,887,492	$ 182,859,752	$ 59,285,467	$ 6,742,273
Investments Measured at the Net Asset Value (NAV) *				
Real estate funds	18,330,050			
Total Investments Measured at NAV	18,330,050			
Money market funds (exempt)	5,409,908			
Total Fiduciary Funds Investments	$ 272,627,450			

* As required by generally accepted accounting principles (GAAP), certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (Days)
Real estate fund [1]	$ 11,525,546	$ --	Quarterly	10 days
Real estate fund [2]	6,804,504	--	Quarterly	90 days
Total Investments Measured at NAV	$ 18,330,050	$ --		

(1) Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.

(2) Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 90 days prior to quarter end.

The value, liquidity, and related income of certain securities with contractual cash flows, such as asset backed securities collateralized by mortgage obligations, commercial mortgage backed securities, and mutual funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk disclosures are required for debt investment pools - such as bond mutual funds and external bond investment pools—that do not meet the requirements to be reported as a 2a7-like pool. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Cash equivalents have a weighted average maturity of ninety days or less, resulting in minimal interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy states that securities included within the short term fund will have maturities of less than one year. Investments included in the core fund will have a maximum maturity of five (5) years. Although the Fiduciary Funds' investment policies do not provide limitations as to maturities, the Funds minimize the risk of fair value losses in fixed income portfolios due to rising interest rates by structuring the investment portfolio so that securities mature to meet ongoing cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities or by cash flow projections. The table below summarizes the scheduled maturities of fixed income investments at September 30, 2021:

		Investment Maturities			
Investment Types	Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Primary Government					
U.S. Government obligations	$ 16,154,321	$ --	$ 16,154,321	$ --	$ --
Mortgage backed securities	5,925,167	--	5,925,167	--	--
Corporate obligations	4,620,408	--	4,620,408	--	--
Municipal obligations	656,699	--	656,699	--	--
Commercial paper	16,889,292	16,889,292	--	--	--
Total Primary Government	$ 44,245,887	$ 16,889,292	$ 27,356,595	$ --	$ --

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK (CONTINUED)

		Investment Maturities			
Investment Types	Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Fiduciary Funds					
Money market funds (at cost)	$ 5,409,908	$ 5,409,908	$ --	$ --	$ --
U.S. Government obligations	12,830,859	2,754,837	2,696,316	4,616,266	2,763,440
Mortgage-backed securities	14,428,436	--	1,053,023	1,831,889	11,543,524
Fixed income funds	1,072,653	--	1,072,653	--	--
Collateralized mortgage obligations	13,300,558	83,949	1,703,539	3,362,728	8,150,342
Corporate obligations	18,033,001	848,158	5,377,551	7,033,702	4,773,590
Municipal obligations	2,209,427	673,096	668,881	--	867,450
Foreign bonds	888,390	--	247,194	377,812	263,384
Certificates of deposit	290,068	--	290,068	--	--
Total Fiduciary Funds	$ 68,463,300	$ 9,769,948	$ 13,109,225	$ 17,222,397	$ 28,361,730

CREDIT RISK

Credit risk is the risk that an issuer will not fulfill its obligations. The City's investment policy minimizes credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. The Police Pension Plan's investment policy limits corporate obligations to only those holding a rating of one of the three highest classifications by a Nationally Recognized Statistical Ratings Organization ("NRSRO"). The Fire Pension Plan's policy limits investments to securities with a rating of investment grade or a higher classification by an NRSRO. The General Employee Pension Plan's investment policy does not limit corporate obligations to those with one of the three highest classifications by an NRSRO. The NRSRO ratings for the City's and the Plan's investments at September 30, 2021, are summarized below.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CREDIT RISK (CONTINUED)

Investment Type	NRSRO Rating	Value
Money market funds (at cost)	Aaa-mf	$ 2,886,967
Money market funds (at cost)	Aaa-mf	2,522,941
Fixed income funds	AA	1,072,653
U.S. Gov't bonds & notes	Aaa…AA+	16,154,321
U.S. Gov't bonds & notes	Aaa…AA+	9,198,288
U.S. Gov't bonds & notes	Aaa	3,632,571
U.S. Gov't agency securities	Aaa…AA+	5,925,167
U.S. Gov't agency securities	Aaa…A	8,891,510
U.S. Gov't agency securities	Aaa	5,536,926
Commercial paper	A-1…P-1	16,889,292
Collateralized mortgage obligations	Aaa…A	1,114,282
Collateralized mortgage obligations	Aaa…A2	12,186,276
Corporate Obligations	Aa1…BBB+	4,620,408
Corporate Obligations	Aaa…BBB-	9,306,826
Corporate Obligations	Aaa…Baa3	8,726,175
Municipal Obligations	Aa3...A+	656,699
Municipal Obligations	Aaa…Baa2	2,209,427
Foreign bonds	Aa2…BBB	888,390
Certificates of deposit	Unrated	290,068
Fixed income funds	Unrated	7,675,787
Equity securities	Unrated	94,241,664
Equity funds	Unrated	75,284,209
International funds	Unrated	2,431,634
Real estate funds	Unrated	24,530,856

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policy of the City minimizes this risk by prohibiting the purchase of securities subject to custodial credit risk. The City and its pension plans require that all securities be held by a third party custodian in the name of the City or the respective Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy limits the concentration of credit risk by setting limits on the maximum amount of securities held by type and by single issuer. The City's Police Pension Plan's investment policies limit investments in the stock of any one issuing company to 5% of the Plan's assets and to 5% of the outstanding capital stock of any issuing company. The City's Fire Pension Plan's investment policy limits investments in the stock of any one issuing company to 3% of the Fund's assets, and to 3% of the outstanding capital stock of any issuing company. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement.

The General Employees' Pension Plan as well as the Police and Fire Pension Plans did not hold investments in any one organization that represents 5% or more of the pension plan's fiduciary net position.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no direct exposure to foreign currency risk in the City's and the Plans' investments at September 30, 2021 as all foreign investments are denominated in U.S. dollars.

NOTE 3 –RECEIVABLES

Receivables and the related allowance for doubtful accounts at September 30, 2021, are summarized as follows:

	Gross Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable
Governmental Activities			
Due from EMS	$ 1,945,241	$ (1,638,342)	$ 306,899
Special assessment	907,573	--	907,573
Franchise fees	1,169,538	--	1,169,538
Utility taxes	162,236	--	162,236
Interest	55,812	--	55,812
Extra police services	34,760	--	34,760
Other miscellaneous services	74,790	--	74,790
Total Governmental Activities	$ 4,349,950	$ (1,638,342)	$ 2,711,608

NOTE 4 – PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment roll meets all of the appropriate requirements of State law. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

The tax levy of the City is established by the Council prior to October 1st of each year during the budget process. The Palm Beach County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the City for the year ended September 30, 2021, was 5.55 ($5.55 for each $1,000 of assessed valuation).

Taxes may be paid less a 4% discount in November, or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1st following the tax year, certificates are offered for sale for all delinquent taxes on real property.

NOTE 4 – PROPERTY TAXES *(CONTINUED)*

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2021, unpaid delinquent taxes are not material and have not been recorded by the City.

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021, was as follows:

	Balance October 1, 2020	Additions/ Transfers	Retirements/ Transfers	Balance September 30, 2021
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 19,779,365	$ --	$ --	$ 19,779,365
Construction in progress	31,485,281	6,859,149	(33,990,835)	4,353,595
Total capital assets not being depreciated	51,264,646	6,859,149	(33,990,835)	24,132,960
Capital assets being depreciated:				
Buildings	46,551,352	22,409,289	(72,201)	68,888,440
Roadways	73,336,016	654,884	--	73,990,900
Drainage and structures	18,052,974	--	--	18,052,974
Machinery and equipment	36,070,457	4,457,672	(2,367,987)	38,160,142
Improvements other than buildings	38,817,967	4,578,067	(555,792)	42,840,242
Total capital assets being depreciated	212,828,766	32,099,912	(2,995,980)	241,932,698
Less accumulated depreciation:				
Buildings	(25,456,797)	(2,508,613)	40,001	(27,925,409)
Roadways	(48,935,444)	(1,248,707)	--	(50,184,151)
Drainage and structures	(5,414,490)	(180,876)	--	(5,595,366)
Machinery and equipment	(24,227,927)	(4,132,469)	2,346,187	(26,014,209)
Improvements other than buildings	(18,266,577)	(2,282,930)	539,725	(20,009,782)
Total accumulated depreciation	(122,301,235)	(10,353,595)	2,925,913	(129,728,917)
Total capital assets being depreciated, net	90,527,531	21,746,317	(70,067)	112,203,781
Governmental Activities Capital Assets, Net	$ 141,792,177	$28,605,466	$ (34,060,902)	$136,336,741

NOTE 5 – CAPITAL ASSETS *(CONTINUED)*

Governmental Activities	
General government	$ 1,614,356
Public safety	2,722,149
Culture and recreation	4,010,539
Physical environment	474,815
Transportation	1,531,736
Total Depreciation Expense – Governmental Activities	$10,353,595

NOTE 6 – LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance October 1, 2020	Additions	Reductions	Balance September 30, 2021	Due Within One Year
Governmental Activities					
Debt Payable					
Pubic improvement refunding bonds	$ 1,005,000	$ --	$ (325,000)	$ 680,000	$ 335,000
Public improvement bonds from direct borrowings	22,869,816	14,000,000	(3,370,307)	33,499,509	3,849,106
Capital lease obligations from direct borrowings	4,851,343	--	(1,348,073)	3,503,270	981,490
Total Debt Payable	28,726,159	14,000,000	(5,043,380)	37,682,779	5,165,596
Other Liabilities					
Compensated absences	4,838,075	4,788,068	(4,407,023)	5,219,120	277,286
Claims payable	411,013	8,350,577	(8,318,225)	443,365	443,365
Total Other Liabilities	5,249,088	13,138,645	(12,725,248)	5,662,485	720,651
Total Governmental Activities	$ 33,975,247	$ 27,138,645	$ (17,768,628)	$ 43,345,264	$ 5,886,247

The general fund is typically used to liquidate net pension and OPEB liabilities.

NOTE 6 – LONG-TERM DEBT *(CONTINUED)*

CAPITAL LEASES PAYABLE

The City has entered into various lease agreements as lessee for financing the acquisition of fire rescue and police vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Assets acquired through capital leases are as follows:

	Governmental Activities
Assets	
Machinery and equipment	$ 8,567,359
Less accumulated depreciation	(5,149,583)
Total	$ 3,417,776

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

Year Ending September 30,	Governmental Activities
2022	$ 1,108,850
2023	1,459,498
2024	508,394
2025	373,142
2026	126,931
2027-2028	175,912
Total Minimum Lease Payments	3,752,727
Less amount representing interest	(249,457)
Present Value of Minimum Lease Payments	$ 3,503,270

NOTE 6 – LONG-TERM DEBT *(CONTINUED)*

OPERATING LEASES

The City has entered into a fleet leasing agreement with Enterprise Fleet Management to lease fleet vehicles rather than purchasing the units outright. The leasing program will result in a complete change out of all current fleet vehicles, including police and public service vehicles within five years. At September 30, 2021, the City was in possession of 134 vehicles of which 9 vehicles had a term of 36 months and 125 vehicles had a term of 60 months. Total costs for the leases were $1,004,292 for the year ended September 30, 2021.

The future minimum lease payments for these leases are as follows:

Year Ending September 30,	Governmental Activities
2022	$ 869,645
2023	843,496
2024	409,804
2025	122,646
2026	40,412
Total Minimum Lease Payments	$ 2,286,003

BONDS PAYABLE

Public Improvement Bonds

On November 6, 2003, the City Council approved, through adoption of Resolution 174, 2003, the issuance of Public Improvement Bonds in one or more series for the purpose of financing the costs of acquiring, constructing and installing capital and non-capital projects and refunding prior obligations issued by the City. The bonds are payable from non-ad valorem revenues.

NOTE 6 – LONG-TERM DEBT *(CONTINUED)*

BONDS PAYABLE (CONTINUED)

	Outstanding Balance
Public Improvement Bonds	
Series 2011 The City issued $16,190,000 Public Improvement Refunding Bonds, Series 2011 on November 8, 2011, to advance refund the outstanding Public Improvement Refunding Bonds, Series 2003. Interest at rates ranging from .85% to 3.75% is payable semi-annually on May 1 and November 1. Principal is payable in annual installments of $325,000 to $1,880,000, with the final payment due May 1, 2023. Debt service payments will be made from the general fund.	$ 680,000
Public Improvement Bonds from Direct Borrowings	
Series 2013 On June 6, 2013, the City approved, through adoption of Resolution 39, 2013, the issuance of the Public Improvement Bond, Series 2013, in the amount of $4,300,000 for the purpose of financing the cost of improvements to the City's Golf Course and the construction of a new fire station. Interest at rates ranging from 1.77% to 2.29% is payable semiannually on June 1 and December 1. Principal is payable in annual installments of $209,370 to $245,403, with the final payment due December 1, 2022. Debt service payments will be made from the general fund.	729,509
Series 2017 On February 9, 2017, the City approved, through adoption of Resolution 14, 2017, the issuance of the Public Improvement Bond, Series 2017, in the amount of $30,000,000 for the purpose of financing the cost of certain infrastructure projects within the City relating to the one-cent sales surtax. Interest at the rate of 2.20% is payable semiannually on April 1 and October 1. Principal is payable in annual installments of $2,725,000 to $3,300,000, with the final payment due October 1, 2026. Debt service payments will be made from the one-cent sales surtax capital improvements fund.	18,770,000

NOTE 6 – LONG-TERM DEBT *(CONTINUED)*

BONDS PAYABLE (CONTINUED)

Public Improvement Bonds from Direct Borrowings (continued)

	Outstanding Balance
Series 2021 On January 14, 2021, the City approved, through adoption of Resolution 7, 2021, the issuance of the Public Improvement Bond, Series 2021, in the amount of $14,000,000 for the purpose of financing the cost of an 18 hole par-three golf course and related facilities. Interest at the rate of 2.15% is payable semiannually on October 1 and March 1. Principal is payable in annual installments of $405,000 to $860,000, with the final payment due October 1, 2040. Debt service payments will be made from the general fund.	14,000,000
Total Public Improvement Bonds	$ 34,179,509

Annual debt service payments to maturity for all bonds are as follows:

Year Ending	Public Improvement Bonds		Public Improvement Bonds from Direct Borrowings		
September 30	Principal	Interest	Principal	Interest	Total
2022	$ 335,000	$ 24,662	$ 3,849,106	$ 750,030	$ 4,958,798
2023	345,000	12,938	3,855,403	603,296	4,816,637
2024	--	--	3,695,000	520,490	4,215,490
2025	--	--	3,770,000	438,678	4,208,678
2026	--	--	3,855,000	355,111	4,210,111
2027-2031	--	--	6,635,000	1,061,259	7,696,259
2032-2036	--	--	3,710,000	646,935	4,356,935
2037-2040	--	--	4,130,000	225,750	4,355,750
Total	$ 680,000	$ 37,600	$ 33,499,509	$ 4,601,549	$ 38,818,658

IN-SUBSTANCE DEFEASANCE – PRIOR YEARS

In 2011, the City defeased the Public Improvement and Refunding Bonds, Series 2003 by creating a separate irrevocable trust fund. New debt was issued and the proceeds of the new debt were used to purchase U.S. government securities that were placed in an irrevocable trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures.

NOTE 6 – LONG-TERM DEBT (CONTINUED)

BONDS PAYABLE (CONTINUED)

IN-SUBSTANCE DEFEASANCE – PRIOR YEARS (continued)

For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of September 30, 2021, the amount of defeased debt outstanding, but removed from the City's government-wide financial statements is $1,020,000.

NOTE 7 – INTERFUND TRANSFERS

The following is a summary of transfers by fund type for the year ended September 30, 2021:

	Transfer In	
Transfer Out	Non-major governmental funds	Total
General Fund	$ 2,339,968	$ 2,339,968
Total Funds	$ 2,339,968	$ 2,339,968

Transfers were made to move funds from the general fund to the recreation special revenue fund to offset the anticipated operating loss as a result of the COVID-19 pandemic.

NOTE 8 – PENSION PLANS

COST-SHARING DEFINED BENEFIT PLANS

In October 2006, the City approved, through the adoption of Resolution 84, 2006, the participation in the Florida Retirement System ("FRS") for general employees, including elected officials and senior management. Employees participating in another City retirement plan that were hired prior to October 1, 2006, had the right to elect to continue participating in the City plan or discontinue participation in the City plan and join the FRS. Employees that elected to join the FRS were eligible for past service credit, at the City's expense, for the period of the participation in the City retirement plan, up to 9.75 years. Additional past service credit could be purchased at the employee's expense.

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

There are two defined benefit plans as part of the Florida Retirement System. The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) for eligible employees, and the Health Insurance Subsidy Program.

("HIS") is a cost-sharing, multiple-employer defined benefit pension plan. The FRS and HIS were created by the Florida Legislature and are administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability or death benefits for retirees or their designated beneficiaries while HIS assists retirees in paying costs related to health insurance. All retirement legislation must comply with Article X, Section 14 of the State Constitution and Part VII, Chapter 112 Florida Statutes. Both of these provisions require that any increase in retirement benefits must be funded concurrently on an actuarially sound basis.

Both plans are included as a fiduciary fund in the State of Florida's Annual Comprehensive Financial Report. The report is available via the Florida Department of Financial Services' homepage at www.myfloridacfo.com. FRS issues a publicly available financial report that includes statements of financial condition, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants, and benefit payments, as well as a description of the retirement plans. The report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

Benefits Provided

HIS - The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2021, 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 may include Medicare.

