

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)**

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)

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INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the CRA Board and Executive Director
Palm Springs Community Redevelopment Agency
Village of Palm Springs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's 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 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 CRA'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 CRA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the CRA, as of September 30, 2021, and the respective changes in financial position 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 3 through 6, and the budgetary comparison schedule on pages 19 through 20 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2022, on our consideration of the CRA'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 CRA'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 CRA's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, Florida
April 13, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Palm Springs Community Redevelopment Agency (the “CRA”) management’s discussion and analysis (“MD&A”) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the CRA’s financial activity, (c) identify changes in the CRA’s financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the MD&A is designed to focus on current year activities, resulting changes, and currently known facts, it should be read in conjunction with the CRA’s financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the CRA exceeded its liabilities at September 30, 2021, by \$73,728 (net position). Of this amount, the entire balance was restricted for redevelopment purposes.
- As of September 30, 2021, the CRA’s reported ending fund balances of \$73,728. Fund balance saw a change of \$73,778 when compared to the prior year as this was the first year of operations.

The MD&A is intended to serve as an introduction to the CRA’s financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

These Financial Statements consists of four components:

1. Management’s discussion and analysis (this section).
2. Government-wide and fund financial statements.
3. Notes to the financial statements.
4. Required supplementary information.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the CRA’s finances in a manner similar to a private-sector business. The governmental activities of the CRA include accounting for the tax increment financing and related redevelopment expenditures of the Palm Springs community redevelopment area.

The statement of net position presents information on all the CRA's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the CRA is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported using the accrual basis of accounting.

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

The following is a summary of the CRA's governmental activities net position for each of the past two years:

SUMMARY OF NET POSITION SEPTEMBER 30, 2021 AND 2020

	Governmental Activities			
	2021	2020	(\$) Change	(%) Change
Assets				
Current and other assets	\$ 73,728	\$ --	\$ 73,728	100.0%
Total Assets	73,728	--	73,728	100.0%
Liabilities				
Liabilities	--	--	--	0.0%
Total Liabilities	--	--	--	0.0%
Net Position				
Restricted	73,728	--	73,728	100.0%
Total Net Position	\$ 73,728	\$ --	\$ 73,728	100.0%

Note: No reconciling items exist between the governmental funds balance sheet to the statement of net position.

Statement of Activities

The following is a summary of the changes in the CRA's governmental activities net position for each of the past two years:

SUMMARY OF CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	Governmental Activities			
	2021	2020	(\$) Change	(%) Change
Revenues				
General revenues:				
Tax increment revenue	\$ 136,888	\$ --	\$ 136,888	100.0%
Total Revenues	136,888	--	136,888	100.0%
Expenses				
Economic Environment	63,160	--	63,160	100.0%
Total Expenses	63,160	--	63,160	100.0%
Change in Net Position	73,728	--	73,728	100.0%
Net Position - Beginning	--	--	--	0.0%
Net Position - Ending	\$ 73,728	\$ --	73,728	100.0%

Note: No reconciling items exist between the statement of revenue, expenditures, and changes in fund balance of the governmental funds to the statement of activities.

At the end of the current fiscal year, the entire fund balances were restricted for community redevelopment. As the CRA is focused on reinvestment revenues into the CRA districts and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

CRA BUDGETARY HIGHLIGHTS

There were no amendments between the original and the final CRA budget.

Actual expenditures in the CRA were \$74,002 less than final budget amounts. The main reason for this is delays in obtaining permits, key staff retirements in Palm Beach County that delayed project coordination and staff turnover with external CRA consultants.

Budgetary comparisons between the final budget and actual results can be found on page 19 of this report.

ECONOMIC FACTORY AND NEXT YEAR'S BUDGET

There are many challenges facing local governments today. Property values have continued to increase in recent years, contributing to related growth in the revenues of the CRA. While property values for the 2020-2021 fiscal year have increased, the outlook of property values during and after the COVID-19 pandemic, and any potential impact they will have on the CRA's finances, are unknown. The Village Council maintained the 2021 operating millage rate of 3.50 mills for 2022. For fiscal year 2022, the CRA has budgeted expenditures totaling in \$3,337,140.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the CRA's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Village of Palm Springs.

