2023
ANNUAL FINANCIAL REPORT

CITY OF WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

FOR THE

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SEPTEMBER 30, 2023

Prepared by:
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WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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FINANCIAL SECTION

Photo by Red Leaf

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and CRA Director
West Palm Beach Community Redevelopment Agency
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Palm Beach Community Redevelopment Agency (the "Agency" or "CRA"), a component unit of the City of West Palm Beach, Florida, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 CRA, as of September 30, 2023, and the respective changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the budgetary comparison schedules as listed in the table of contents on pages 42 and 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CRA's basic financial statements. The other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2024, 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, FL
April 26, 2024

As management of the West Palm Beach Community Redevelopment Agency (the "CRA"), we offer readers of the CRA's financial statements this narrative overview and analysis of the financial activities of the CRA for the fiscal year ended September 30, 2023.

The CRA has presented its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.*

The information contained in this Management Discussion and Analysis (MD&A) is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the notes to the financial statements and required supplementary information provided.

Financial Highlights

- The assets and deferred outflows of resources of the CRA exceeded its liabilities and deferred inflows (net position) at the close of fiscal year 2023 by approximately $125.1 million.

- The CRA's total net position increased by approximately $35.9 million, or 40.2%, from the prior year . This was partly attibutable to a restatement of net position of $18.3 million as well as an increase in capital assets offset by the reduction of debt and other liabilities.

- The CRA's total debt decreased by $9.0 million, from $147.6 million to $138.6 million, or approximately 6.1%, reflecting repayments on bonds and notes.

- Total spending for the CRA's governmental activities was approximately $43.4 million, an increase by $9.2 million, or 26.9%, over the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CRA's basic financial statements. These financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. In addition to the 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 CRA's finances, in a manner similar to a private-sector business. Additionally, the government-wide financial statements are prepared using the accrual basis of accounting.

The Statement of Net Position presents financial information on all of the CRA'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 CRA is improving or deteriorating.

The Statement of Activities presents information about how the CRA'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 the related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The Statement of Net Position and the Statement of Activities are found beginning on page 15 of this report.

Fund Financial Statements:

The CRA uses fund accounting to track the sources and uses of resources for specific purposes and are reported in governmental funds.

The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Reporting for these funds focuses on inflows and outflows of spendable resources and the balances left at year-end that are available for spending. The modified accrual basis of accounting is used to report these funds and generally measures only current financial resources (essentially cash and other assets that can readily be converted to cash). The governmental fund statements provide a detailed short-term view of the CRA's operations and the services it provides.

Governmental fund statements report changes in the quantity of resources available for spending in the near future. To facilitate comparison between the two presentations, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances are accompanied by reconciliations to the government-wide statements. This comparison highlights the long-term impact of the CRA's near term financial decisions.

The CRA adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison schedules have been provided for the City Center Community Redevelopment Agency Fund and the Northwood/Pleasant City Community Redevelopment Agency Fund (operating funds), Series 2019 CCCRA Debt Service Fund, Series 2019 CCCRA Capital Bond Fund and the NPCCRA Series 2005A Construction Fund.

The CRA's governmental funds financial statements can be found beginning on page 17 of this report. The reconciliations between the governmental funds and the government-wide financial statements are found on pages 18 and 20.

Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements, and is required by accounting principles generally accepted in the United States of America.

Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing individual fund budget and actual comparison schedules of the CRA operating funds.

Government-Wide Financial Analysis:

The overall net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows exceeded liabilities by $125.1 million at the close of the most recent fiscal year.

At the end of the fiscal year, the CRA's net position increased by $35.9 million or 40.2%. The overall increase can be attributed to the net change in current and long-term liabilities of $9.0 million offset by an overall increase in total assets and deferred outflows of $25.6 million. Additionally, the CRA recorded a restatement of net position of $18.3 million in the current year.

Total assets of the CRA as of the end of the current fiscal year increased by $25.7 million or 10.6%. The increase is attributed to an increase in payments to community partners involved with community redevelopment and affordable housing projects.

Long-term liabilities decreased by $8.2 million or 5.6% resulting from to the repayment of bonds and notes payable during the current fiscal year.

The CRA's net investment in capital assets such as land, roads, parks, buildings, machinery and equipment, as a percentage of net position, amounts to $74.6 million and $49.3 million or 59.6% and 55.3%, respectively as of September 30, 2023 and 2022. These asset values are presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The CRA uses capital assets to provide services to the citizens within their respective designated areas and consequently, these assets are not available for future spending.

Although the net investment in capital assets is reported net of related debt, the capital assets themselves cannot be used to liquidate that liability, and other resources will be needed to repay any associated debt.

The net investment in capital assets increased from the previous year by $25.2 million largely due to new capital additions, net of retirements and depreciation of $21.6 million and the net reduction of outstanding long-term debt of $9.0 million which was used to acquire the assets.