FRS –The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided (continued)

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants. DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The plan's total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided (continued)
Below is the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011
Retirement up to age 62 or up to 30 years of service 1.60%
Retirement at age 63 or with 31 years of service 1.63%
Retirement at age 64 or with 32 years of service 1.65%
Retirement at age 65 or with 33 or more years of service 1.68%

Regular Class members initially enrolled on or after July 1, 2011
Retirement up to age 65 or up to 33 years of service 1.60%
Retirement at age 66 or with 34 years of service 1.63%
Retirement at age 67 or with 35 years of service 1.65%
Retirement at age 68 or with 36 or more years of service 1.68%

Elected County Officers 3.00%

Senior Management Service Class 2.00%

Special Risk Regular Class 3.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 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 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Employees in the Florida Retirement System Pension Plan and Investment Plan are required to contribute 3% of their income as part of SB 2100 FRS reform measures that passed in the 2011 Florida legislative session. The total amount of employee contributions was $611,497. Contribution percentage amounts are subject to change each year based on legislative law changes, investment experience and the actuarial experience of the trust fund. As of September 30, 2021, the City's required annual contribution is 10.82% of the covered salary for general employees, 29.01% for senior management, 51.42% for elected officials, and 25.89% for special risk. The City's contribution to FRS for the fiscal year ended September 30, 2021 was $2,654,246, equal to 100% of the required contribution for the fiscal year. Included in these rates is 1.66% relating to the HIS plan for all classes of employees.

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

At September 30, 2021, the City reported liabilities of $4,185,375 for its proportionate share of the FRS net pension liability and $7,418,015 for the HIS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportionate share of the net pension liability was based on the City's fiscal year 2021 contributions relative to the fiscal year 2020 contributions of all participating members. At September 30, 2021, the City's proportionate share was 0.05541 percent for the FRS plan and 0.06047 percent for the HIS plan, which was an increase of 0.00605 percent and 0.00335 percent respectively, from the proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the City recognized pension expense of $1,358,307. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	$ 717,380	$ 248,227	$ 965,607
Assumption Changes	2,863,841	582,893	3,446,734
Net Difference between projected and actual earnings on pension plan investments	--	7,733	7,733
Changes in proportion and differences between City contributions and proportionate share of contributions	2,036,144	703,100	2,739,244
Employer contributions subsequent to the measurement date	536,588	82,866	619,454
Total Deferred Outflows of Resources	$ 6,153,953	$ 1,624,819	$ 7,778,772

	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	$ --	$ 3,107	$ 3,107
Assumption Changes	--	305,643	305,643
Net Difference between projected and actual earnings on pension plan investments	14,601,721	--	14,601,721
Changes in proportion and differences between City contributions and proportionate share of contributions	144,883	--	144,883
Total Deferred Inflows of Resources	$ 14,746,604	$ 308,750	$ 15,055,354

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

The deferred outflows of resources related to pensions, totaling $619,454, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	Employer Share of Deferred Outflows / (Inflows)		
	FRS	HIS	Total
2022	$ (1,367,572)	$ 366,522	$ (1,001,050)
2023	(1,807,963)	241,490	(1,566,473)
2024	(2,672,557)	222,508	(2,450,049)
2025	(3,537,129)	202,139	(3,334,990)
2026	255,982	157,654	413,636
Thereafter	--	42,890	42,890
Total	$ (9,129,239)	$ 1,233,203	$ (7,896,036)

Actuarial Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Actuarial Assumptions (continued)

	FRS	HIS
Mortality Table	PUB-2010 base table projected generationally with Scale MP-2018	PUB-2010 base table projected generationally with Scale MP-2018
Experience Study	7/1/13-6/30/18	7/1/13-6/30/18
Actuarial Cost Method	Individual Entry Age Normal	
Investment rate of return	6.80%	2.16%
Projected salary increases	3.25%	3.25%
Inflation	2.40%	2.40%

Long-Term Expected Rate of Return

The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate (property)	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
	100%			
Assumed inflation-Mean		2.4%		1.2%

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.80 percent for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The HIS program uses a pay as you go funding structure, therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 2.16% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Since the prior measurement date, the discount rate for FRS remained unchanged at 6.80%. The HIS discount rate was decreased from 2.21% to 2.16%.

Sensitivity of the City's Proportionate Share of the Net Position Liability (Asset) to Changes in the Discount Rate.

The following table presents the sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability (asset) if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2021.

	City's Proportionate Share of the Net Pension Liability (Asset)		
Pension Plan	1% Decrease	Current Discount Rate	1% Increase
FRS	$ 18,717,277	$ 4,185,375	$ (7,961,666)
HIS	8,575,990	7,418,055	6,469,386

Pension Plan Fiduciary Net Position

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

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS

Plan Descriptions

The City is the sponsor of three single-employer defined benefit plans: City of Palm Beach Gardens Police Officers' Pension Fund (the "Police Pension") covering police officers, City of Palm Beach Gardens Retirement Plan for Firefighters (the "Fire Pension") covering Firefighters, and City of Palm Beach Gardens Retirement Plan for General Employees (the "General Employees' Pension"). The defined benefit plan for general employees was closed to new employees hired after May 1, 1995. All three plans are reported as pension trust funds. The City Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

At the election of the Pension Boards, separate audited financial statements are produced for the Police Pension and the Fire Pension. The General Employees' Pension does not issue separate statements. The stand-alone statements for the Police Pension and the Fire Pension are available on the City's homepage at www.pbgfl.com.

Each pension plan has its own board that acts as plan administrator and trustee. Each plan's assets may only be used for the payment of benefits to the members and beneficiaries of the plan in accordance with the terms of each plan document. The costs of administering each plan are financed in the appropriate pension trust fund.

The General Employees' Pension Board has three members and is comprised of a plan member or retiree or HR administrator if one of these is unable to serve; the City's finance administrator and the City manager or designee.

The Police and Fire Pension Boards are managed by a five-member Board of Trustees comprised of two members appointed by City Council, two members that are elected by plan membership, and a fifth member who is chosen by the other four members.

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer and State of Florida contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

Investments

Investments are reported at fair value except for money market funds and commercial paper which are at amortized cost, and are managed by third party money managers. The Plans' independent custodians and individual money managers price each instrument using various third party pricing sources. The benefits and refunds of the defined benefit pension plans are recognized when due and payable in accordance with the terms of the plan.

BENEFIT TERMS

General Employees' Pension

The Plan provides normal retirement, early retirement, deferred retirement, disability retirement and death benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. A participant may retire with normal benefits after age 62 with 10 years of credited service. Reduced early retirement benefits are available once a participant reaches age 55 and accumulates 10 years of credited service. Normal retirement benefits are calculated at 2.5% of the participant's average earnings times the participant's credited service years. A participant becomes 100% vested after 10 years of credited service. Early retirement benefits are the same as normal retirement benefits, reduced by 0.55% for each of the first sixty months by which the early retirement age precedes age 62 and further reduced by 0.27% for each of the next twenty-four months by which the early retirement age precedes age 62. Average earnings for purposes of calculating benefits is the average of the three highest years of pensionable earnings out of the last five years of employment. Salary means the average monthly earnings reported to the Internal Revenue Service for income tax purposes.

Disability Benefits

A participant must become totally and permanently disabled prior to his termination of employment as determined by the pension board. The disability benefit is a monthly 10-year certain and life annuity equal to the participant's monthly accrued benefit, but offset as necessary to preclude the total of the participant's worker's compensation, 50% of the participant's social security disability benefit, and any other City-provided disability compensation from exceeding his final monthly salary excluding overtime. For this purpose, the amount of any lump sum worker's compensation payment is converted to an equivalent monthly benefit payable for 10 years certain by dividing the lump sum amount by 83.9692. A disabled participant may elect the single life annuity or a joint and contingent annuity in lieu of the 10-year certain and life form of payment. Regardless of the form of payment, benefits cease upon the participant's recovery from the disability prior to normal retirement date.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

Disability Benefits (CONTINUED)

General Employees' Pension (continued)

Eligibility for disability benefits begins from the participant's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the participant's average final compensation, and not less than 2.0% of the participant's average final compensation times his or her credited service years. Non-service incurred disability benefits are 2.5% of the participant's average final compensation times his or her credited service years up to a maximum of 50% of average final compensation.

Death Benefits

If a vested participant dies prior to retirement, the participant's beneficiary receives a 10-year certain annuity equal to the participant's monthly accrued benefit, payable beginning at the participant's early or normal retirement age. If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

Termination Benefits

Termination benefits for unvested participants are the return of the participant's contributions. For participants who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

Police Pension

The Plan provides retirement, death and disability benefits for its members. Benefit provisions are established and may be amended by the City of Palm Beach Gardens, in conjunction with the Palm Beach County Police Benevolent Association. A member hired before September 13, 2012 may retire with normal benefits after the earlier of age 52 with 10 years of credited service, or 20 years of credited service regardless of age. A member hired on or after September 13, 2012 may retire with normal benefits upon the attainment of age 55 and 10 years of credited service. Reduced early retirement benefits are available once a member reaches age 50 and accumulates 10 years of credited service. For members retiring prior to September 13, 2012, normal retirement benefits are 3.5% of the member's average monthly earnings times his or her credited service years, up to a maximum of 100% of average monthly earnings, plus a monthly supplemental benefit of $12.50 per year of service. For members hired prior to September 13, 2012 and retiring on or after September 13, 2012, but not having attained the normal retirement date prior to September 13, 2012, normal retirement

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Police Pension (continued)

benefits are 3.5% of the member's average monthly earnings times his or her credited service years earned prior to September 13, 2012 plus 2.75% of the member's average monthly earnings times his or her credited service years earned on or after September 13, 2012 through October 1, 2019, plus 3.0% of the member's average monthly earnings times his or her credited service years earned after October 1, 2019, up to a maximum of 75% of average monthly earnings, plus a monthly supplemental benefit of $12.50 per year of service. For members hired on or after September 13, 2012, normal retirement benefits are 2.75% of the member's average monthly earnings times his or her credited service years through October 1, 2019, plus 3.0% of the member's average monthly earnings times his or her credited service years earned after October 1, 2019, up to a maximum of 75% of average monthly earnings, plus a monthly supplemental benefit of $12.50 per year of service. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which early retirement precedes the normal retirement date. Average monthly earnings for purposes of calculating benefits is the average of salary during the last five years of employment producing the highest average. Salary means the average monthly earnings reported to the Internal Revenue Service for income tax purposes, plus deferred compensation. Beginning with salary after December 31, 2008, the definition of salary includes amounts paid by the City as differential wages to members who are absent from employment while in qualified military service. Notwithstanding the preceding two sentences, effective September 13, 2012, salary will henceforth mean base pay, excluding all other compensation, provided that the salary of any member employed on September 13, 2012 shall include payment for unused accrued sick and annual leave up to the dollar amount of unused sick and annual leave that the member has accrued as of September 13, 2012. However, in no event will the salary of any member who is employed on September 13, 2012 be less than the member's salary on September 12, 2012 as determined in accordance with the definition of salary in effect on September 12, 2012.

Deferred Retirement Option Plan

Any member who attains 20 years of service or age 52 with 10 years of service may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. The election to enter the DROP must be made prior to completing 25 years of credited service. Upon participation in the DROP, the member becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member at the first to occur of: termination of employment, 30 years of credited service or 5 years of participation.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Police Pension (continued)

Disability Benefits
Eligibility for disability benefits begins from the member's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the member's current compensation, and not less than the accrued pension benefit. Non-service incurred disability benefits are calculated the same as a normal retirement pension based on average monthly earnings and credited service at the time of disability, but not less than 25% of average monthly earnings or the accrued pension benefit, whichever is greater.

Death Benefits
Pre-retirement death benefits for service related deaths are paid to the member's beneficiary for life. Benefits are calculated at 50% of the member's average monthly earnings, with a minimum equal to the accrued pension benefit (with no early retirement reduction). Pre-retirement death benefits for non-service related deaths are paid to the member's beneficiary for life. For members with less than 5 years of contributing service at the date of death, the benefit is the return of the member's contributions without interest. For members with 5 years or more of contributing service at the date of death, the benefit is equal to that payable at early or normal retirement age. If the member is eligible for normal retirement, the benefit is equal to his or her accrued pension benefit, and is payable for life.

Termination Benefits
Termination benefits for unvested members are the return of the member's contributions. For members who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension

The Plan provides normal retirement, early retirement, deferred retirement, disability retirement and death benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. A participant may retire with normal benefits after the earlier of age 52 with 10 years of credited service, or 25 years of credited service regardless of age. Reduced early retirement benefits are available once a participant reaches age 50 and accumulates 10 years of credited service. Normal retirement benefits are 3.0% of the participant's average final compensation times the participant's credited service years up to a maximum of 99% (75% for participants retiring on or after September 13, 2012 who were not eligible for normal retirement or who did not have an accrued pension benefit in excess of 75% of average final compensation on that date) of average final compensation. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which the commencement of benefits precedes age 52. Average final compensation for purposes of calculating benefits is one twelfth of the average annual salary for the best five years of the last ten years of credited service. Salary means the total compensation for services rendered to the City as a firefighter is reportable on the participant's W-2 form plus all tax deferred, tax-sheltered or tax exempt items of income derived from elective employee payroll deduction or salary reduction. Notwithstanding the preceding sentence, effective September 13, 2012, salary shall exclude all overtime compensation as well as payments for unused accrued sick and annual leave; provided the salary of any participant employed on September 13, 2012 shall include payment for unused accrued sick and annual leave up to the number of hours of unused sick and annual leave accrued on September 13, 2012.

Deferred Retirement Option Plan

Any participant who attains 25 years of service or age 52 with 10 years of service may elect to participate in the deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the participant as a result are accumulated and invested in the DROP plan to be distributed to the participant upon his or her termination of employment. Participation in the DROP plan ceases for a participant at the first to occur of: termination of employment or 5 years of participation.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension (continued)

Disability Benefits
Eligibility for disability benefits begins from the participant's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the participant's average final compensation, and not less than 2.0% of the participant's average final compensation times his or her credited service years. Non-service incurred disability benefits are 2.5% of the participant's average final compensation times his or her credited service years up to a maximum of 50% of average final compensation.

Death Benefits
The death benefit for a participant who was partially or fully vested, but had not attained at least age 50, is a payment of the participant's accrued pension benefit to the participant's beneficiary for 10 years, beginning on the date that the participant would have attained age 52 for a normal retirement benefit or age 50 for an early retirement benefit, at the option of the beneficiary. The death benefit for a participant who was not vested is a return of the participant's contributions to the participant's beneficiary.

Termination Benefits
Termination benefits for unvested participants are the return of the participant's contributions. For participants who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

Cost of Living Adjustments
Beginning January 1, 2004, and each January 1 thereafter, all participants receiving benefits, excluding disability retirees, shall receive an age based cost of living adjustment. The amount will be 1.0% for participants who are age 53, 2.0% for participants who are age 54, and 3.0% for participants who are age 55 or greater. Effective January 1, 2013, the applicable percentage for participants who are age 55 or greater, and who were not employed and eligible for normal retirement on September 13, 2012, shall be 1.5%.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

All Plans

The plan membership as of October 1, 2021 for the General Employees' and October 1, 2020 for the Police and Fire, the date of the latest actuarial valuation are listed below:

	General Employees'	Police	Fire
Active Employees	2	115	92
Benefits	8	83	67
Inactive Employees Entitled to but not yet Receiving Benefits	2	3	13
Total	12	201	172

Contributions

The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report for funding purposes. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Fire Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the State has ascertained that the local government has met their actuarial funding requirement for the then most recently completed fiscal year.

The following schedule summarizes the contribution rates for the City and its plan members:

	General Employees'	Police	Fire
Contribution Rates:			
City	81.36%	44.76%	51.01%
State	N/A	7.70%	8.74%
Plan members	6.00%	8.60%	6.00%

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

The Police Officers' and Firefighters' Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City and totaled $1,442,569 for the year ended September 30, 2021: $696,406 for property insurance contracts for firefighters and $746,163 for casualty insurance contracts for police officers. These amounts are recognized as insurance premium tax revenues and public safety expenditures in the General Fund.

NET PENSION LIABILITY

The City's net pension liability was measured as of September 30, 2020 for the Police Pension and Fire Pension and the General Employees' Pension was measured as of September 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial accounting valuation as of these dates.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2020 for the Police Pension and Fire Pension and the General Employees' Pension used an actuarial valuation as of October 1, 2020 updated to September 30, 2021. The following actuarial assumptions, applied to all measurement periods:

	General Employees'	Police	Fire
Mortality Table	PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.	RP-2000 Table for annuitants with mortality improvement projected to all future years using Scale BB	RP-2000 Generational Table using Scale BB
Investment rate of return	7.00%	6.30%	7.05%
Projected salary increases	5.00%	3% - 4.5%	4.5% - 8.2%
Inflation	0.00%	2.50%	2.50%
Cost of living adjustments	0.00%	N/A	1%-2%

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Actuarial Assumptions (continued)

The actuarial assumptions used in the September 30, 2020 accounting valuation for the Police Pension and Fire Pension were based on the results of an actuarial experience study for the period of October 1, 2013 – September 30, 2016. The assumptions used in the September 30, 2020 accounting valuation for the General Employees' Pension were based on the results of an actuarial experience study for the period of October 1, 2014 – September 30, 2017.

Long-term Expected Rate of Return

The long-term expected rate of return for the General Employees' Pension, Police Pension and the Fire Pension investments were determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the General Employee's Pension, Police Pension and Fire Pension plan's target asset allocation as of September 30, 2021 are summarized and included in the following table.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Long-term Expected Rate of Return (continued)

Plan	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
General Employees	Core bonds	30%	1.85%
	U.S. large cap equity	25%	4.60%
	U.S. small cap equity	14%	5.50%
	Non-U.S. equity	21%	6.70%
	Real estate	10%	5.00%
Fire	Domestic equity	50%	7.50%
	Foreign equity	10%	8.50%
	Domestic fixed income	20%	2.50%
	Global fixed income	5%	3.50%
	Real estate	10%	4.50%
	Alternative	5%	3.50%
Police	Domestic equity	50%	7.50%
	International equity	10%	8.50%
	Domestic bonds	27.5%	2.50%
	Real estate	12.5%	4.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the General Employees' Pension, 6.30% for the Police Pension, and 7.05% for the Fire Pension. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made as legally required. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Discount Rate (continued)

Since the prior measurement date, the discount rate of the Police Pension discount rate has been lowered each year for the past nine years until the rate reached 6.30%.