**Village of Palm Springs
Attn: Finance Department
226 Cypress Lane
Palm Springs, FL 33461
561-584-8200 X 8440**

FINANCIAL STATEMENTS

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities
Assets	
Cash	\$ 73,728
Total Assets	73,728
Liabilities	--
Total Liabilities	--
Net Position	
Restricted for:	
Community Redevelopment	73,728
Total Net Position	\$ 73,728

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities						
Economic environment	\$ 63,160	\$ --	\$ --	\$ --		\$ (63,160)
Total Governmental Activities	\$ 63,160	\$ --	\$ --	\$ --		(63,160)
General Revenues						
Tax increment revenues						136,888
Total General Revenues						136,888
Change in Net Position						73,728
Net Position - Beginning of Year						--
Net Position - End of Year						\$ 73,728

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
BALANCE SHEET
SEPTEMBER 30, 2021

	Lake Worth Road CRA	Congress Ave CRA	Total Governmental Funds
Assets			
Cash	\$ 10,471	\$ 63,257	\$ 73,728
Total Assets	\$ 10,471	\$ 63,257	\$ 73,728
Fund Balances			
Restricted for:			
Lake Worth Road CRA	\$ 10,471	\$ --	\$ 10,471
Congress Ave CRA	--	63,257	63,257
Total Fund Balances	\$ 10,471	\$ 63,257	\$ 73,728

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

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total Governmental Fund Balances \$ 73,728

Amounts reported for governmental activities in the
statement of net position are different as a result of:

No items exist --

Total Net Position \$ 73,728

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Lake Worth Road CRA	Congress Ave CRA	Total Governmental Funds
Revenues			
Tax increment revenues	\$ 61,875	\$ 75,013	\$ 136,888
Total Revenues	61,875	75,013	136,888
Expenditures			
Current:			
Economic environment	51,404	11,756	63,160
Total Expenditures	51,404	11,756	63,160
Net Change in Fund Balances	10,471	63,257	73,728
Fund Balances - Beginning of Year	--	--	--
Fund Balances - End of Year	\$ 10,471	\$ 63,257	\$ 73,728

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

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ 73,728

Amounts reported for governmental activities in the
statement of activities are different because:

No items exist --

Change in Net Position of Governmental Activities \$ **73,728**

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

NOTES TO FINANCIAL STATEMENTS

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

The Palm Springs Community Redevelopment Agency (the “CRA”) is a dependent special district established by the Village of Palm Springs, Florida, (the “Village”) under authority granted by Florida Statutes Chapter 163, Section III. The purpose of the CRA is to promote and guide the physical and economic redevelopment of approximately 512 acres in two districts (Lake Worth Road and Congress Avenue) within the Village. The CRA is a legally separate entity established by Ordinance No. 2019-19 of the Palm Springs Village Council (the “Village Council”) on November 14, 2019. The CRA is governed by a seven member Governing Board (the “Board”) that includes the five members of the Village Council and two additional members appointed by the Village Council representing the two CRA districts (Lake Worth Road and Congress Avenue). The Mayor and Vice-Mayor of the Village serve as the Chair and Vice-Chair, respectively, of the CRA Board. The Village Council approves the CRA’s annual budget and all debt obligations, if any, of the CRA. Fiscal year 2021 is the first year of the CRA’s operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the CRA have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This summary of the CRA’s Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other information in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements. The more significant of the CRA’s governmental accounting policies are described below.

As defined by GAAP, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based upon the application of these criteria, the CRA does not have any component units to report.

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all activities of the CRA. These statements include the governmental activities of the CRA, which are primarily supported by tax increment revenues. The CRA has no business-type activities. The Statement of Net Position presents the financial condition of the CRA.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenue includes three categories of transactions: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (2) operating grants and contributions; and, (3) capital grants and contributions. The CRA did not have any Program Revenue during the fiscal year ended September 30, 2021. Tax increment revenues and other items not meeting the definition of program revenue are reported as general revenue. The CRA does not allocate indirect expenses.