Changes in the Net Pension Liability

The changes in the net pension liability at the measurement date, were as follows:

	General Employees'	Police	Fire
Total Pension Liability			
Service Cost	$ 17,759	$ 2,646,201	$ 2,064,067
Interest	250,695	7,583,691	9,558,047
Share Plan Allocation	--	133,929	--
Differences Between Expected and Actual Experience	(247,830)	705,317	290,458
Changes of Assumptions	(30,187)	387,537	2,308,619
Benefit Payments Including Refunds of Employee Contributions	(137,514)	(6,044,195)	(5,693,121)
Net Change in Total Pension Liability	(147,077)	5,412,480	8,528,070
Total Pension Liability - Beginning	3,710,658	116,981,100	134,461,471
Total Pension Liability - Ending (a)	$ 3,563,581	$ 122,393,580	$ 142,989,541

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Changes in the Net Pension Liability (continued)

	General Employees'	Police	Fire
Plan Fiduciary Net Position			
Contributions - Employer	$ 116,012	$ 3,685,878	$ 2,471,144
Contributions - State	--	743,073	723,647
Contributions - Employee	11,831	755,910	496,843
Net Investment Income	573,346	7,131,158	6,086,224
Benefit Payments Including Refunds of Employee Contributions	(137,514)	(6,044,195)	(5,693,121)
Administrative Expense	(11,690)	(147,675)	(146,597)
Net Change in Plan Fiduciary Net Position	551,985	6,124,149	3,938,140
Plan Fiduciary Net Position - Beginning	2,875,022	98,385,410	113,600,634
Plan Fiduciary Net Position - Ending (b)	$ 3,427,007 *	$ 104,509,559	$ 117,538,774
Net Pension Liability - Ending (a) - (b)	$ 136,574	$ 17,884,021	$ 25,450,767
Plan Fiduciary Net Position as a % of the Total Pension Liability	96.17%	85.39%	82.20%
Covered Payroll	$ 112,007	$ 8,789,651	$ 8,280,709
Net Pension Liability as a % of Covered Payroll	121.93%	203.47%	307.35%

* The amount does not agree to the General Employees' Pension Trust Fund by $1,063 due to differences related to the timing of an adjusting journal entry.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's net pension liability (asset) calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates:

	Net Pension Liability (Asset)		
Pension Plan	1% Decrease	Current Discount Rate	1% Increase
General Employees'	$ 483,905	$ 136,574	$ (162,914)
Police	30,198,914	17,884,021	7,610,874
Fire	43,640,524	25,450,767	10,757,568

Discount Rate: The discount rate used to measure the total pension liability was 7.00% for General Employees, 6.30% for Police and 7.05% for the Fire Plan.

Pension plan fiduciary net position. Detailed information about the Police Pension and Fire Pension fiduciary net position is available in the separately issued financial reports. The General Employees' fiduciary net position information is shown below:

General Employees Pension Trust Fund
Statement of Fiduciary Net Position
September 30, 2021

Assets	
Cash and cash equivalents	$ 23,989
Investments	3,403,018
Receivables	651
Total Assets	3,427,658
Liabilities	
Accounts payable	1,714
Net Position Restricted for Pension Benefits	$ 3,425,944

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

General Employees Pension Trust Fund
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2021

Additions	
Contributions:	
Employer	$ 116,012
Employees	11,990
Total Contributions	128,002
Investment earnings:	
Net increase in the fair value of investments	573,346
Less investment expenses	(5,200)
Net investment gain	568,146
Total Additions	696,148
Deductions	
Pension benefits	137,514
Administrative expenses	6,766
Total Deductions	144,280
Change in Net Position	551,868
Net Position Restricted for Pension Benefits:	
Beginning	2,874,076
Ending	$ 3,425,944

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

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

For the year ended September 30, 2021, The City recognized pension expense of $8,083,676. Deferred outflows and inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources			
	General Employees'	Police	Fire	Total
Differences between expected and actual experience	$ --	$ 1,307,725	$ 2,011,920	$ 3,319,645
Assumption Changes	99,767	1,879,883	4,424,456	6,404,106
Net Difference between projected and actual earnings on pension plan investments	--	--	1,051,278	1,051,278
Differences between expected and actual experience	16,622	--	--	16,622
Employer and State contributions subsequent to the measurement date	--	5,109,599	5,049,246	10,158,845
Total Deferred Outflows of Resources	$ 116,389	$ 8,297,207	$ 12,536,900	$ 20,950,496

	Deferred Inflows of Resources			
	General Employees'	Police	Fire	Total
Differences between expected and actual experience	$ 81,694	$ --	$ 811,204	$ 892,898
Assumption Changes	2,744	--	--	2,744
Net Difference between projected and actual earnings on pension plan investments	279,449	342,968	--	622,417
Total Deferred Inflows of Resources	$ 363,887	$ 342,968	$ 811,204	$ 1,518,059

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

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

Deferred outflows of resources related to City contributions made subsequent to the measurement date of $10,158,845 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending September 30	General Employees'	Police	Fire	Total
2022	$ (77,082)	$ 29,956	$2,241,826	$ 2,194,700
2023	(48,595)	942,684	1,298,471	2,192,560
2024	(55,437)	1,429,701	1,877,908	3,252,172
2025	(66,384)	346,341	825,065	1,105,022
2026	--	95,958	433,180	529,138
Total	$(247,498)	$ 2,844,640	$6,676,450	$ 9,273,592

The following summarizes the pension related amounts for the City as of the indicated measurement date:

	Measurement Date	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
FRS	6/30/2021	$ 4,185,375	$ 6,153,953	$ 14,746,604	$ 582,645
HIS	6/30/2021	7,418,055	1,624,819	308,750	775,662
General Employees'	9/30/2021	136,574	116,389	363,887	(267,663)
Police	9/30/2020	17,884,021	8,297,207	342,968	2,889,942
Fire	9/30/2020	25,450,767	12,536,900	811,204	5,461,397
Total		$ 55,074,792	$ 28,729,268	$ 16,573,413	$ 9,441,983

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2020-21 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 3.30%, Special Risk Administrative Support class 4.95%, Special Risk class 11.00%, Senior Management Service class 4.67% and County and Local Elected Officers class 8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS (CONTINUED)

Investment Plan (continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled $599,930 for the fiscal year ended September 30, 2021.

Defined Contribution Plan

The City of Palm Beach Gardens Money Purchase Plan (the "General Plan") and the City of Palm Beach Gardens Executive Plan (the "Executive Plan") are defined contribution pension plans established by the City and administered by ICMA Retirement Corporation to provide benefits at retirement to the employees of the City. The General Plan was closed to new employees hired on or after October 1, 2006.

Employees of the City that were hired prior to October 1, 2006, and elected not to join the FRS are eligible to participate in the General Plan. There were nine plan members during the fiscal year. The City contributes to the General Plan an amount equal to the FRS contribution rate at the time of election (9.85% general employee and 13.12% senior management) of the employee's base salary each month. Employees also contribute an amount equal to 4% of their base salary in the General Plan. The City's contributions for each employee (and interest allocated to the employees' accounts) are fully vested after one year of continuous service. Plan revisions and contribution requirements are established and may be amended by the City Council.

The City Manager is the only employee eligible to participate in the Executive Plan. The City contributes 15% to the Executive Plan. As part of the employment agreement with the City Manager, the City contributes 3% of the base salary to the Executive Plan, in addition to the 15%.

The City's contributions were calculated using the base salary amount of $961,558 for the General Plan and $285,051 for the Executive Plan. The City made its required contributions of $110,273 for the General Plan and $51,309 for the Executive Plan and employees made their required contributions of $38,385 to the General Plan.

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS (CONTINUED)

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. This plan, available to all City employees, permits them to defer the payment of a portion of their salary until future years. Participation in this plan is voluntary and the City makes no contributions to this plan on behalf of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All amounts of compensation deferred, including the investments and earnings thereon, vest with the employee and are not subject to the claims of the City's general creditors.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The City follows the guidance contained in Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* for certain post-employment health care benefits provided by the City for the fiscal year ended September 30, 2021.

PLAN DESCRIPTION

The City provides certain healthcare benefits to active and retired employees and their dependents. The health plan is a single employer plan administered by the City. The benefits, levels of benefit, employee contributions, and employer contributions are governed by the City and can be amended by the City through management recommendations to, and approval by, City Council as part of the annual budget adoption process. The plan is not reported as a trust fund nor has an irrevocable trust or equivalent arrangement been established to account for the plan. As a result, the plan does not issue a separate financial report. The activity of the plan is reported in the City's Self-Insurance fund, an internal service fund.

BENEFITS PROVIDED

Retired City employees can continue the same medical coverage they had as active employees. The City provides postemployment health care benefits to its retired employees and their dependents. To be eligible for benefits, an employee must reach retirement eligibility in their respective pension plan.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

BENEFITS PROVIDED (CONTINUED)

All health care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, and substance abuse care; dental care; and prescriptions. Upon a retired employee reaching 65 years of age, Medicare becomes the primary insurer and the City's plan will not pay benefits already paid by Medicare.

MEMBERSHIP

As of September 30, 2021, membership consisted of:

	Membership September 30, 2021
Active Employees	518
Inactive Employees or Beneficiaries Currently Receiving Benefits	70
Total	588

FUNDING POLICY

The City establishes the individual premium to be paid by the retired employees. The State of Florida prohibits the City from separately rating retired employees and active employees. As a result, the City's premium charges to retired employees can be no more than the premium cost applicable to active employees. Generally accepted accounting principles, however, require that the actuarial information presented below be calculated using age adjusted premiums approximating claim costs for retirees separate from the active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. For the year ended September 30, 2021, retired employees contributed $983,143 to the plan. For those employees, through its Self-Insurance Fund, the City paid $1,621,175 in claims and administrative costs resulting in a net cost of $638,032. Active employees do not contribute 100% of the premium cost to the plan until retirement.

TOTAL OPEB LIABILITY

The City's total OPEB liability was measured as of September 30, 2020. The total OPEB liability was determined by an actuarial accounting valuation as of this date.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the October 1, 2021 actuarial valuation was determined using actuarial assumptions and other inputs, applied to all periods included in the measurement.

The actuarial assumptions included a 2.41% investment discount rate, inflation rate of 2.5%, an annual healthcare cost trend rate of 4.9% decreasing until it reaches 4.0%, and payroll growth of 3.5%. Life expectancies were based upon data found in the RP-2000 healthy and disability tables. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions used in the valuation were based on September 1, 2021 census data, which included data and medical claims from October 2018-September 2021.

Changes in the Total OPEB Liability

The changes in the total OPEB liability at the measurement date, were as follows:

Total OPEB Liability	
Service cost	$ 466,435
Interest cost	262,168
Changes of benefit terms	975,411
Differences between expected and actual experience	(1,189,051)
Changes of assumptions	(156,833)
Benefit payments	(364,446)
Net Change in Total OPEB Liability	(6,316)
Total OPEB Liability - Beginning	9,748,024
Total OPEB Liability - Ending	$ 9,741,708
Covered Employee Payroll	$ 40,334,635
Total OPEB Liability as a Percentage of Payroll	24.15%

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the City's total pension liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates:

	1% Decrease 1.41%	Current Discount Rate 2.41%	1% Increase 3.41%
Total OPEB Liability	$ 10,650,348	$9,741,708	$ 8,935,264

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the City's total OPEB liability calculated using the current healthcare cost trend rates and the liability using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current rates:

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	$ 8,865,731	$9,741,708	$ 10,759,826

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

For the year ended September 30, 2021, The City recognized OPEB expense of $1,456,214. Deferred outflows and inflows of resources related to OPEB are as follows:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 31,564	$ 1,055,729
Assumption Changes	584,000	491,283
Total	$ 615,564	$ 1,547,012

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB (continued)

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

Year Ending September 30	Amount
2022	$ (247,800)
2023	(247,797)
2024	(166,444)
2025	(166,446)
2026	(102,961)
Total	$ (931,448)

NOTE 10 – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various claims and legal actions occurring in the course of operations. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

NOTE 11 – COMMITMENTS

Commitments on major construction contracts consist of the following:

Project	Total Project Authorization	Expended at September 30, 2021	Balance to Complete
Golf Course Expansion (west)	$ 14,331,629	$ 1,074,665	$ 13,256,964
Aquatic Complex Renovation	3,438,000	553,228	2,884,772
Sandhill Crane Drive Extension	3,288,059	220,637	3,067,422
Campus Dr from RCA to PGA	1,300,000	652,946	647,054
Gardens Park Sports Field Lighting	1,250,000	699,132	550,868
Tyler Energov Land Management Software	950,000	595,903	354,097
	$ 24,557,688	$ 3,796,511	$ 20,761,177

SOLID WASTE, RECYCLING, AND VEGETATIVE WASTE COLLECTION SERVICES

On January 4, 2018, the City entered into an agreement to retain the services of Waste Management, Inc. of Florida and granting an exclusive solid waste, recycling and vegetative waste collection services franchise. The agreement is for a period of ten years commencing April 1, 2018 through March 31, 2028, with no options to renew. The cost of the contract totaled $3,053,916 for the year ended September 30, 2021.

ENCUMBRANCES

Encumbrance accounting, in which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized by the City during the year. Because appropriations expire at year end, even if encumbered, it is the City's policy to re-appropriate such amounts at the beginning of the next fiscal year. Encumbrances outstanding at year end are reported as part of restricted and assigned fund balances. Below is a listing of outstanding encumbrances by fund at September 30, 2021:

Fund	Encumbrances Outstanding
General fund	$ 10,522,601
Road impact fund	2,219,054
Non-major governmental funds	1,038,709
Total	$ 13,780,364

NOTE 12 – JOINTLY GOVERNED ORGANIZATION

The City, through an interlocal agreement with certain other municipalities and Palm Beach County, created the Seacoast Utility Authority ("Seacoast") which provides water and sewer service to the citizens of each of the participating municipalities and a portion of Palm Beach County. Seacoast's governing board is comprised of one member from each participating entity. Seacoast is an independent authority organized under the laws of the State of Florida and the City has no participating equity ownership in Seacoast. The City paid $258,024 to Seacoast during the fiscal year for water and sewer service and connection fees relating to capital projects.

NOTE 13 – RISK MANAGEMENT AND HEALTH INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omission; and natural disasters for which the City carries commercial insurance. Specifically, the City purchases commercial insurance for property, liability, and workers' compensation. The City is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of $200,000/$300,000 for all claims relating to the same accident. There have been no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements in excess of insurance coverage for the past three fiscal years.

SELF-INSURANCE FUND

During fiscal year 2009, the City established the Self-Insurance Fund (internal service fund) to account for medical insurance claims of City employees and their covered dependents. Under this program, the fund provides the employee with an unlimited lifetime maximum benefit. A maximum deductible of $300,000 for specific claims has been set. Commercial insurance for specific loss claims in excess of the coverage provided by the fund is supplied by Symetra Life Insurance Company. The City has contracted with Blue Cross/Blue Shield to perform certain administrative functions, such as monitoring, reviewing and paying claims. Settled claims have not exceeded the excess insurance limits during the fiscal year.

All City departments participate in the program and make payments to the Self-Insurance Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims, claims reserves, and administrative costs.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not

NOTE 13 – RISK MANAGEMENT AND HEALTH INSURANCE (CONTINUED)

SELF-INSURANCE FUND (CONTINUED)

an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether the expenses are allocated to specific claims. Changes in claims liabilities were as follows:

Fiscal Year Ended	Claims Payable Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
9/30/2020	$373,704	$7,365,626	$(7,328,317)	$ 411,013
9/30/2021	411,013	8,350,577	(8,318,225)	443,365

NOTE 14 – INVESTMENT IN JOINT VENTURE

The City entered into an interlocal agreement with two other municipalities in Palm Beach County to purchase and operate a county-wide public safety communications system. The interlocal agreement established the Municipal Public Safety Communications Consortium of Palm Beach County ("MPSCC") whose purpose is to provide its members with expanded radio communication services (via the 800MHz trunked radio system) to aid in public safety over a larger geographical region. The MPSCC is a cost sharing organization. Its annual budget is prepared by the Executive Director and approved by the Board of Directors of MPSCC. The member municipalities of the MPSCC are obligated for the debt incurred by the consortium and each municipality is responsible for their respective portion of costs incurred by the MPSCC. The City's initial investment in this joint venture was $676,200, which represented 13.8% of the total consortium investment. During the current fiscal year, the City had expenditures of $108,842 relating to the consortium. The City's investment in the joint venture is $2,258,126 as of September 30, 2021. Separate financial statements for the MPSCC may be obtained from, Palm Beach Gardens Police, Attention: Ernie Carr, 10500 Military Trail, Palm Beach Gardens, Florida 33410.

NOTE 15 – INTERLOCAL AGREEMENT

On September 30, 2010, the City adopted Resolution 74, 2010, entering into an agreement with three other municipalities (the Town of Jupiter, Town of Juno Beach, and Jupiter Inlet Colony) to provide consolidated police dispatch operations in Palm Beach County. On September 17, 2014, the Village of North Palm Beach entered the interlocal agreement, and on March 2, 2020, the Village of Tequesta entered the interlocal agreement. The Northern Municipal Regional Communications Center's (NMRCC) budget for the fiscal year was $4,500,454 which was offset by $49,207 in Palm Beach County 911 reimbursements. In addition, each participating municipality was responsible for its pro-rata share of administrative service fees totaling $562,287.

The allocation of expenditures to the four municipalities is based on population with the City's share at 39.6%, the Town of Jupiter at 44.5%, the Village of North Palm Beach at 9.0%, the Village of Tequesta at 4.2%, the Town of Juno Beach at 2.4% and the Jupiter Inlet Colony at .3%. The City received payments from the Town of Jupiter, Town of Juno Beach, Village of North Palm Beach and Jupiter Inlet Colony for dispatch services totaling $3,038,260, which included an administrative services fee of $339,592. The City was responsible for $1,975,274. Actual expenditures were less than the dispatch operations budget during the fiscal year by $306,433. The accumulated portion of payments from municipalities that exceed actual expenditures is shown as restricted for law enforcement on the governmental funds balance sheet.

NOTE 16 – CONDUIT DEBT OBLIGATIONS

On December 7, 2017, the City adopted Resolution 83, 2017, authorizing the issuance of a debt obligation of the City in the amount of $10,257,000 with the proceeds loaned to St. Mark's Church, Inc. and used for the purpose of refinancing certain outstanding debt of the borrower in connection with the acquisition, construction, and equipping of facilities for a pre-kindergarten to grade eight school. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2021, the outstanding balance of the debt was $9,190,666.

NOTE 17 – TAX ABATEMENT

On July 11, 2019, the City adopted Ordinance 13, 2019, approving an economic development ad valorem tax exemption with Carrier Corporation. The tax exemption will be for a period of ten years commencing on January 1, 2020 and expiring on December 31, 2029. The economic development incentive approves a 100% exemption for the first five years and a 50% exemption for the next five years. The impact of the tax abatement on the current fiscal year's ad valorem tax revenues was a reduction of $374,023.


PALM BEACH
Gardens

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Adopted Budget	Legally Adopted Budget Amendments	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Taxes:					
Ad valorem taxes	$ 69,279,003	$ --	$ 69,279,003	$ 69,931,518	$ 652,515
Local business taxes	1,550,000	--	1,550,000	1,587,489	37,489
Utility taxes	1,875,000	--	1,875,000	1,904,408	29,408
Special assessment	115,000	--	115,000	112,436	(2,564)
Franchise fees	5,300,000	--	5,300,000	5,731,627	431,627
Licenses and permits	4,462,000	--	4,462,000	10,499,890	6,037,890
Intergovernmental	5,670,000	1,208,675	6,878,675	10,883,131	4,004,456
Charges for services	6,636,545	--	6,636,545	7,429,263	792,718
Fines and forfeitures	177,000	--	177,000	222,458	45,458
Investment income	803,000	--	803,000	150,654	(652,346)
Miscellaneous	1,418,100	--	1,418,100	1,753,877	335,777
Total Revenues	97,285,648	1,208,675	98,494,323	110,206,751	11,712,428
Expenditures					
General Government:					
City Council	545,129	(26,986)	518,143	411,611	106,532
Administration	916,554	--	916,554	807,155	109,399
Purchasing and Contract Management	184,602	--	184,602	194,255	(9,653)
Information Technology	3,005,429	194,798	3,200,227	3,016,075	184,152
City Clerk	881,436	46,298	927,734	872,226	55,508
Legal Services	564,384	--	564,384	701,895	(137,511)
Public Communications	457,181	--	457,181	364,032	93,149
Engineering Services	891,944	--	891,944	904,562	(12,618)
Human Resources	966,698	--	966,698	866,164	100,534
Finance	1,290,004	5,000	1,295,004	1,298,127	(3,123)
General Services	6,615,756	654,656	7,270,412	6,852,581	417,831
Planning and Zoning:					
Administration	518,900	1,025,716	1,544,616	720,418	824,198
Development Compliance	544,956	--	544,956	534,830	10,126
Planning	983,296	--	983,296	982,288	1,008
GIS	325,594	--	325,594	308,149	17,445
Construction Services - Building	2,184,466	3,800	2,188,266	2,043,828	144,438
Code Enforcement	1,061,571	--	1,061,571	924,361	137,210
Total general government	21,937,900	1,903,282	23,841,182	21,802,557	2,038,625
Public safety:					
Police	30,314,750	174,402	30,489,152	29,256,714	1,232,438
Fire and Emergency Services	26,177,115	46,909	26,224,024	24,717,707	1,506,317
Total public safety	56,491,865	221,311	56,713,176	53,974,421	2,738,755

(Continued)

See notes to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2021

	Original Adopted Budget	Legally Adopted Budget Amendments	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
Culture and Recreation:					
Administrative Services	$ 337,892	$ --	$ 337,892	$ 182,593	$ 155,299
Seniors and Wellness	71,900	--	71,900	25,811	46,089
Aquatics	266,493	--	266,493	278,191	(11,698)
Tennis	299,876	--	299,876	268,121	31,755
Programs	189,179	--	189,179	148,134	41,045
Total cultural and recreation	1,165,340	--	1,165,340	902,850	262,490
Physical Environment:					
Administrative Services	1,383,101	18,305	1,401,406	1,288,286	113,120
Facilities Maintenance	4,276,531	680,972	4,957,503	4,627,577	329,926
Stormwater and Street Maintenance	3,410,059	50,750	3,460,809	3,138,808	322,001
Parks and Grounds	4,920,601	(46,971)	4,873,630	4,818,496	55,134
Total physical environment	13,990,292	703,056	14,693,348	13,873,167	820,181
Capital outlay	3,317,155	23,640,450	26,957,605	4,483,499	22,474,106
Debt Service:					
Principal	2,096,504	--	2,096,504	1,952,066	144,438
Interest	194,434	--	194,434	194,434	--
Bond issuance cost	--	59,000	59,000	59,000	--
Total debt service	2,290,938	59,000	2,349,938	2,205,500	144,438
Total Expenditures	99,193,490	26,527,099	125,720,589	97,241,994	28,478,595
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,907,842)	(25,318,424)	(27,226,266)	12,964,757	40,191,023
Other Financing Sources/(Uses)					
Transfers in	--	1,218,500	1,218,500	--	(1,218,500)
Transfers out	(339,968)	(2,000,000)	(2,339,968)	(2,339,968)	--
Capital lease financing	--	14,000,000	14,000,000	14,000,000	--
Sale of capital assets	--	--	--	--	--
Total Other Financing Sources/(Uses)	(339,968)	13,218,500	12,878,532	11,660,032	(1,218,500)
Net Change in Fund Balances	(2,247,810)	(12,099,924)	(14,347,734)	24,624,789	38,972,523
Fund Balance, Beginning	36,899,900	14,062,553	50,962,453	50,962,453	--
Fund Balance, Ending	$ 34,652,090	$ 1,962,629	$ 36,614,719	$ 75,587,242	$ 38,972,523

See notes to required supplementary information.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BUDGETARY INFORMATION

State of Florida statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council annually adopts an operating budget and appropriates funds for the general fund, special revenue funds (except the extra duty police fund), capital projects funds and the proprietary fund. The procedures for establishing budgetary data are as follows:

Prior to the first Council meeting in August of each year, the City Manager submits a proposed operating budget to the Council for the next fiscal year commencing the following October 1. The proposed budget includes expenditures and the means of financing them.

The Council holds public meetings to obtain taxpayer comments.

Upon completion of the public hearings, a final operating budget is legally enacted through the passage of an ordinance before September 30th. Estimated fund balances are considered in the budgetary process.

A City ordinance establishes the legal level of budgetary control at the fund level. Any increase in the total amount appropriated for all funds must be approved by ordinance of the Council. Any transfer between funds must be approved by the City Manager and by ordinance of the City Council. Transfers from the Council contingency account must be approved by the City Council. Any other budget transfer within the same fund must be approved by the City Manager.

The adopted budgets are prepared in accordance with generally accepted accounting principles. The Council also adopts non-appropriated operating budgets for the proprietary funds substantially on a basis consistent with generally accepted accounting principles, except that depreciation is not budgeted and capital outlay purchases are presented as expenditures. The reported budgetary data represents the final appropriated budgets after amendments adopted by the Council.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – BUDGET AND ACTUAL COMPARISONS

The Budgetary Comparison Schedule for the General Fund is required to be prepared under the basis of accounting used in preparing the budget. As indicated in Note 1, the modified accrual basis of accounting is used for budgetary purposes. On-behalf payments from the State of Florida for Police and Fire-Rescue pensions are not included in the budget. As a result, General Fund revenue and expenditures reported in the budget and actual statement differ from the corresponding amounts reported on the basis of U.S. generally accepted accounting principles. These differences can be reconciled as follows:

	Revenue	Expenditures
Budgetary basis	$110,206,751	$ 97,241,994
State on-behalf payments for Police and Fire-Rescue pension contributions not included in budgetary basis	1,442,569	1,442,569
GAAP Basis	$111,649,320	$ 98,684,563

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement Date, September 30,	2017	2018	2019	2020
Total OPEB Liability				
Service cost	$ 390,934	$ 377,769	$ 374,846	$ 466,435
Interest cost	264,888	300,906	323,509	262,168
Changes of benefit terms	--	--	--	975,411
Differences between expected and actual experience	(194,561)	15,392	31,877	(1,189,051)
Changes of assumptions	(293,572)	(459,782)	817,600	(156,833)
Benefit payments	(115,134)	(325,087)	(461,170)	(364,446)
Net Change in Total OPEB Liability	52,555	(90,802)	1,086,662	(6,316)
Total OPEB Liability - Beginning	8,699,609	8,752,164	8,661,362	9,748,024
Total OPEB Liability - Ending	$ 8,752,164	$ 8,661,362	$ 9,748,024	$ 9,741,708
Covered Employee Payroll	$ 34,490,167	$ 36,593,959	$ 38,275,907	$ 40,334,635
Total OPEB Liability as a Percentage of Payroll	25.38%	23.67%	25.47%	24.15%

Note to Schedule:
This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

Changes of assumptions:
The discount rate was changed as follows:

Discount Rate	
9/30/2018	3.50%
9/30/2019	3.83%
9/30/2020	2.75%
9/30/2021	2.41%

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN

Measurement Date, September 30,	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service cost	$ 22,444	$ 26,882	$ 28,547	$ 29,083	$ 28,765	$ 17,504	$ 17,744	$ 17,759
Expected interest growth	247,973	216,936	225,546	229,409	245,929	245,555	247,256	250,695
Unexpected investment income	--	--	--	--	--	--	--	--
Changes of benefit terms	--	--	--	--	--	--	--	--
Differences between expected and actual experience	--	(177,492)	45,110	92,626	(9,661)	(5,122)	11,593	(247,830)
Changes of assumptions	--	299,295	--	122,668	--	--	--	(30,187)
Benefit payments, including refunds of member contributions	(255,756)	(244,528)	(240,519)	(237,655)	(233,373)	(231,946)	(229,887)	(137,514)
Net Change in Total Pension Liability	14,661	121,093	58,684	236,131	31,660	25,991	46,706	(147,077)
Total Pension Liability - Beginning	3,175,732	3,190,393	3,311,486	3,370,170	3,606,301	3,637,961	3,663,952	3,710,658
Total pension liability - Ending	$ 3,190,393	$ 3,311,486	$ 3,370,170	$ 3,606,301	$ 3,637,961	$ 3,663,952	$ 3,710,658	$ 3,563,581
Plan Fiduciary Net Position								
Contributions - employer	$ 120,572	$ 172,758	$ 146,187	$ 253,534	$ 104,336	$ 262,022	$ 57,497	$ 116,012
Contributions - member	9,540	10,080	9,976	10,111	10,927	11,296	11,280	11,831
Expected interest growth	173,559	156,819	151,081	160,489	194,699	154,504	180,820	200,517
Unexpected investment income	12,965	(155,031)	24,668	154,538	--	--	--	372,829
Benefit payments, including refunds of member contributions	(244,528)	(244,528)	(240,519)	(237,655)	(233,373)	(231,946)	(229,887)	(137,514)
Administrative expense	(5,486)	(11,175)	(10,675)	(11,796)	(10,513)	(10,661)	(10,925)	(11,690)
Net Change in Plan Fiduciary Net Position	66,622	(71,077)	80,718	329,221	66,076	185,215	8,785	551,985
Plan Fiduciary Net Position - Beginning	2,209,462	2,276,084	2,205,007	2,285,725	2,614,946	2,681,022	2,866,237	2,875,022
Plan Fiduciary Net Position - Ending	2,276,084	2,205,007	2,285,725	2,614,946	2,681,022	2,866,237	2,875,022	3,427,007
City's Net Pension Liability - Ending	$ 914,309	$ 1,106,479	$ 1,084,445	$ 991,355	$ 956,939	$ 797,715	$ 835,636	$ 136,574
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.34%	66.59%	67.82%	72.51%	73.70%	78.23%	77.48%	96.17%
Covered Payroll	$ 101,085	$ 166,945	$ 176,405	$ 174,581	$ 176,946	$ 106,824	$ 109,969	$ 112,007
City's Net Pension Liability as a Percentage of Covered Payroll	904.50%	662.78%	614.75%	567.85%	540.81%	746.76%	759.88%	121.93%

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

The Plan Fiduciary Net Position ending balance does not agree to the General Employees' Pension Trust Fund for the below fiscal years due to differences related to the timing of employer contributions and adjusting journal entries.

Fiscal Year	Variance
2016	$ 857
2017	$ 92,024
2018	$ 939
2019	$ 58,515
2020	$ 946
2021	$ 1,063

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GENERAL EMPLOYEES' PLAN

Year Ended September 30,	Actuarially Determined Contribution	Contributions Recognized By the Plan	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2012	$ 130,810	$ 130,810	$ --	$ 122,051	107.18%
2013	120,572	120,572	--	101,085	119.28%
2014	120,572	120,572	--	101,085	119.28%
2015	142,615	172,758	(30,143)	166,945	103.48%
2016	149,812	146,187	3,625	176,405	82.87%
2017	182,198	253,534	(71,336)	174,581	145.22%
2018	182,198	104,336	77,862	176,946	58.96%
2019	204,525	262,022	(57,497)	106,824	245.28%
2020	114,994	57,497	57,497	109,969	52.28%
2021	116,012	116,012	--	112,007	103.58%

Note: Information is only included for pension plans that do not issue stand-alone financial statements.

Notes to Schedule:

Valuation Date	October 1, 2019
Asset Valuation Method	4-year smoothed
Actuarial Cost Method	Aggregate Cost
Amortization Method	Level percent of pay, open
Amortization Period	30 years
Actuarial Assumptions:	
Investment return	7.00%
Projected salary increases	5.00%
Inflation	(1)
Cost of living adjustments	(1)

(1) Included in projected salary increases

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
DEFINED BENEFIT PENSION PLANS

	Annual Money-Weighted Rate of Return, Net of Investment Expense		
Year Ended September 30,	General Employees'	Police	Fire
2012	17.37%	18.63%	17.64%
2013	11.82%	14.53%	14.29%
2014	8.68%	10.73%	11.65%
2015	0.08%	1.29%	0.92%
2016	8.15%	10.96%	8.21%
2017	13.74%	13.60%	14.37%
2018	7.63%	11.27%	8.75%
2019	5.73%	1.34%	5.35%
2020	6.50%	7.73%	5.36%
2021	20.02%	23.01%	19.87%

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN

Measurement Date, September 30,	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	$ 1,229,681	$ 1,232,020	$ 1,321,153	$ 1,496,123	$ 1,708,681	$ 2,042,596	$ 2,646,201
Interest	6,083,570	6,501,215	6,705,476	6,883,615	7,040,412	7,225,485	7,583,691
Change in Excess State Money	--	--	--	--	--	--	--
Share Plan Allocation	134,105	(426,717)	(70,233)	74,487	94,711	219,362	133,929
Changes of Benefit Terms	885,269	--	--	--	--	1,667,089	--
Differences Between Expected and Actual Experience	264,087	911,791	53,192	533,315	370,717	587,484	705,317
Changes of Assumptions	876,591	750,916	1,038,564	989,323	1,030,495	1,084,094	387,537
Benefit Payments Including Refunds of Employee Contributions	(2,284,524)	(3,297,505)	(3,946,901)	(6,546,403)	(6,150,399)	(6,339,560)	(6,044,195)
Net Change in Total Pension Liability	7,188,779	5,671,720	5,101,251	3,430,460	4,094,617	6,486,550	5,412,480
Total Pension Liability - Beginning	85,007,723	92,196,502	97,868,222	102,969,473	106,399,933	110,494,550	116,981,100
Total Pension Liability - Ending (a)	$ 92,196,502	$ 97,868,222	$ 102,969,473	$ 106,399,933	$ 110,494,550	$ 116,981,100	$ 122,393,580
Plan Fiduciary Net Position							
Contributions - Employer	2,712,635	3,007,780	2,897,754	2,843,423	2,834,931	3,566,126	3,685,878
Contributions - State	546,749	524,479	643,259	624,188	664,636	913,938	743,073
Contributions - Employee	391,188	422,145	452,421	515,513	599,553	694,166	755,910
Net Investment Income	6,798,928	925,754	8,107,238	10,747,480	9,658,544	2,046,222	7,131,158
Benefit Payments Including Refunds of Employee Contributions	(2,284,524)	(3,297,505)	(3,946,901)	(6,546,403)	(6,150,399)	(6,339,560)	(6,044,195)
Administrative Expense	(114,098)	(116,088)	(132,973)	(121,211)	(134,667)	(144,764)	(147,675)
Other	--	--	--	--	--	--	--
Net Change in Plan Fiduciary Net Position	8,050,878	1,466,565	8,020,798	8,062,990	7,472,598	736,128	6,124,149
Plan Fiduciary Net Position - Beginning	64,575,453	72,626,331	74,092,896	82,113,694	90,176,684	97,649,282	98,385,410
Plan Fiduciary Net Position - Ending (b)	72,626,331	74,092,896	82,113,694	90,176,684	97,649,282	98,385,410	104,509,559
Net Pension Liability - Ending (a) - (b)	$ 19,570,171	$ 23,775,326	$ 20,855,779	$ 16,223,249	$ 12,845,268	$ 18,595,690	$ 17,884,021
Plan Fiduciary Net Position as a % of the Total Pension Liability	78.77%	75.71%	79.75%	84.75%	88.37%	84.10%	85.39%
Covered Payroll	$ 4,548,698	$ 4,908,663	$ 5,260,709	$ 5,994,337	$ 6,971,547	$ 8,071,698	$ 8,789,651
Net Pension Liability as a % of Covered Payroll	430.24%	484.35%	396.44%	270.64%	184.25%	230.38%	203.47%

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN

Year Ended September 30,	Actuarially Determined Contribution	Contributions Recognized By the Plan	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2014	$ 3,125,279	$ 3,125,279	$ --	$ 4,548,698	68.71%
2015	3,357,659	3,420,424	(62,765)	4,908,663	69.68%
2016	3,316,250	3,456,991	(140,741)	5,260,709	65.71%
2017	3,256,067	3,393,124	(137,057)	5,994,337	56.61%
2018	3,394,168	3,404,856	(10,688)	6,971,547	48.84%
2019	3,754,169	4,260,702	(506,533)	8,071,698	52.79%
2020	4,295,022	4,295,022	--	8,789,651	48.86%
2021	4,730,303	4,730,303	--	9,501,186	49.79%

Note: Data not available prior to 2014.