FUND FINANCIAL STATEMENTS

The underlying accounting system of the CRA is organized and operated as two separate funds. The operations of the funds are accounted for with separate sets of self-balancing accounts that comprise of their assets, liabilities, deferred inflows/outflows, fund balance, revenues and expenditures. The CRA funds, the Lake Worth Road CRA and Congress Ave CRA, are classified as major governmental funds and account for all financial resources of the CRA.

The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance and changes in fund balance as presented in these statements, to the net position and changes in net position presented in the government-wide financial statements.

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Tax increment revenues are recognized as revenues in the year for which they are levied. Grants, if any, 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. Under the modified accrual basis of accounting, revenues are recognized in the period in which they become both measurable and available. Revenues are considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The CRA considers revenues to be available if collected within 60 days of the end of the current fiscal year. Expenditures are generally recognized in the accounting period in which the fund liability is incurred. Tax increment revenues are considered susceptible to accrual and so have been recognized as revenue in the current fiscal year.

CASH

Cash consists of amounts on deposit in an interest bearing account with a financial institution.

EMPLOYEE AND RELATED BENEFIT COSTS

The CRA does not have any employees and therefore, does not have any related benefit costs. The CRA uses Village personnel to perform all operational activities.

NET POSITION/FUND BALANCE

The government-wide financial statements utilize a net position presentation, while the governmental fund financial statements report fund balances.

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION/FUND BALANCE (CONTINUED)

Net Position

Net position of the government-wide financial statements is categorized as investment in capital assets, restricted or unrestricted. Investment in capital assets is that portion of net position that relates to the CRA's net capital assets. The CRA had no investment in capital assets as of September 30, 2021. Restricted net position is that portion of net position that has constraints placed on its use by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of investment in capital assets or restricted net position. The CRA had no unrestricted net position as of September 30, 2021.

Fund Balance

In the fund financial statements, the governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the CRA is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

Nonspendable - Nonspendable fund balance includes amounts that cannot be spent because they are either 1) not in spendable form; or, 2) legally or contractually required to be maintained intact. The CRA had no nonspendable fund balance as of September 30, 2021.

Restricted - Restricted fund balance includes amounts that are restricted to specific purposes either by 1) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or, 2) imposed by law through constitutional provisions or enabling legislation.

Committed - Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA's Board through a Board resolution. The CRA had no committed fund balance as of September 30, 2021.

Assigned - Assigned fund balance includes amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance are made by the CRA's Executive Director based upon direction by the CRA's Board or in the CRA's annual budget. The CRA had no assigned fund balance as of September 30, 2021.

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)**

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION/FUND BALANCE (CONTINUED)

Fund Balance (continued)

Unassigned - Unassigned fund balance includes amounts that have not been restricted, committed, or assigned to specific purposes within the governmental funds. The CRA had no unassigned fund balance as of September 30, 2021.

The CRA considers restricted fund balance to be spent first when an expenditure is incurred for the restricted purpose. The CRA considers committed, assigned or unassigned fund balances to be spent when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The CRA purchases commercial insurance through the Village for the risks of losses to which it is exposed. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss.

ESTIMATES

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets, liabilities, and deferred inflows/outflows and the disclosure of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could vary from the estimates that were used.

IMPLEMENTATION OF NEW GASB STATEMENTS

There were no new significant GASB Statements which were implemented by the CRA during the fiscal year ended September 30, 2021.

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 3 – CASH

The CRA participates in the City’s pooled cash system. Cash as of September 30, 2021, consists of deposits with a financial institution. The bank deposits were entirely covered by federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that 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, the amount of public funds would be covered by 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, the CRA’s deposits are considered fully insured or collateralized in accordance with the provisions of GASB Statements.

NOTE 4 – TAX INCREMENT REVENUES

Tax increment revenues are the primary source of revenue for the CRA. Tax increment revenue is collected from the two governmental entities that levy property taxes within the legally defined redevelopment area of the CRA, the Village and Palm Beach County. The tax increment revenue is calculated by applying the adopted millage rate of each governmental entity to the increase in current year taxable assessed valuations over the base year assessed valuations for all properties located within the CRA boundaries.