Notes to Schedule:

Valuation Date	October 1, 2019
Asset Valuation Method	The Actuarial Value of Assets is calculated by recognizing 20% of the difference between the fair value of assets and expected actuarial asset value.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent, closed
Amortization Period	13 years
Actuarial Assumptions:	
Investment return	6.5%
Projected salary increases:	3%-4.5%
Inflation	2.5%
Cost of living adjustments	N/A

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
FIRE PENSION PLAN

Measurement Date, September 30,	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service Cost	$ 1,741,473	$ 1,760,152	$ 1,637,466	$ 1,799,419	$ 1,899,698	$ 2,064,570	$ 2,064,067
Interest	6,280,207	6,786,918	7,174,074	7,817,426	8,615,415	9,012,325	9,558,047
Change in Excess State Money	--	--	--	--	--	--	--
Share Plan Allocation	304,698	222,133	51,623	483,485	188,808	141,612	--
Changes of Benefit Terms	--	--	--	--	--	(9,669)	--
Differences Between Expected and Actual Experience	--	(1,460,746)	(1,684,439)	3,648,972	(1,326,161)	1,733,462	290,458
Changes of Assumptions	1,772,793	2,004,899	5,890,763	3,032,216	--	1,520,614	2,308,619
Benefit Payments Including Refunds of Employee Contributions	(1,844,859)	(1,935,428)	(1,803,517)	(2,353,058)	(3,607,721)	(4,508,950)	(5,693,121)
Net Change in Total Pension Liability	8,254,312	7,377,928	11,265,970	14,428,460	5,770,039	9,953,964	8,528,070
Total Pension Liability - Beginning	77,410,798	85,665,110	93,043,038	104,309,008	118,737,468	124,507,507	134,461,471
Total Pension Liability - Ending (a)	$ 85,665,110	$ 93,043,038	$ 104,309,008	$ 118,737,468	$ 124,507,507	$ 134,461,471	$ 142,989,541
Plan Fiduciary Net Position							
Contributions - Employer	2,866,126	3,746,995	3,088,524	3,048,414	4,082,027	6,899,640	2,471,144
Contributions - State	843,533	726,993	568,403	483,485	723,847	699,764	723,647
Contributions - Employee	475,442	445,465	455,983	449,828	472,093	492,488	496,843
Net Investment Income	6,977,925	835,212	6,152,911	11,585,691	8,475,048	5,689,306	6,086,224
Benefit Payments Including Refunds of Employee Contributions	(1,844,859)	(1,935,428)	(1,803,517)	(2,353,058)	(3,607,721)	(4,508,950)	(5,693,121)
Administrative Expense	(88,142)	(84,807)	(91,145)	(101,089)	(101,721)	(158,798)	(146,597)
Other	--	--	--	--	--	--	--
Net Change in Plan Fiduciary Net Position	9,230,025	3,734,430	8,371,159	13,113,271	10,043,573	9,113,450	3,938,140
Plan Fiduciary Net Position - Beginning	59,994,726	69,224,751	72,959,181	81,330,340	94,443,611	104,487,184	113,600,634
Plan Fiduciary Net Position - Ending (b)	$ 69,224,751	$ 72,959,181	$ 81,330,340	$ 94,443,611	$ 104,487,184	$ 113,600,634	$ 117,538,774
Net Pension Liability - Ending (a) - (b)	$ 16,440,359	$ 20,083,857	$ 22,978,668	$ 24,293,857	$ 20,020,323	$ 20,860,837	$ 25,450,767
Plan Fiduciary Net Position as a % of the Total Pension Liability	80.81%	78.41%	77.97%	79.54%	83.92%	84.49%	82.20%
Covered Payroll	$ 7,924,041	$ 9,695,082	$ 7,599,715	$ 7,497,133	$ 7,868,225	$ 8,208,129	$ 8,280,709
Net Pension Liability as a % of Covered Payroll	207.47%	207.16%	302.36%	324.04%	254.45%	254.15%	307.35%

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIRE PENSION PLAN

Year Ended September 30,	Actuarially Determined Contribution	Contributions Recognized By the Plan	Contribution Deficiency/ (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2013	$ 3,443,143	$ 3,911,687	$ (468,544)	$ 8,294,732	47.16%
2014	3,404,960	3,404,960	--	7,924,041	42.97%
2015	3,460,519	4,251,855	(791,336)	9,695,082	43.86%
2016	3,605,305	3,605,305	--	7,599,715	47.44%
2017	3,531,899	3,531,899	--	7,497,133	47.11%
2018	4,807,157	4,807,157	--	7,868,225	61.10%
2019	5,228,578	7,599,404	(2,370,826)	8,208,129	92.58%
2020	5,054,544	3,194,793	1,859,751	8,280,709	38.58%
2021	5,374,214	5,049,245	324,969	8,994,500	56.14%

Note: Data not available prior to 2013.

Notes to Schedule:

Valuation Date	October 1, 2019
Asset Valuation Method	The Actuarial Value of Assets is calculated by recognizing 25% of the difference between the fair value of assets and expected market value of assets.
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of pay, closed
Amortization Period	20 years
Actuarial Assumptions:	
Investment return	7.15%
Projected salary increases:	

Age	Increase
20	5.7%
30	3.1%
40	2.7%
50	2.2%
60	2.0%

Inflation	2.50%
Cost of living adjustments	[1]

[1] 1.0% increase for members who are Age 53, 2.0% increase for members who are age 54, and 3.0% increase for members who are Age 55 or greater.

Note to Schedule:
This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM

June 30,	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.055407078%	0.049358246%	0.049933421%	0.050299922%	0.047587909%	0.038860308%	0.039859281%
City's proportionate share of the net pension liability	$ 4,185,375	$ 21,392,591	$ 17,196,375	$ 15,150,597	$ 14,081,016	$ 9,812,258	$ 5,148,361
City's covered payroll	$ 21,413,044	$ 19,828,390	$ 19,073,189	$ 18,215,273	$ 16,481,558	$ 14,725,436	$ 13,927,291
City's proportionate share of the net pension liability as a percentage of its covered payroll	19.55%	107.89%	90.16%	83.18%	85.43%	66.63%	36.97%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM

September 30,	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,110,770	$ 1,639,956	$ 1,548,296	$ 1,433,507	$ 1,238,830	$ 947,671	$ 971,803
Contributions in relation to the contractually required contribution	$ (2,110,770)	$ (1,639,956)	$ (1,548,296)	$ (1,433,507)	$ (1,238,830)	$ (947,671)	$ (971,803)
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's covered payroll	$ 21,049,403	$ 20,799,178	$ 19,225,025	$ 18,272,280	$ 17,317,803	$ 14,920,339	$ 14,032,498
Contributions as a percentage of covered payroll	10.03%	7.88%	8.05%	7.85%	7.15%	6.35%	6.93%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PROGRAM

June 30,	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.060474077%	0.057120688%	0.056895930%	0.056601158%	0.053413415%	0.047598032%	0.045751278%
City's proportionate share of the net pension liability	$ 7,418,015	$ 6,974,343	$ 6,366,085	$ 5,990,730	$ 5,711,200	$ 5,547,353	$ 4,665,911
City's covered payroll	$ 21,413,044	$ 19,828,390	$ 19,073,189	$ 18,215,273	$ 16,481,558	$ 14,725,436	$ 13,927,291
City's proportionate share of the net pension liability as a percentage of its covered payroll	34.64%	35.17%	33.38%	32.89%	34.65%	37.67%	33.50%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PROGRAM

September 30,	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 355,467	$ 329,160	$ 315,938	$ 306,950	$ 282,679	$ 243,970	$ 174,890
Contributions in relation to the contractually required contribution	(355,467)	(329,160)	(315,938)	(306,950)	(282,679)	(243,970)	(174,890)
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's covered payroll	$ 21,049,403	$ 20,799,178	$ 19,225,025	$ 18,272,280	$ 17,317,803	$ 14,920,339	$ 14,032,498
Contributions as a percentage of covered payroll	1.69%	1.58%	1.64%	1.68%	1.63%	1.64%	1.25%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.


PALM BEACH
Gardens

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

OTHER GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than debt service or capital projects. The nonmajor special revenue funds of the City are as follows:

Police Training Fund – This fund is established to account for fees collected from traffic citations to be used for the training and education of the City's police.

Extra Duty Police Fund – This fund is used to account for revenues to be used to fund extra police duty.

Local Option Gas Tax Fund – This fund is established to account for the receipt of local option gas taxes. The use of these funds is restricted for transportation related capital improvements or maintenance costs.

Recreation Programs Fund – This fund is used to account for revenues and costs related to special programs such as special events and athletic programs.

Golf Course Fund – This fund is used to account for revenues and costs related to the operations of the City's Golf Course.

Housing Fund – This fund is used to account for revenues to be used to fund affordable housing initiatives.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for financial resources to be used for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. The nonmajor capital projects funds of the City are as follows:

Recreation Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the recreational facilities within the City.

Police Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of law enforcement services in the City.

Fire Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of fire/rescue services in the City.

Art Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing art and cultural activities.

Capital Improvement & Replacement Fund – This fund is established to account for the receipt and disbursement of debt proceeds and special assessments related to infrastructure and capital improvement and replacement projects.

One-Cent Sales Surtax Capital Projects Fund – This fund is established to account for the receipt and disbursement of a voter approved one-cent sales infrastructure surtax restricted for the purpose of constructing infrastructure projects within the City.

Public Facilities Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of improving public facilities within the City.

Mobility Fund – This fund is established to account for the receipt and disbursement of developer paid mobility fees restricted for the purpose of improving multimodal transportation systems within the City.

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	Special Revenue Funds						
	Police Training	Extra Duty Police	Local Option Gas Tax	Recreation Programs	Golf Course	Housing	Total
Assets							
Cash and cash equivalents	$ 30,398	$ 180,277	$ 943,723	$ 2,339,203	$ 1,323,689	$ 550,066	$ 5,367,356
Receivables	--	34,760	--	--	--	--	34,760
Due from other governments	935	--	65,739	--	--	--	66,674
Inventory	--	--	--	56,042	62,153	--	118,195
Prepaid items	--	--	--	5,650	--	--	5,650
Total Assets	$ 31,333	$ 215,037	$ 1,009,462	$ 2,400,895	$ 1,385,842	$ 550,066	$ 5,592,635
Liabilities							
Accounts payable	$ --	$ 720	$ 4,806	$ 40,445	$ 68,813	$ --	$ 114,784
Contracts and retainage payable	--	--	--	--	--	--	--
Accrued liabilities	--	--	--	--	4,913	--	4,913
Unearned revenue	--	--	--	129,673	7,234	--	136,907
Total Liabilities	--	720	4,806	170,118	80,960	--	256,604
Fund Balances							
Nonspendable:							
Prepaid items	--	--	--	5,650	--	--	5,650
Inventory	--	--	--	56,042	62,153	--	118,195
Restricted for:							
Capital improvements	--	--	--	--	--	--	--
Transit improvements	--	--	1,004,656	--	--	--	1,004,656
Law enforcement	31,333	214,317	--	--	--	--	245,650
Art improvements	--	--	--	--	--	--	--
Assigned	--	--	--	2,169,085	1,242,729	550,066	3,961,880
Total Fund Balances	31,333	214,317	1,004,656	2,230,777	1,304,882	550,066	5,336,031
Total Liabilities and Fund Balances	$ 31,333	$ 215,037	$ 1,009,462	$ 2,400,895	$ 1,385,842	$ 550,066	$ 5,592,635

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)

SEPTEMBER 30, 2021

	Capital Projects Funds									
	Recreation Impact	Police Impact	Fire Impact	Art Impact	Capital Improvement & Replacement	One-Cent Sales Surtax Capital Improvements	Public Facilities Impact	Mobility Fee	Total	Total Other Governmental Funds
Assets										
Cash and cash equivalents	$ 4,042,068	$ 1,514,309	$ 1,267,431	$ 1,184,584	$ 186,775	$ 6,271,233	$ 167,053	$ 2,362,494	$ 16,995,947	$ 22,363,303
Receivables	--	--	--	--	--	--	--	--	--	34,760
Due from other governments	--	--	--	--	--	307,206	--	--	307,206	373,880
Inventory	--	--	--	--	--	--	--	--	--	118,195
Prepaid items	--	--	--	--	--	--	--	--	--	5,650
Total Assets	$ 4,042,068	$ 1,514,309	$ 1,267,431	$ 1,184,584	$ 186,775	$ 6,578,439	$ 167,053	$ 2,362,494	$ 17,303,153	$ 22,895,788
Liabilities										
Accounts payable	$ --	$ --	$ 8,760	$ --	$ --	$ 1,890	$ --	$ 670	$ 11,320	$ 126,104
Contracts and retainage payable	--	--	--	--	--	--	--	249,761	249,761	249,761
Accrued liabilities	--	--	--	--	--	--	--	--	--	4,913
Unearned revenue	--	--	--	243,046	--	--	--	--	243,046	379,953
Total Liabilities	--	--	8,760	243,046	--	1,890	--	250,431	504,127	760,731
Fund Balances										
Nonspendable:										
Prepaid items	--	--	--	--	--	--	--	--	--	5,650
Inventory	--	--	--	--	--	--	--	--	--	118,195
Restricted for:										
Capital improvements	4,042,068	1,514,309	1,258,671	--	186,775	6,576,549	167,053	--	13,745,425	13,745,425
Transit improvements	--	--	--	--	--	--	--	2,112,063	2,112,063	3,116,719
Law enforcement	--	--	--	--	--	--	--	--	--	245,650
Art improvements	--	--	--	941,538	--	--	--	--	941,538	941,538
Assigned	--	--	--	--	--	--	--	--	--	3,961,880
Total Fund Balances	4,042,068	1,514,309	1,258,671	941,538	186,775	6,576,549	167,053	2,112,063	16,799,026	22,135,057
Total Liabilities and Fund Balances	$ 4,042,068	$ 1,514,309	$ 1,267,431	$ 1,184,584	$ 186,775	$ 6,578,439	$ 167,053	$ 2,362,494	$ 17,303,153	$ 22,895,788

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds						
	Police Training	Extra Duty Police	Local Option Gas Tax	Recreation Programs	Golf Course	Housing	Total
Revenues							
Intergovernmental	$ --	$ --	$ 776,805	$ --	$ --	$ --	$ 776,805
Impact fees	--	--	--	--	--	--	--
Charges for services	--	--	--	2,793,113	2,746,650	--	5,539,763
Fines and forfeitures	11,241	--	--	--	--	--	11,241
Investment income	--	54	301	723	455	66	1,599
Miscellaneous	--	397,587	137,073	4,957	150,781	550,000	1,240,398
Total Revenues	11,241	397,641	914,179	2,798,793	2,897,886	550,066	7,569,806
Expenditures							
Current:							
Public safety	1,525	347,504	--	--	--	--	349,029
Culture and recreation	--	--	--	4,420,972	2,104,929	--	6,525,901
Physical environment	--	--	--	--	--	--	--
Transportation	--	--	824,380	--	--	--	824,380
Capital outlay	--	--	119,911	9,913	2,125	--	131,949
Debt service:							
Principal	--	--	22,518	--	--	--	22,518
Interest	--	--	4,090	--	--	--	4,090
Total Expenditures	1,525	347,504	970,899	4,430,885	2,107,054	--	7,857,867
Excess (deficiency) of revenues over (under) expenditures	9,716	50,137	(56,720)	(1,632,092)	790,832	550,066	(288,061)
Other Financing Sources (Uses)							
Transfers in	--	--	--	2,339,968	--	--	2,339,968
Total Other Financing Sources (Uses)	--	--	--	2,339,968	--	--	2,339,968
Net Change in Fund Balances	9,716	50,137	(56,720)	707,876	790,832	550,066	2,051,907
Fund Balances - Beginning	21,617	164,180	1,061,376	1,522,901	514,050	--	3,284,124
Fund Balances - Ending	$ 31,333	$ 214,317	$ 1,004,656	$ 2,230,777	$ 1,304,882	$ 550,066	$ 5,336,031

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2021

	Capital Projects Funds									
	Recreation Impact	Police Impact	Fire Impact	Art Impact	Capital Improvement & Replacemen	One-Cent Sales Surtax Capital Improvements	Public Facilities Impact	Mobility Fee	Total	Total Other Governmental Funds
Revenues										
Intergovernmental	$ --	$ --	$ --	$ --	$ --	$ 4,414,072	$ --	$ --	$ 4,414,072	$ 5,190,877
Impact fees	1,665,829	293,616	434,330	40,600	--	--	192,756	526,777	3,153,908	3,153,908
Charges for services	--	--	--	--	--	--	--	--	--	5,539,763
Fines and forfeitures	--	--	--	--	--	--	--	--	--	11,241
Investment income	1,202	478	359	341	--	5,721	42	820	8,963	10,562
Miscellaneous	--	--	--	--	--	--	--	--	--	1,240,398
Total Revenues	1,667,031	294,094	434,689	40,941	--	4,419,793	192,798	527,597	7,576,943	15,146,749
Expenditures										
Current:										
Public safety	--	--	--	--	--	--	--	--	--	349,029
Culture and recreation	--	--	--	--	--	--	--	--	--	6,525,901
Physical environment	--	--	--	--	--	--	--	--	--	--
Transportation	--	--	--	--	--	--	--	--	--	824,380
Capital outlay	132,447	--	261,379	82,150	--	909,634	270,613	744,232	2,400,455	2,532,404
Debt service:										
Principal	--	--	--	--	--	2,895,000	--	--	2,895,000	2,917,518
Interest	--	--	--	--	--	444,785	--	--	444,785	448,875
Total Expenditures	132,447	--	261,379	82,150	--	4,249,419	270,613	744,232	5,740,240	13,598,107
Excess (deficiency) of revenues over (under) expenditures	1,534,584	294,094	173,310	(41,209)	--	170,374	(77,815)	(216,635)	1,836,703	1,548,642
Other Financing Sources (Uses)										
Transfers in	--	--	--	--	--	--	--	--	--	2,339,968
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--	--	--	2,339,968
Net Change in Fund Balances	1,534,584	294,094	173,310	(41,209)	--	170,374	(77,815)	(216,635)	1,836,703	3,888,610
Fund Balances - Beginning	2,507,484	1,220,215	1,085,361	982,747	186,775	6,406,175	244,868	2,328,698	14,962,323	18,246,447
Fund Balances - Ending	$ 4,042,068	$ 1,514,309	$ 1,258,671	$ 941,538	$ 186,775	$ 6,576,549	$ 167,053	$ 2,112,063	$ 16,799,026	$ 22,135,057

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE TRAINING - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	$ 8,000	$ 8,000	$ 11,241	$ 3,241
Total Revenues	8,000	8,000	11,241	3,241
Expenditures				
Current:				
Public Safety	6,000	6,000	1,525	4,475
Total Expenditures	6,000	6,000	1,525	4,475
Net Change in Fund Balance	2,000	2,000	9,716	7,716
Fund Balance - Beginning	19,909	21,617	21,617	--
Fund Balance - Ending	$ 21,909	$ 23,617	$ 31,333	$ 7,716

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 795,600	$ 795,600	$ 776,805	$ (18,795)
Investment income	1,042	1,042	301	(741)
Miscellaneous	124,000	124,000	137,073	13,073
Total Revenues	920,642	920,642	914,179	(6,463)
Expenditures				
Current:				
Transportation	1,171,908	1,171,908	824,380	347,528
Capital outlay	121,000	218,866	119,911	98,955
Debt Service:				
Principal	21,182	22,518	22,518	--
Interest	5,426	4,090	4,090	--
Total debt service	26,608	26,608	26,608	--
Total Expenditures	1,319,516	1,417,382	970,899	446,483
Net Change in Fund Balance	(398,874)	(496,740)	(56,720)	440,020
Fund Balance - Beginning	447,473	1,061,376	1,061,376	--
Fund Balance - Ending	$ 48,599	$ 564,636	$ 1,004,656	$ 440,020

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION PROGRAMS - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	$ 5,399,421	$ 5,399,421	$ 2,793,113	$ (2,606,308)
Investment income	1,000	1,000	723	(277)
Miscellaneous	--	--	4,957	4,957
Total Revenues	5,400,421	5,400,421	2,798,793	(2,601,628)
Expenditures				
Current:				
Culture and recreation	5,787,954	5,798,865	4,420,972	1,377,893
Capital outlay	--	9,599	9,913	(314)
Total Expenditures	5,787,954	5,808,464	4,430,885	1,377,579
Deficiency of Revenues Under Expenditures	(387,533)	(408,043)	(1,632,092)	(1,224,049)
Other Financing Sources				
Transfers in	339,968	2,339,968	2,339,968	--
Net Change in Fund Balance	(47,565)	1,931,925	707,876	(1,224,049)
Fund Balance - Beginning	233,695	1,522,900	1,522,901	1
Fund Balance - Ending	$ 186,130	$ 3,454,825	$ 2,230,777	$ (1,224,048)

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOLF COURSE - SPECIAL REVENUE FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	$ 2,274,000	$ 2,463,000	$ 2,746,650	$ 283,650
Investment income	3,000	3,000	455	(2,545)
Miscellaneous	282,000	93,000	150,781	57,781
Total Revenues	2,559,000	2,559,000	2,897,886	338,886
Expenditures				
Current:				
Culture and recreation	2,489,326	2,489,326	2,104,929	384,397
Capital outlay	60,985	153,879	2,125	151,754
Total Expenditures	2,550,311	2,643,205	2,107,054	536,151
Net Change in Fund Balance	8,689	(84,205)	790,832	875,037
Fund Balance - Beginning	193,200	514,050	514,050	--
Fund Balance - Ending	$ 201,889	$ 429,845	$ 1,304,882	$ 875,037

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION IMPACT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 791,979	$ 791,979	$ 1,665,829	$ 873,850
Investment income	2,171	2,171	1,202	(969)
Total Revenues	794,150	794,150	1,667,031	872,881
Expenditures				
Capital outlay	--	212,929	132,447	80,482
Total Expenditures	--	212,929	132,447	80,482
Excess of Revenues Over Expenditures	794,150	581,221	1,534,584	953,363
Other Financing Uses				
Transfers out	--	(1,218,500)	--	(1,218,500)
Net Change in Fund Balance	794,150	(637,279)	1,534,584	953,363
Fund Balance - Beginning	723,711	2,507,484	2,507,484	--
Fund Balance - Ending	$ 1,517,861	$ 1,870,205	$ 4,042,068	$ 953,363

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE IMPACT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 263,201	$ 263,201	$ 293,616	$ 30,415
Investment income	2,265	2,265	478	(1,787)
Total Revenues	265,466	265,466	294,094	28,628
Expenditures				
Capital outlay	--	425,000	--	425,000
Total Expenditures	--	425,000	--	425,000
Net Change in Fund Balance	265,466	(159,534)	294,094	(396,372)
Fund Balance - Beginning	754,910	1,220,215	1,220,215	(739,874)
Fund Balance - Ending	$ 1,020,376	$ 1,060,681	$ 1,514,309	$ (1,136,246)

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE IMPACT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 382,579	$ 382,579	$ 434,330	$ 51,751
Investment income	2,374	2,374	359	(2,015)
Total Revenues	384,953	384,953	434,689	49,736
Expenditures				
Capital outlay	--	282,522	261,379	21,143
Total Expenditures	--	282,522	261,379	21,143
Net Change in Fund Balance	384,953	102,431	173,310	70,879
Fund Balance - Beginning	957,213	1,085,361	1,085,361	--
Fund Balance - Ending	$ 1,342,166	$ 1,187,792	$ 1,258,671	$ 70,879

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ART IMPACT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ --	$ --	$ 40,600	$ 40,600
Investment income	--	--	341	341
Total Revenues	--	--	40,941	40,941
Expenditures				
Capital outlay	--	171,475	82,150	89,325
Total Expenditures	--	171,475	82,150	89,325
Net Change in Fund Balance	--	(171,475)	(41,209)	130,266
Fund Balance - Beginning	939,057	982,747	982,747	--
Fund Balance - Ending	$ 939,057	$ 811,272	$ 941,538	$ 130,266

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 1,004,982	$ 1,004,982	$ 1,220,845	$ 215,863
Investment income	--	--	886	886
Total Revenues	1,004,982	1,004,982	1,221,731	216,749
Expenditures				
Capital outlay	--	643,000	378,113	264,887
Total Expenditures	--	643,000	378,113	264,887
Net Change in Fund Balance	1,004,982	361,982	843,618	481,636
Fund Balance - Beginning	3,510	960,252	960,252	3,145,703
Fund Balance - Ending	$ 1,008,492	$ 1,322,234	$ 1,803,870	$ 3,627,339

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT & REPLACEMENT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ --	$ --	$ --	$ --
Investment income	--	--	--	--
Total Revenues	--	--	--	--
Expenditures				
Capital outlay	--	136,785	--	136,785
Total Expenditures	--	136,785	--	136,785
Net Change in Fund Balance	--	(136,785)	--	136,785
Fund Balance - Beginning	49,990	186,775	186,775	--
Fund Balance - Ending	$ 49,990	$ 49,990	$ 186,775	$ 136,785

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE-CENT SALES SURTAX CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 3,500,000	$ 3,500,000	$ 4,414,072	$ 914,072
Investment income	14,098	14,098	5,721	(8,377)
Total Revenues	3,514,098	3,514,098	4,419,793	905,695
Expenditures				
Capital outlay	--	5,864,418	909,634	4,954,784
Debt Service:				
Principal	2,895,000	2,895,000	2,895,000	--
Interest	444,785	444,785	444,785	--
Total Expenditures	3,339,785	9,204,203	4,249,419	4,954,784
Net Change in Fund Balance	174,313	(5,690,105)	170,374	(4,049,089)
Fund Balance - Beginning	4,699,423	6,406,175	6,406,175	--
Fund Balance - Ending	$ 4,873,736	$ 716,070	$ 6,576,549	$ (4,049,089)

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC FACILITIES IMPACT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 169,711	$ 169,711	$ 192,756	$ 23,045
Investment income	--	--	42	42
Total Revenues	169,711	169,711	192,798	23,087
Expenditures				
Capital outlay	--	270,977	270,613	364
Total Expenditures	--	270,977	270,613	364
Net Change in Fund Balance	169,711	(101,266)	(77,815)	23,451
Fund Balance - Beginning	11,328	244,868	244,868	--
Fund Balance - Ending	$ 181,039	$ 143,602	$ 167,053	$ 23,451

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOBILITY FEE - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 924,178	$ 924,178	$ 526,777	$ (397,401)
Investment income	1,912	1,912	820	(1,092)
Total Revenues	926,090	926,090	527,597	(398,493)
Expenditures				
Capital outlay	1,300,000	2,957,580	744,232	2,213,348
Total Expenditures	1,300,000	2,957,580	744,232	2,213,348
Net Change in Fund Balance	(373,910)	(2,031,490)	(216,635)	1,814,855
Fund Balance - Beginning	1,040,706	2,328,698	2,328,698	--
Fund Balance - Ending	$ 666,796	$ 297,208	$ 2,112,063	$ 1,814,855

CITY OF PALM BEACH GARDENS, FLORIDA

INTERNAL SERVICES FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Fleet Management	Self Insurance	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 1,150,530	$ 9,217,932	$ 10,368,462
Accounts receivable	1,490	--	1,490
Inventory	190,719	--	190,719
Prepaid items	--	52,500	52,500
Total current assets	1,342,739	9,270,432	10,613,171
Noncurrent assets:			
Capital assets being depreciated, net	820,878	14,304	835,182
Total noncurrent assets	820,878	14,304	835,182
Total Assets	2,163,617	9,284,736	11,448,353
Deferred Outflows of Resources			
Deferred outflows relating to pensions	335,280	--	335,280
Deferred outflows relating to OPEB	12,494	--	12,494
Total Deferred Outflows of Resources	347,774	--	347,774
Liabilities			
Current liabilities:			
Accounts payable	282,294	50,994	333,288
Accrued liabilities	--	30,443	30,443
Claims payable	--	725,867	725,867
Capital lease payable, current portion	20,099	--	20,099
Total current liabilities	302,393	807,304	1,109,697
Noncurrent liabilities:			
Claims payable	--	443,365	443,365
Net pension liability	554,051	--	554,051
Total OPEB liability	237,628	--	237,628
Compensated absences payable	55,336	--	55,336
Capital lease payable, net of current portion	43,394	--	43,394
Total noncurrent liabilities	890,409	443,365	1,333,774
Total Liabilities	1,192,802	1,250,669	2,443,471
Deferred Inflows of Resources			
Deferred inflows relating to pensions	420,847	--	420,847
Deferred inflows relating to OPEB	35,999	--	35,999
Total Deferred Inflows of Resources	456,846	--	456,846
Net Position			
Net investment in capital assets	757,385	14,304	771,689
Unrestricted	104,358	8,019,763	8,124,121
Total Net Position	$ 861,743	$ 8,034,067	$ 8,895,810

CITY OF PALM BEACH GARDENS, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED SEPTEMBER 30, 2021

	Fleet Management	Self Insurance	Total
Operating Revenues			
Charges for services	$ 3,719,019	$ --	$ 3,719,019
Employer contributions	--	8,916,877	8,916,877
Employee contributions	--	1,614,669	1,614,669
Miscellaneous	102,770	452,069	554,839
Total Operating Revenues	3,821,789	10,983,615	14,805,404
Operating Expenses			
Personnel expenses	1,002,996	1,685	1,004,681
Claims expense	--	8,967,129	8,967,129
Insurance premiums	--	679,129	679,129
Repair and maintenance	517,246	--	517,246
Fuel and chemicals	612,167	--	612,167
Equipment rental	1,300,304	--	1,300,304
Operating supplies	159,269	58,173	217,442
Other professional and contractual	67,914	1,107,887	1,175,801
Other expenses	10,135	--	10,135
Depreciation	471,867	3,121	474,988
Total Operating Expenses	4,141,898	10,817,124	14,959,022
Operating Income (Loss)	(320,109)	166,491	(153,618)
Nonoperating Revenues/(Expenses)			
Investment income	524	3,376	3,900
Gain on disposal of capital assets	98,482	--	98,482
Interest expense	(8,135)	--	(8,135)
Total Nonoperating Revenues/(Expenses)	90,871	3,376	94,247
Change in Net Position	(229,238)	169,867	(59,371)
Net Position - Beginning	1,090,981	7,864,200	8,955,181
Net Position - Ending	$ 861,743	$ 8,034,067	$ 8,895,810

CITY OF PALM BEACH GARDENS, FLORIDA

INTERNAL SERVICES FUNDS
COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2021

	Fleet Management	Self Insurance	Total
Cash Flows from Operating Activities			
Receipts for interfund services provided	$ 3,719,019	$ 10,531,546	$ 14,250,565
Payments to suppliers for goods and services	(2,484,408)	(1,946,890)	(4,431,298)
Payments to employees for services	(999,906)	--	(999,906)
Payments for claims	--	(8,721,597)	(8,721,597)
Other operating revenues	102,770	452,069	554,839
Net Cash Provided by Operating Activities	337,475	315,128	652,603
Cash Flows from Capital and Related Financing Activities			
Purchases of capital assets	(273,332)	--	(273,332)
Proceeds from sale of capital assets	98,482	--	98,482
Principal paid on capital lease	(173,795)	--	(173,795)
Interest paid on capital lease	(8,135)	--	(8,135)
Net Cash Used in Capital and Related Financing Activities	(356,780)	--	(356,780)
Cash Flows from Investing Activities			
Interest earned	524	3,376	3,900
Net Cash Provided by Investing Activities	524	3,376	3,900
Net Increase (Decrease) in Cash and Cash Equivalents	(18,781)	318,504	299,723
Cash and Cash Equivalents - Beginning of Year	1,169,311	8,899,428	10,068,739
Cash and Cash Equivalents - End of Year	$ 1,150,530	$ 9,217,932	$ 10,368,462
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ (320,109)	$ 166,491	$ (153,618)
Adjustments to reconcile operating income (loss) to net cash			
Depreciation	471,867	3,121	474,988
Changes in operating assets/deferred outflows, and liabilities/deferred inflows:			
Accounts receivable	(1,490)	--	(1,490)
Inventory	(57,610)	--	(57,610)
Prepaid items	2,649	(2,000)	649
Deferred outflows relating to pensions	29,796	--	29,796
Deferred outflows relating to OPEB	2,754	--	2,754
Accounts payable	237,588	(98,016)	139,572
Accrued liabilities	--	3,498	3,498
Claims payable	--	242,034	242,034
Net pension liability	(442,638)	--	(442,638)
Total OPEB liability	(141)	--	(141)
Compensated absences	11,774	--	11,774
Deferred inflows relating to pensions	381,317	--	381,317
Deferred inflows relating to OPEB	21,718	--	21,718
Total Adjustments	657,584	148,637	806,221
Net Cash Provided by Operating Activities	$ 337,475	$ 315,128	$ 652,603

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2021

	Pension Trust Funds			
	General Employees	Police	Fire	Total
Assets				
Cash and cash equivalents	$ 23,989	$ 451,906	$ 33,548	$ 509,443
Investments:				
Money market funds	--	2,886,967	2,522,941	5,409,908
U.S. Government obligations	--	3,632,571	9,198,288	12,830,859
Mortgage backed securities	--	5,536,926	8,891,510	14,428,436
Municipal obligations	--	2,209,427	--	2,209,427
Fixed income funds	1,072,653	--	7,675,787	8,748,440
Collateralized mortgage obligations	--	12,186,276	1,114,282	13,300,558
Certificates of deposit	--	290,068	--	290,068
Corporate obligations	--	8,726,175	9,306,826	18,033,001
Equity securities	--	13,714,515	80,527,149	94,241,664
Equity funds	1,343,387	66,939,990	7,000,832	75,284,209
Foreign bonds	--	--	888,390	888,390
International funds	699,109	--	1,732,525	2,431,634
Real estate funds	287,869	11,525,546	12,717,441	24,530,856
Total investments	3,403,018	127,648,461	141,575,971	272,627,450
Receivables:				
Interest and dividends	--	120,646	166,112	286,758
Employer	--	83,887	--	83,887
Pending trades	--	42,437	--	42,437
Employees	651	--	20,286	20,937
Total receivables	651	246,970	186,398	434,019
Prepaid items	--	350,534	--	350,534
Total Assets	3,427,658	128,697,871	141,795,917	273,921,446
Liabilities				
Accounts payable	1,714	78,074	204,696	284,484
Pending trades payable	--	1,111,762	665,849	1,777,611
Total Liabilities	1,714	1,189,836	870,545	2,062,095
Net Position				
Net Position Restricted for Pension Benefits	$ 3,425,944	$ 127,508,035	$ 140,925,372	$ 271,859,351

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

YEAR ENDED SEPTEMBER 30, 2021

	Pension Trust Funds			
	General Employees	Police	Fire	Total
Additions				
Contributions:				
Employer	$ 116,012	$ 4,119,614	$ 4,352,839	$ 8,588,465
State of Florida	--	746,163	696,406	1,442,569
Employees	11,990	882,102	555,163	1,449,255
Total contributions	128,002	5,747,879	5,604,408	11,480,289
Investment Earnings				
Net appreciation in fair value of investments	573,346	22,920,678	20,949,151	44,443,175
Interest and dividends	--	1,151,552	3,285,613	4,437,165
Other	--	205	--	205
Total investment earnings	573,346	24,072,435	24,234,764	48,880,545
Less investment expenses	(5,200)	(355,290)	(548,937)	(909,427)
Net Investment Earnings	568,146	23,717,145	23,685,827	47,971,118
Total Additions	696,148	29,465,024	29,290,235	59,451,407
Deductions				
Pension benefits	137,514	6,279,976	5,767,390	12,184,880
Refund of participant contributions	--	32,533	765	33,298
Administrative expenses	6,766	154,039	135,198	296,003
Total Deductions	144,280	6,466,548	5,903,353	12,514,181
Change in Net Position	551,868	22,998,476	23,386,882	46,937,226
Net Position - Beginning	2,874,076	104,509,559	117,538,490	224,922,125
Net Position - Ending	$ 3,425,944	$ 127,508,035	$ 140,925,372	$ 271,859,351