NOTE 5 – RELATED PARTY TRANSACTIONS

The CRA received tax increment revenues from the Village’s General Fund totaling \$68,581 for the fiscal year ended September 30, 2021, which are reflected as tax increment revenues in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 68,581	\$ 68,581	\$ 68,307	\$ (274)
Total Revenues	68,581	68,581	68,307	(274)
Expenditures				
Current:				
Economic environment	137,162	137,162	63,160	74,002
Total Expenditures	137,162	137,162	63,160	74,002
Excess (Deficiency) of Revenues over Expenditures	(68,581)	(68,581)	5,147	73,728
Other Financing Sources				
Transfers in	68,581	68,581	68,581	--
Total Other Financing Sources	68,581	68,581	68,581	--
Net Change in Fund Balance	\$ --	\$ --	73,728	\$ 73,728
Fund Balance - Beginning of Year				--
Fund Balance - End of Year			\$ 73,728	

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BUDGETARY ACCOUNTING

The CRA's adopted budget is prepared on the modified accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("GAAP"). The budget represents departmental appropriations as authorized by CRA ordinance. Expenditures may not legally exceed budgeted appropriations at the fund level. The Village Manager, acting in his capacity as Executive Director of the CRA, has the authority to approve all budget transfers within a department. Budget transfers between districts or budget amendments require the approval of the Village Council. Accordingly, the CRA's legal level of budgetary control is at the fund level. Transfers in reflected in the budget columns (original and final) reflect tax revenues collected directly by the Village of Palm Springs and subsequently transferred to the CRA. Actual amounts reflected for transfer in are presented as tax revenue for the CRA in the accompanying statement of revenues, expenditures, and changes in fund balance. The annual Palm Springs Community Redevelopment Agency legally adopted budget is inclusive of the 2 districts: (1) Lake Worth Road CRA Fund and (2) Congress Ave CRA Fund.

For the fiscal year ended September 30, 2021, there were no supplemental budget appropriations for the CRA. Total expenditures may not legally exceed total fund appropriations including any budgeted fund balance from prior years. All annual appropriations lapse at year end. The budget amounts presented reflect the original budget and the amended budget based on legally authorized revisions to the original budget during the year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is utilized by the CRA during the year. However, all encumbrances outstanding at year end lapse.

NOTE 2 – BUDGET AND ACTUAL COMPARISONS

The budgetary comparison schedule prepared on the basis of accounting used in preparing the appropriated budget. As a result, the revenue and expenditures reported in the budgetary comparison schedule for the CRA agree with that reported on the GAAP basis.

REPORTING SECTION

**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 CRA Board and Executive Director
Palm Beach Community Redevelopment Agency
Village of Palm Springs, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the CRA's financial statements, and have issued our report thereon dated April 13, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA'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 CRA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 CRA'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 CRA'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 CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
April 13, 2022

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

To the CRA Board and Executive Director
Palm Springs Community Redevelopment Agency
Village of Palm Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the Palm Springs Community Redevelopment Agency (the “CRA”), a component unit of the Village of Palm Springs, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 13, 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 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 April 13, 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 financial audit report. There were no findings or recommendations made in the preceding financial audit report of the Village of Palm Springs, Florida, as it relates to the CRA.

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. This information is disclosed in Note 1 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 CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the CRA 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 CRA. It is management's responsibility to monitor the CRA'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. Our 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.

Specific Information

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

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project as \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

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 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, the CRA Board, Executive Director, 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, Florida
April 13, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
FLORIDA STATUTES**

To the CRA Board and Executive Director
Palm Springs Community Redevelopment Agency
Village of Palm Springs, Florida

We have examined the Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2021. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA'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 CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA 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 CRA's compliance with the specified requirements.

In our opinion, the CRA complied, in all material respects, with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2021.

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

Marcum LLP

West Palm Beach, FL
April 13, 2022