STATISTICAL SECTION

STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:	
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Sources: Unless other wise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF PALM BEACH GARDENS, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2012	2013	2014	2015
Governmental Activities				
Net Investment in capital assets	$ 69,245,447	$ 70,034,049	$ 69,151,586	$ 72,259,435
Restricted	7,934,680	11,487,326	10,927,847	16,288,640
Unrestricted	28,494,191	28,797,278	37,132,301	(4,045,911)
Total Governmental Activities Net Position	105,674,318	110,318,653	117,211,734	84,502,164
Primary Government				
Net Investment in capital assets	69,245,447	70,034,049	69,151,586	72,259,435
Restricted	7,934,680	11,487,326	10,927,847	16,288,640
Unrestricted	28,494,191	28,797,278	37,132,301	(4,045,911)
Total Primary Government Net Position	$ 105,674,318	$ 110,318,653	$ 117,211,734	$ 84,502,164

Table 1

2016	2017	2018	2019	2020	2021
$ 78,370,940	$ 87,952,986	$ 95,276,106	$ 102,515,810	$ 112,859,024	$ 111,362,529
12,549,249	9,051,076	10,702,072	14,686,358	16,642,836	23,464,670
4,088,222	6,420,075	2,149,293	6,431,578	6,924,106	16,356,833
95,008,411	103,424,137	108,127,471	123,633,746	136,425,966	151,184,032
78,370,940	87,952,986	95,276,106	102,515,810	112,859,024	111,362,529
12,549,249	9,051,076	10,702,072	14,686,358	16,642,836	23,464,670
4,088,222	6,420,075	2,149,293	6,431,578	6,924,106	16,356,833
$ 95,008,411	$ 103,424,137	$ 108,127,471	$ 123,633,746	$ 136,425,966	$ 151,184,032

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General Government	$ 13,772,084	$ 14,577,754	$ 14,130,877	$ 14,978,857
Public Safety	43,586,151	41,943,456	40,628,867	42,414,598
Culture/Recreation	7,470,717	7,435,778	7,753,450	7,988,072
Physical Environment	6,876,606	7,031,948	7,822,307	8,986,513
Transportation	1,927,567	2,214,405	2,329,335	2,529,685
Interest on long-term debt	945,926	935,201	916,909	818,570
Other debt service costs	91,923	36,500	--	--
Total Governmental Activities Expenses	74,670,974	74,175,042	73,581,745	77,716,295
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	8,749,869	9,710,901	12,320,246	11,781,970
Public Safety	4,321,215	4,883,193	2,709,767	5,860,916
Culture/Recreation	5,030,609	5,879,675	5,528,028	6,962,118
Physical Environment	--	--	--	--
Transportation	109,553	627,407	338,718	350,647
Operating grants and contributions	1,650,949	1,470,016	1,794,424	1,616,429
Capital grants and contributions	167,897	123,665	63,000	135,307
Total Governmental Activities Program Revenues	20,030,092	22,694,857	22,754,183	26,707,387
Total Primary Government Program Revenues	$ 20,030,092	$ 22,694,857	$ 22,754,183	$ 26,707,387

Table 2

2016	2017	2018	2019	2020	2021
$ 17,541,387	$ 20,064,766	$ 21,148,515	$ 26,322,940	$ 26,387,153	$ 24,161,709
43,962,040	48,503,388	50,752,213	51,936,783	55,430,678	60,409,881
8,301,284	8,904,360	10,755,062	10,518,847	10,761,387	11,805,008
9,700,482	10,991,757	11,936,744	12,881,501	14,739,278	15,755,751
2,050,549	2,742,420	2,045,453	2,510,201	2,284,421	2,345,466
725,961	1,095,700	1,266,773	1,121,978	866,902	821,587
--	62,720	--	--	--	59,000
82,308,703	92,365,111	97,904,760	105,292,250	110,469,819	115,358,402
11,868,769	13,300,392	13,245,743	13,321,888	15,516,812	18,999,934
6,075,497	7,094,400	6,955,992	6,975,745	7,845,228	7,708,650
6,150,055	6,627,415	6,718,228	9,934,801	6,495,652	7,198,794
1,660,821	185,809	310,747	798,365	653,488	368,005
546,678	1,093,669	570,071	249,836	3,194,235	1,747,622
1,679,128	1,529,434	1,921,496	2,326,455	4,496,879	3,201,518
596,851	415,926	87,109	5,135,658	50,748	2,949,930
28,577,799	30,247,045	29,809,386	38,742,748	38,253,042	42,174,453
$ 28,577,799	$ 30,247,045	$ 29,809,386	$ 38,742,748	$ 38,253,042	$ 42,174,453

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2012	2013	2014	2015
Net (Expense) Revenue				
Governmental activities	$ (54,640,882)	$ (51,480,185)	$ (50,827,562)	$ (51,008,908)
Total Primary Government Net Expense	$ (54,640,882)	$ (51,480,185)	$ (50,827,562)	$ (51,008,908)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	$ 44,232,540	$ 44,946,393	$ 46,310,990	$ 49,094,541
Local business tax	1,370,720	1,424,382	1,480,360	1,642,308
Public service taxes	1,829,028	2,220,036	2,162,550	2,094,656
Unrestricted intergovernmental:				
Sales tax and local option gas tax	3,850,419	4,013,779	4,280,034	4,558,257
State shared revenue	1,236,054	1,304,870	1,405,807	1,513,243
Local shared revenue	119,452	74,589	65,982	60,735
Unrestricted investment earnings	299,589	165,741	223,316	423,980
Gain/(loss) on disposal of capital assets	(7,165)	290,676	146,150	60,378
Miscellaneous	1,294,975	1,837,258	1,645,457	1,985,539
Cumulative effect of change in accounting principle	--	--	--	(43,134,299)
Total Governmental Activities	54,225,612	56,277,724	57,720,646	18,299,338
Total Primary Government	54,225,612	56,277,724	57,720,646	18,299,338
Change in Net Position				
Governmental activities	$ (415,270)	$ 4,797,539	$ 6,893,084	$ (32,709,570)
Total Primary Government	$ (415,270)	$ 4,797,539	$ 6,893,084	$ (32,709,570)

2016	2017	2018	2019	2020	2021
$ (53,560,795)	$ (62,118,066)	$ (68,095,374)	$ (66,549,502)	$ (72,216,777)	$ (73,183,949)
$ (53,560,795)	$ (62,118,066)	$ (68,095,374)	$ (66,549,502)	$ (72,216,777)	$ (73,183,949)
$ 51,974,181	$ 55,324,350	$ 59,347,671	$ 62,162,541	$ 67,588,710	$ 69,931,518
1,600,232	1,608,214	1,530,796	1,538,888	1,590,949	1,587,489
2,015,310	2,028,360	2,069,939	1,983,296	1,913,129	1,904,408
4,736,527	7,010,462	8,754,312	8,962,747	8,494,954	10,055,755
1,601,965	1,694,011	1,773,158	1,850,104	1,708,901	2,012,696
38,788	68,618	17,633	7,572	--	11,469
442,722	497,772	1,121,587	2,795,006	1,763,480	166,002
293,043	397,739	182,618	1,008,446	95,446	86,594
1,534,383	1,904,266	2,372,299	1,747,177	1,853,428	2,186,084
--	--	(4,371,305)	--	--	--
64,237,151	70,533,792	72,798,708	82,055,777	85,008,997	87,942,015
64,237,151	70,533,792	72,798,708	82,055,777	85,008,997	87,942,015
$ 10,676,356	$ 8,415,726	$ 4,703,334	$ 15,506,275	$ 12,792,220	$ 14,758,066
$ 10,676,356	$ 8,415,726	$ 4,703,334	$ 15,506,275	$ 12,792,220	$ 14,758,066

CITY OF PALM BEACH GARDENS, FLORIDA

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 114,228	$ 77,819	$ 14,857	$ 7,018	$ 10,289	$ 3,409,759	$ 4,519,841	$ 4,103,290	$ 413,791	$ 19,671
Restricted	626,283	3,518,253	3,374,314	1,844,608	486,302	852,620	1,066,476	902,687	1,026,535	1,326,386
Committed	1,253,889	2,632,575	2,632,575	2,367,875	2,350,475	2,324,225	2,297,975	2,324,225	2,324,225	1,843,141
Assigned	786,693	1,411,359	5,062,949	6,241,970	5,591,893	13,540,429	10,507,213	15,365,817	12,197,734	24,004,691
Unassigned	26,058,560	27,109,724	27,529,515	26,200,218	29,931,355	24,300,582	27,984,472	27,164,639	35,000,168	32,598,123
Total General Fund	28,839,653	34,749,730	38,614,210	36,661,689	38,370,314	44,427,615	46,375,977	49,860,658	50,962,453	59,792,012
All Other Governmental Funds										
Nonspendable	36,357	31,270	36,743	21,473	26,151	3,158,655	56,019	61,499	85,697	123,845
Restricted	7,308,397	7,969,073	7,553,533	14,444,032	12,062,947	37,870,178	35,865,179	22,717,256	17,169,748	19,853,202
Committed	--	--	--	--	--	--	--	--	--	--
Assigned	1,004,043	772,850	2,288,839	955,757	1,068,221	814,682	467,289	984,076	1,951,254	3,961,880
Total All Other Governmental Funds	8,348,797	8,773,193	9,879,115	15,421,262	13,157,319	41,843,515	36,388,487	23,762,831	19,206,699	23,938,927
Total Governmental Funds	$37,188,450	$43,522,923	$48,493,325	$52,082,951	$51,527,633	$86,271,130	$82,764,464	$73,623,489	$70,169,152	$83,730,939

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2012	2013	2014	2015
Revenues				
Ad valorem taxes	$ 44,232,540	$ 44,946,393	$ 46,310,990	$ 49,094,541
Local business tax	1,370,720	1,424,382	1,480,360	1,642,308
Utility taxes	1,829,028	2,220,036	2,162,550	2,094,656
Special assessment	--	--	--	--
Franchise fees	5,327,897	5,101,610	5,493,667	5,559,815
Licenses and permits	2,414,586	3,537,512	3,537,090	4,546,357
Intergovernmental	6,894,564	7,159,350	7,531,569	7,824,817
Impact fees	754,853	2,563,745	1,259,848	2,625,215
Charges for services	8,427,574	8,356,187	9,155,442	10,557,716
Fines and forfeitures	163,076	308,095	253,207	271,264
Investment income	299,204	162,847	219,231	418,442
Miscellaneous	1,621,486	1,874,051	1,917,229	2,366,415
Total Revenues	73,335,528	77,654,208	79,321,183	87,001,546
Expenditures				
Current:				
General Government	13,101,603	13,891,617	13,670,394	14,757,766
Public Safety	41,616,208	39,690,034	39,918,404	42,140,959
Culture and Recreation	5,505,915	5,461,517	5,749,601	5,956,101
Physical Environment	6,151,650	6,496,310	7,311,775	8,031,030
Transportation	591,089	882,857	802,773	849,961
Capital outlay	2,081,097	6,045,352	3,431,802	7,095,189
Debt service:				
Principal	3,328,573	3,623,063	3,857,772	3,954,800
Interest	850,124	713,851	720,871	626,114
Bond issuance costs	117,944	36,500	--	--
Other debt service costs	91,923	--	--	--
Total Expenditures	73,436,126	76,841,101	75,463,392	83,411,921
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,598)	813,107	3,857,791	3,589,626
Other Financing Sources (Uses)				
Transfers in	803,596	630,786	2,434,043	8,005,816
Transfers out	(743,460)	(647,494)	(2,434,043)	(8,005,816)
Capital leases	136,451	1,208,074	1,022,611	--
Sale of capital assets	--	30,000	90,000	--
Bonds and notes issued	--	4,300,000	--	--
Refunding bonds issued	16,190,000	--	--	--
Premium on bond issuance	101,429	--	--	--
Refunded bonds redeemed	--	--	--	--
Payment to refunded bond escrow agent	(16,062,364)	--	--	--
Total Other Financing Sources (Uses)	425,652	5,521,366	1,112,611	--
Special Items				
Proceeds from defined contribution plan	--	--	--	--
Payment to defined benefit plan	--	--	--	--
Total Special Items	--	--	--	--
Net Change in Fund Balances	$ 325,054	$ 6,334,473	$ 4,970,402	$ 3,589,626
Debt Service as a Percentage of Noncapital Expenditures	5.84%	6.09%	6.32%	5.90%

Table 4

2016	2017	2018	2019	2020	2021
$ 51,974,181	$ 55,324,350	$ 59,347,671	$ 62,162,541	$ 67,588,710	$ 69,931,518
1,600,232	1,608,214	1,530,796	1,538,888	1,590,949	1,587,489
2,015,310	2,028,360	2,069,939	1,983,296	1,913,129	1,904,408
--	114,377	115,709	135,785	112,970	112,436
5,425,438	5,564,984	5,542,336	5,808,900	5,473,521	5,731,627
4,905,124	5,832,223	5,392,299	5,344,130	7,468,226	10,499,890
8,078,313	10,256,074	12,473,767	13,119,959	14,539,106	17,516,577
1,730,260	2,934,014	1,735,643	3,801,311	6,113,239	4,374,753
10,709,338	11,993,327	12,825,955	13,401,124	12,026,469	12,969,026
321,570	172,986	173,132	275,187	446,788	233,699
436,783	491,590	1,092,977	2,717,467	1,727,033	162,102
2,051,152	2,463,251	2,233,836	3,275,551	2,275,905	2,994,275
89,247,701	98,783,750	104,534,060	113,564,139	121,276,045	128,017,800
15,762,838	16,736,979	17,633,866	20,752,846	21,419,757	21,802,557
43,328,804	44,110,412	47,018,092	51,433,031	52,912,658	55,766,019
6,214,376	6,853,710	7,977,514	7,546,130	7,267,346	7,428,751
8,203,345	9,606,325	10,733,099	11,766,857	13,569,137	13,873,167
965,058	616,681	641,199	958,324	801,697	824,380
12,108,700	13,585,815	18,570,340	24,328,627	22,490,033	7,394,016
4,038,352	6,642,493	4,313,966	6,532,722	6,183,646	4,869,584
562,576	906,256	777,250	965,681	798,283	643,309
--	62,720	--	--	--	59,000
--	--	--	--	--	--
91,184,049	99,121,391	107,665,326	124,284,218	125,442,557	112,660,783
(1,936,348)	(337,641)	(3,131,266)	(10,720,079)	(4,166,512)	15,357,017
3,191,233	1,801,320	1,701,843	1,691,845	3,879,864	2,339,968
(3,191,233)	(1,801,320)	(1,701,843)	(1,691,845)	(3,879,864)	(2,339,968)
1,152,030	1,965,638	2,641,100	679,504	712,175	14,000,000
229,000	--	99,000	899,600	--	--
--	30,000,000	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,381,030	31,965,638	2,740,100	1,579,104	712,175	14,000,000
--	--	--	--	--	--
--	--	--	--	--	--
--	--				--
$ (555,318)	$ 31,627,997	$ (391,166)	$ (9,140,975)	$ (3,454,337)	$ 29,357,017
5.71%	8.63%	5.64%	7.31%	6.68%	5.11%

CITY OF PALM BEACH GARDENS, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Year Ended September 30,	Real Property				
	Residential Property	Commercial Property	Industrial Property	Other Property	Total
2012	$ 5,845,989,740	$ 1,356,197,434	$ 158,956,614	$ 46,668,841	$ 7,407,812,629
2013	5,971,391,486	1,362,505,644	137,804,685	54,067,590	7,525,769,405
2014	6,179,351,874	1,399,487,396	138,859,513	53,618,149	7,771,316,932
2015	6,655,059,315	1,519,351,040	70,050,865	138,572,340	8,383,033,560
2016	7,120,899,821	1,733,042,304	75,316,429	100,964,163	9,030,222,717
2017	7,578,568,351	1,949,533,937	82,092,236	108,638,650	9,718,833,174
2018	8,205,876,033	2,140,701,464	91,118,225	106,370,063	10,544,065,785
2019	8,648,423,475	2,277,266,953	102,974,514	152,169,262	11,180,834,204
2020	9,457,125,507	2,506,801,419	114,807,321	205,391,600	12,284,125,847
2021	9,833,380,210	2,540,839,729	122,451,139	205,710,055	12,702,381,133

Note: Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1, each year. Assessments were increased to 100% of market value as of 1980.

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

Source: Palm Beach County Property Appraiser's Office

N/A - Information not available

Table 5

Personal Property	Centrally Assessed	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
$ 355,387,197	$ 1,580,454	$ 7,882,737,056	5.9225	$ 9,524,962,077	82.76%
357,685,952	1,261,843	8,130,264,727	5.9194	9,634,287,354	84.39%
357,264,904	1,567,443	8,741,865,907	5.9137	10,015,793,537	87.28%
374,540,771	1,842,341	9,406,605,829	5.8315	11,106,390,736	84.70%
400,381,117	2,111,042	10,121,325,333	5.6871	12,267,715,478	82.50%
376,051,655	2,332,101	10,922,449,541	5.6781	13,251,477,046	82.42%
328,044,724	2,460,119	11,511,339,047	5.6678	14,150,783,918	81.35%
327,384,323	2,472,492	12,613,982,662	5.6003	14,779,198,726	85.35%
358,183,261	2,470,709	12,644,779,817	5.5500	15,861,880,186	79.72%
363,397,905	2,456,074	13,068,235,112	5.5500	16,333,485,027	80.01%

CITY OF PALM BEACH GARDENS, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

	City of Palm Beach Gardens				
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Palm Beach County School District	Palm Beach County
2012	5.7404	0.1821	5.9225	8.1800	4.9925
2013	5.7404	0.1790	5.9194	7.7780	4.9902
2014	5.7404	0.1733	5.9137	7.5860	4.9852
2015	5.6700	0.1615	5.8315	7.5940	4.9729
2016	5.5500	0.1371	5.6871	7.5120	4.9277
2017	5.5500	0.1281	5.6781	7.0700	4.9142
2018	5.5500	0.1178	5.6678	6.7690	4.9023
2019	5.5500	0.0503	5.6003	6.5720	4.8980
2020	5.5500	0.0000	5.5500	7.1640	4.8580
2021	5.5500	0.0000	5.5500	7.0100	4.8124

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

Source: City of Palm Beach Gardens Finance Department and Palm Beach County Property Appraiser's Office

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

Table 6

Overlapping Rates [1]					
Palm Beach County Health Care District	Palm Beach County Library System	South Florida Water Management District	Children's Services Council	Florida Inland Navigation District	Total Direct and Overlapping Rates
1.1250	0.6081	0.4363	0.7475	0.0345	22.0464
1.1220	0.6066	0.4289	0.7300	0.0345	21.6096
1.0800	0.6065	0.4110	0.7025	0.0345	21.3194
1.0800	0.6024	0.3842	0.6745	0.0345	21.1740
1.0426	0.5985	0.1459	0.6677	0.0320	20.6135
0.8993	0.5933	0.3307	0.6833	0.0320	20.2009
0.7808	0.5891	0.3100	0.6590	0.0320	19.7100
0.7261	0.5901	0.2936	0.6403	0.0320	19.3524
0.7261	0.5870	0.2795	0.6497	0.0320	19.8463
0.7261	0.5833	0.2675	0.6497	0.0320	19.6310

CITY OF PALM BEACH GARDENS, FLORIDA

Table 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

	2021			2012		
Taxpayer	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value [1]	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value [1]
The Gardens Venture LLC	$ 360,000,000	1	2.75%	$ 205,000,000	1	2.64%
Florida Power & Light	122,406,712	2	0.94%	79,926,052	2	1.03%
PR The Quaye Owner LLC	108,409,288	3	0.83%			
GLL US Retail LP	100,000,034	4	0.77%	75,000,034	3	0.97%
BREIT MF San Merano LLC	96,330,580	5	0.74%	60,963,354	4	0.79%
BSREP III PBG Resort LLC	90,955,834	6	0.70%			
KH Alton LLC	87,677,601	7	0.67%			
Advenir @ PGA LLC	86,690,913	8	0.66%			
Northlake Blvd LLC	86,178,526	9	0.66%	43,721,685	6	0.56%
Excel Gardens LLC	75,018,847	10	0.57%	30,000,000	9	0.39%
3801 PGA Acquisition Co				50,622,243	5	0.65%
Devonshire at PGA National LLC				40,702,679	7	0.52%
Old Palm Holdings LP				33,273,000	8	0.43%
Mirasol Club Inc.				15,852,845	10	0.20%
	$ 1,213,668,335		9.29%	$ 635,061,892		8.18%

Source: Tax roll provided by Palm Beach County Property Appraisers Office.

(1) See the Schedule of Net Assessed Value on pages 139-140 for Estimated Actual Value of Taxable Property.

CITY OF PALM BEACH GARDENS, FLORIDA

Table 8

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2012	$ 45,986,911	$ 44,142,070	95.99%	$ 126,909	$ 44,268,979	96.26%
2013	46,672,795	44,866,669	96.13%	106,154	44,972,823	96.36%
2014	48,079,264	46,260,814	96.22%	77,800	46,338,614	96.38%
2015	51,080,538	49,137,584	96.20%	26,657	49,164,241	96.25%
2016	53,644,793	51,655,014	96.29%	86,761	51,741,775	96.45%
2017	57,333,007	55,238,312	96.35%	(78,158)	55,160,154	96.21%
2018	61,634,891	59,426,605	96.42%	38,589	59,465,194	96.48%
2019	64,463,323	62,125,467	96.37%	69,380	62,194,847	96.48%
2020	70,257,807	67,560,503	96.16%	34,208	67,594,711	96.21%
2021	72,528,705	69,853,078	96.31%	--	69,853,078	96.31%

Source: City of Palm Beach Gardens Finance Department and Palm Beach County Tax Collector's Office.

CITY OF PALM BEACH GARDENS, FLORIDA

Table 9

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Year Ended September 30,	Governmental Activities: Revenue Bonds	Governmental Activities: General Obligation Bonds	Governmental Activities: Capital Leases	Total Primary Government	Percentage of Personal Income [1]	Per Capita [1]
2012	$ 14,445,715	$ 7,489,697	$ 801,213	$ 22,736,625	0.0301%	$ 469
2013	18,188,016	6,365,138	1,608,643	26,161,797	0.0329%	529
2014	15,805,833	5,204,098	2,304,750	23,314,681	0.0249%	466
2015	13,376,878	4,004,775	1,966,269	19,347,922	0.0198%	383
2016	10,889,118	2,884,475	2,676,052	16,449,645	0.0158%	319
2017	36,065,480	1,730,056	4,378,159	42,173,695	0.0383%	802
2018	33,928,667	540,466	5,836,189	40,305,322	0.0340%	749
2019	28,958,527	--	5,415,230	34,373,757	0.0276%	618
2020	23,874,816	--	4,851,343	28,726,159	N/A	507
2021	34,179,509	--	3,503,284	37,682,793	N/A	631

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

(1) See the Schedule of Demographic and Economic Statistics on page 150 for population data.

CITY OF PALM BEACH GARDENS, FLORIDA

Table 10

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Year Ended September 30,	General Obligation Bonds	Percentage of Estimated Actual Taxable Value [1]	Per Capita [2]
2012	$ 7,489,697	0.11%	$ 155
2013	6,365,138	0.10%	129
2014	5,204,098	0.08%	104
2015	4,004,775	0.06%	79
2016	2,884,475	0.05%	56
2017	1,730,056	0.03%	33
2018	540,466	0.01%	10
2019	--	0.00%	--
2020	--	0.00%	--
2021	--	0.00%	--

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

(1) See the Schedule of Net Assessed Value on pages 139-140 for Estimated Actual Value of Taxable Property.

(2) See the Schedule of Demographic and Economic Statistics on page 150 for population data.

CITY OF PALM BEACH GARDENS, FLORIDA

Table 11

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2021

Government Unit	Net Debt Outstanding	Percentage Applicable to the City of Palm Beach Gardens [1]	Amount Applicable to the City of Palm Beach Gardens
Debt Repaid with Property Taxes			
Palm Beach County	$ 35,700,000	5.22%	$ 1,863,540
Palm Beach County School Board	--	5.21%	--
Other Debt			
Palm Beach County	809,642,736	5.22%	42,263,351
Palm Beach County School Board	1,512,264,000	5.21%	78,788,954
Subtotal, Overlapping Debt			122,915,845
City of Palm Beach Gardens Direct Debt			37,682,793
Total Direct and Overlapping Debt			$ 160,598,638

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business.

Source: Data provided by the Palm Beach County Finance Department and the Palm Beach County School Board.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's and School Board's taxable assessed value that is within the City's boundaries.

CITY OF PALM BEACH GARDENS, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

2011 Public Improvement and Refunding Bonds

Year Ended September 30,	Local Business Tax	Utility Taxes	Special Assessment	Franchise Fees	Licenses and Permits
2012	$ 1,370,720	$ 1,829,028	$ --	$ 5,327,897	$ 2,414,586
2013	1,424,382	2,220,036	--	5,101,610	3,537,512
2014	1,480,360	2,162,550	--	5,493,667	3,537,089
2015	1,642,308	2,094,656	--	5,559,815	4,546,357
2016	1,600,232	2,015,310	--	5,425,438	4,905,124
2017	1,608,214	2,028,360	114,377	5,564,984	5,832,223
2018	1,530,796	2,069,939	115,709	5,542,336	5,392,299
2019	1,538,888	1,983,296	135,785	5,808,900	5,344,130
2020	1,590,949	1,913,129	112,970	5,473,521	7,468,226
2021	1,587,489	1,904,408	112,436	5,731,627	10,499,890

	Non Ad Valorem Revenue Available for Debt Coverage	Debt Service		Coverage
		Principal	Interest	
2012	$ 28,348,135	$ 2,239,130	$ 593,622	10.01
2013	30,144,070	2,498,505	492,496	10.08
2014	31,750,341	2,696,732	536,167	9.82
2015	35,281,790	2,755,476	479,293	10.91
2016	35,543,260	2,918,051	453,439	10.54
2017	30,144,070	5,488,075	440,911	6.84
2018	31,750,341	3,268,015	749,601	10.82
2019	47,600,287	6,160,231	962,061	6.68
2020	47,574,096	6,352,730	811,131	6.64
2021	53,711,529	5,043,379	651,442	9.43

Note: The City's 2011 Public Improvement Revenue Bonds are obligations of the City payable solely from and secured solely by non ad valorem revenue. The original bonds were issued in November 2003 to refund certain prior obligations of the City. Additional bonds were issued in 2013, 2017 and 2021 to finance the cost of improvements to the City's golf course, parks, and facilities.

Source: City of Palm Beach Gardens Finance Department

Table 12

Inter-governmental	Charges for Services	Fines and Forfeitures	Investment Income	Miscellaneous	Non Ad Valorem Revenue Available for Debt Coverage
$ 6,894,564	$ 8,427,574	$ 163,076	$ 299,204	$ 1,621,486	$ 28,348,135
7,159,350	8,356,187	308,095	162,847	1,874,051	30,144,070
7,531,570	9,155,443	253,206	219,233	1,917,223	31,750,341
7,824,817	10,557,716	271,264	418,442	2,366,415	35,281,790
8,078,313	10,709,338	321,570	436,783	2,051,152	35,543,260
10,256,074	11,993,327	172,986	491,590	2,463,251	40,525,386
12,473,767	12,825,955	173,132	1,092,977	2,233,836	43,450,746
13,119,959	13,401,124	275,187	2,717,467	3,275,551	47,600,287
14,539,106	12,026,469	446,788	1,727,033	2,275,905	47,574,096
17,516,577	12,969,026	233,699	162,102	2,994,275	53,711,529

CITY OF PALM BEACH GARDENS, FLORIDA

Table 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Year	Population [1]	Palm Beach County Personal Income [2] (In Thousands)	Palm Beach County Per Capita Income [2]	School Enrollment [3]	Unemployment Rate [4]
2012	48,452	$ 75,461,490	$52,191	10,152	5.7%
2013	49,434	79,564,774	57,985	9,684	5.1%
2014	50,067	93,526,272	66,914	9,826	4.1%
2015	50,521	97,806,900	68,743	9,878	4.0%
2016	51,532	103,876,015	71,946	10,024	4.1%
2017	52,591	109,973,732	74,754	10,295	3.4%
2018	53,800	118,519,249	79,760	10,531	2.4%
2019	55,621	124,632,614	83,268	10,472	2.3%
2020	56,709	N/A	N/A	10,171	5.1%
2021	59,755	N/A	N/A	9,792	3.0%

Sources:

(1) University of Florida Bureau of Business and Economic Research
(2) U.S. Department of Commerce, Bureau of Economic Analysis
(3) Palm Beach County School Board Budget Office
(4) U.S. Bureau of Labor Statistics

N/A: Information not available

CITY OF PALM BEACH GARDENS, FLORIDA

Table 14

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS PRIOR

	2021			2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Palm Beach County School Board (estimated)	922	1	3.42%	1,193	2	4.83%
Tenet Healthcare Corp (estimated)	900	2	3.33%	855	4	3.46%
TBC Corporation (Headquarters)	870	3	3.22%	600	6	2.43%
PGA National Resort & Spa	700	4	2.59%	700	5	2.84%
Zimmer Biomet	659	5	2.44%	476	7	1.93%
Carrier Corporation (Headquarters)	595	6	2.20%			
City of Palm Beach Gardens	539	7	2.00%	455	8	1.84%
Belcan Engineering Group	315	8	1.17%	329	9	1.33%
NuVista Living	330	9	1.22%			
Cross Match Technologies (Headquarters)	300	10	1.11%			
G4S (Headquarters)				3,000	1	12.16%
Westport Senior Living Investment Fund				1,000	3	4.05%
Synthes Anspach Companies				256	10	1.04%
	6,130		22.71%	8,864		20.31%

Source: 2021 Business Development Board of Palm Beach County and City of Palm Beach Gardens' Economic Development Program

CITY OF PALM BEACH GARDENS, FLORIDA

Table 15

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of Employees										
General Government	71	71	73	75	81	84	86	92	94	96
Public Safety	278	281	278	280	283	298	309	317	317	322
Culture and Recreation	38	39	36	38	41	43	43	42	42	42
Physical Environment	65	64	67	67	67	71	77	78	79	79
Total Number of Employees	452	455	454	450	472	496	515	529	532	539

Source: City of Palm Beach Gardens Finance Department

CITY OF PALM BEACH GARDENS, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2012	2013	2014	2015
General Government				
Information Technology:				
Number of online inspections scheduled	7,720	4,051	3,569	3,647
City Clerk:				
Public records request	95	127	207	148
Finance:				
A/P checks/ACH/EFT issued	3,863	3,183	3,391	3,174
Public Safety				
Police personnel and officers	163	158	160	160
Fire personnel	118	113	118	120
Number of police foot patrols	9,028	8,619	8,771	9,516
Number of police service calls	36,866	30,515	30,540	33,827
Number of fire rescue calls	7,582	9,492	9,594	9,899
Culture and Recreation				
Special event attendees	144,000	167,000	170,000	170,000
General program participants	16,500	17,000	16,000	16,000
Total program participants	N/A	N/A	N/A	N/A
Youth camp registrations	3,988	4,072	3,591	3,495
Tennis members	455	409	453	453
Rounds of golf played	39,107	28,904	32,742	32,742
Athletic field utilization (hours)	N/A	N/A	N/A	N/A
General pool admissions	31,723	30,530	34,130	34,130
Physical Environment				
Curb miles swept	2,335	1,551	2,605	2,364
Linear feet of storm drains cleaned/repaired	--	140	58	462
Permits issued	6,822	7,560	7,712	7,565
Value of permits	$ 208,997,432	$ 293,661,857	$ 232,474,244	$ 406,243,050
Inspections performed	18,605	24,105	22,882	20,814

Sources: Various City Departments

Fiscal Year					
2016	2017	2018	2019	2020	2021
9,000	9,583	11,000	N/A	N/A	N/A
316	157	207	161	181	215
2,969	2,610	2,605	4,606	3,640	2,002
163	168	176	183	183	186
120	130	133	134	134	138
9,631	14,319	11,797	13,405	10,377	8,392
34,833	41,577	34,618	32,260	25,316	29,020
10,876	10,800	12,098	12,098	12,048	12,700
186,461	191,125	200,681	506,840	367,182	139,184
16,010	17,706	20,913	N/A	N/A	N/A
N/A	N/A	N/A	90,390	41,113	41,113
5,287	4,900	3,497	3,744	1,080	739
413	547	567	N/A	N/A	N/A
39,781	--	--	44,209	33,339	43,237
N/A	N/A	N/A	35,362	44,289	52,000
26,128	9,924	24,907	N/A	N/A	N/A
2,000	2,364	1,762	2,529	2,169	2,169
814	800	2,200	121	124	191
8,248	8,883	10,575	10,516	10,833	15,785
$ 294,899,950	$ 560,765,434	$ 360,719,935	$ 344,059,889	$ 531,463,180	$ 674,039,640
23,399	24,397	24,397	30,210	30,104	38,000

CITY OF PALM BEACH GARDENS, FLORIDA

Table 17

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire stations	5	5	5	5	5	5	5	5	5	5
Transportation										
Miles of streets	54	54	57	57	59	59	61	61	61	61
Culture and Recreation										
Parks acreage	172	172	172	201	222	222	222	312	312	312
Parks	11	11	11	14	16	16	16	17	17	18
Golf courses	1	1	1	1	1	1	1	1	1	1
Golf course acreage	140	140	140	140	140	140	140	140	140	140
Multipurpose fields	11	11	11	15	15	15	17	17	17	17
Multipurpose rinks	2	2	2	2	1	1	1	1	1	1
Baseball/softball fields	17	17	17	17	17	17	17	17	18	18
Tennis courts	19	19	19	24	24	26	26	26	28	28
Pickleball courts	0	0	0	0	6	12	18	18	18	18
Playgrounds	9	9	9	10	17	17	17	17	17	17
Basketball courts	13	13	13	15	18	18	18	18	18	18
Racquetball courts	6	6	6	6	6	6	6	6	6	6
Skatepark	1	1	1	1	1	1	1	1	1	1
Swimming pools	3	3	3	3	3	3	3	3	3	3

Sources: Various City Departments

REPORTING SECTION

MARCUM
ACCOUNTANTS ▲ ADVISORS

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

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Palm Beach Gardens, Florida (the City) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 25, 2022. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
May 25, 2022

MARCUM
ACCOUNTANTS ▲ ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor, City Council, and City Manager
City of Palm Beach Gardens, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Palm Beach Gardens, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 25, 2022.

Auditors' 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards,* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 25, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

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

MARCUMGROUP
MEMBER

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Official Title and Legal Authority

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

Financial Condition and Management

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

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note 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, the Honorable Mayor and City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

West Palm Beach, FL
May 25, 2022

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415 FLORIDA STATUTES

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

We have examined the City of Palm Beach Gardens, Florida (the City)'s compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2021.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
May 25, 2022

MARCUMGROUP
MEMBER

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PALM BEACH Gardens

IMPACT FEE AVIDAVIT

BEFORE ME, the undersigned authority, personally appeared Allan Owens, who being duly sworn, deposes and says on oath that:

1. I am the Finance Administrator for the City of Palm Beach Gardens, which is a local governmental entity of the State of Florida;

2. The City of Palm Beach Gardens adopted Ordinance 1, 2016, implementing an impact fee; and

3. The City of Palm Beach Gardens has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Allan Owens, Finance Administrator

STATE OF FLORIDA
COUNTY OF PALM BEACH
SWORN TO AND SUBSCRIBED before me this 20TH day of May 2022.

Notary Public State of Florida
Lisa M. Walden
My Commission HH 150463
Expires 08/28/2025

NOTARY PUBLIC

Print Name Lisa M. Walden

Personally known _X_ or produced identification_____

Type of identification produced: NA

My Commission Expires: August 28, 2025