Another portion of the CRA's net position is restricted net position, totaling $50.6 million and $39.9 million or 40.4% and 44.7%, respectively at September 30, 2023 and 2022. These balances represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations.

Restricted net position increased by $10.7 million or 38.3% to comply with the requirements of the special revenue funds and other legal requirements. The increase in restricted net position is primarily due to an increase in property tax revenues during fiscal year 2023.

The following table provides a comparative analysis of the CRA's net position for the fiscal years ended September 30, 2023 and 2022:

Condensed Statement of Net Position
As of September 30, 2023 and 2022
(in thousands)

	Governmental Activities	
	2023	**2022**
Assets:		
Current and other assets	$ 80,286	$ 76,121
Capital assets, net	187,755	166,192
Total assets	268,041	242,313
Deferred outflows of resources	1,101	1,221
Liabilities:		
Current liabilities	3,953	5,960
Long-term obligations	139,357	147,599
Liabilities	139,357	147,599
Total Liabilities	143,310	153,559
Deferred inflows of resources	699	730
Net position:		
Net investment in capital assets	74,578	49,346
Restricted	50,555	39,899
Total net position	$ 125,133	$ 89,245

Governmental Activities - Change in Net Position

The CRA reported total revenues and expenses of $61.0 million and $43.4 million, respectively. As shown below, revenues increased by $13.0 million while expenses increased by $9.2 million during the current fiscal year.

The majority of the increase in expenses was attributed to an award of grant funds for $9.0 million to a third party to promote community redevelopment and affordable housing projects during last fiscal year. Other decrease in expenses resulted from decreased operational expenses of $1.4 million and repairs and maintenance of $1.5 million. This decrease is mostly offset by an increase in administrative expenses of $1.2 million as well as an increase in interest on long term debt by $0.3 million due to the repayment of Series 2005B Revenue Bond in the prior yeas as well as increases in depreciation of $0.2 million.

The following table provides a comparative analysis of the CRA's changes in net position:

Summary of Changes in Net Position
For the Fiscal Years Ended September 30, 2023 and 2022
(in thousands)

	Governmental Activities	
	2023	**2022**
Revenues:		
Program Revenue:		
Charges for services	$ 934	$ 1,470
General revenue:		
Ad valorem taxes	56,296	47,151
Investment income (loss)	3,646	(621)
Miscellaneous	148	13
Total revenues	61,024	48,013
Expenses:		
Economic environment	38,319	29,584
Interest on long-term debt	5,088	4,631
Total expenses	43,407	34,215
Increase in net position	17,617	13,798
Net position at beginning of year, as previously reported	89,245	75,447
Restatement of net position	18,271	-
Net position at beginning of year	107,516	75,447
Net position at end of year	$ 125,133	$ 89,245

Financial Analysis of Funds

Unlike the government-wide financial statements, the fund financial statements focus on specific CRA activities rather than the CRA as a whole. The CRA uses specific funds to maintain managerial control over resources or to ensure and demonstrate compliance with finance-related legal requirements. The CRA maintains four major funds: City Center Community Redevelopment Agency Fund (CCCRA), Northwood/Pleasant City Community Redevelopment Agency Fund (NPCCRA) (operating funds), Series 2019 CCCRA Debt Service Fund and the Series 2019 CCCRA Capital Bond Fund. The results of the current year's activity for each major fund is discussed below:

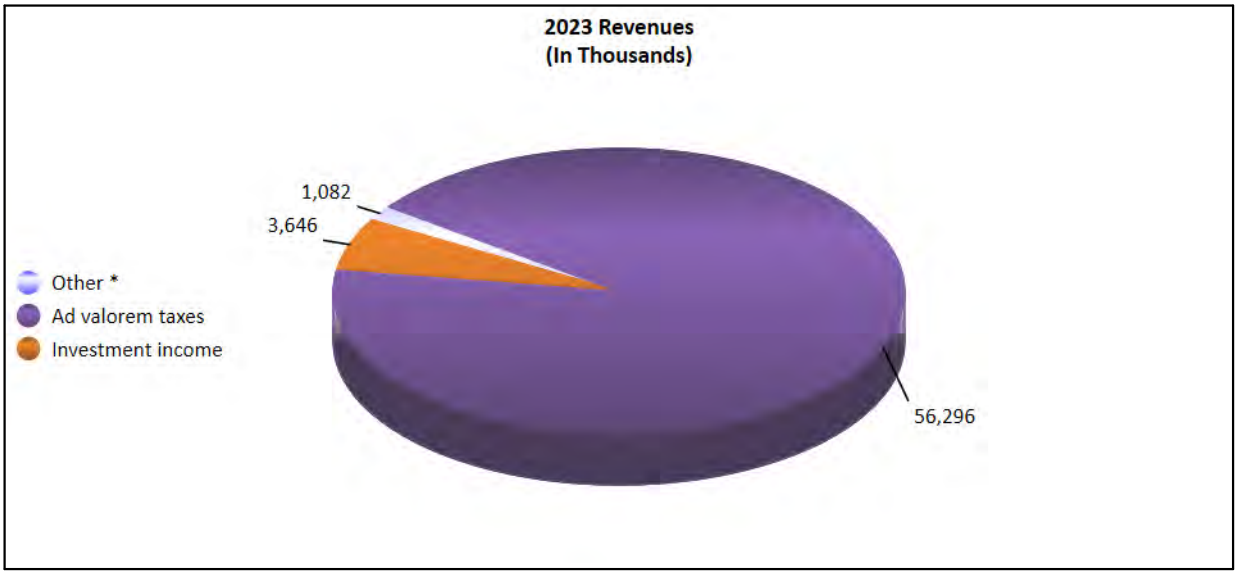
The CCCRA and the NPCCRA are the operating funds of the CRA, representing the activities for each redevelopment area. Fund balances at the end of the fiscal year for the CCCRA and NPCCRA were $38.0 million and $5.8 million, respectively. At the end of the current fiscal year the fund balance for the CCCRA increased by $9.6 million while the NPCCRA increased by $1.1 million. The increase in fund balance in the CCCRA fund can be attributed to a reduction in expenditures related to community development as well as transfer out to fund debt payments related to the 2019 bonds in the current fiscal year.

Total expenditures and net transfers for the CCCRA increased by $2.1 million during the current fiscal year due to increases in community redevelopment of $6.7 million and a decrease of $4.5 million in capital outlay. Total revenues for the CCCRA increased in the current year by $10.0 million, due to the increase in the property tax base and corresponding revenues.

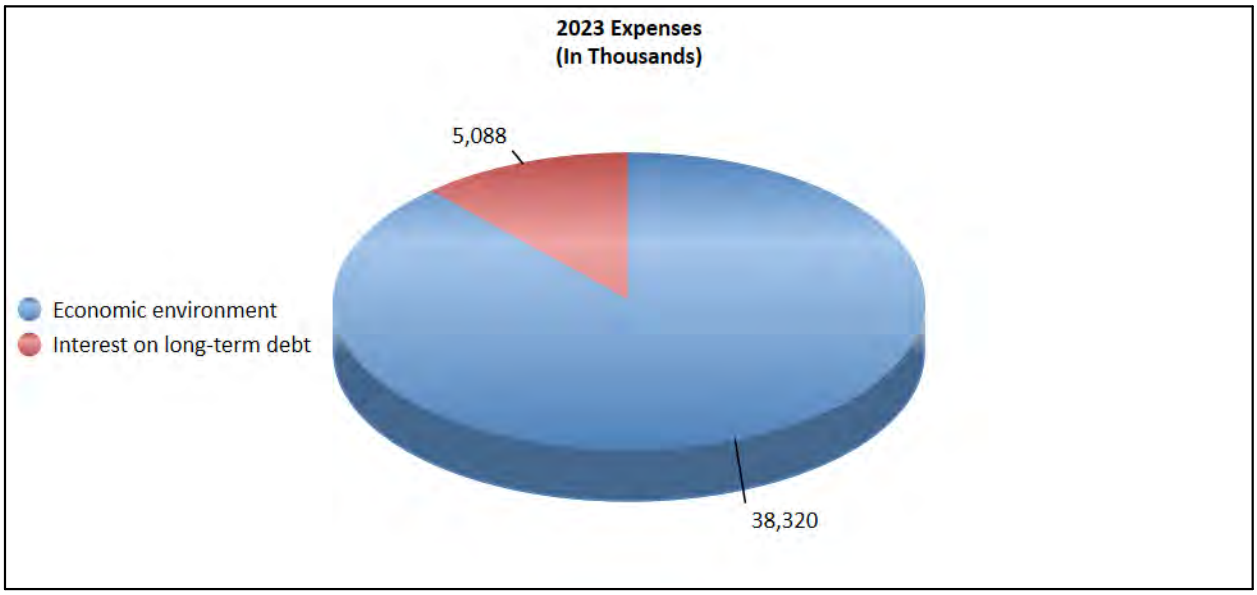
Revenues for the NPCCRA increased by $1.2 million, mainly due to the increase in the property tax base and related revenues along with an increase in investment income. Expenditures for the NPCCRA decreased by $0.1 million.

At the end of the current fiscal year, fund balance for the Series 2019 CCCRA Capital Bond Fund and the Series 2019 CCCRA Debt Service Fund were $24.4 million and $7.4 million, respectively. The fund balance for the Series 2019 CCCRA Capital Bond Fund decreased by $4.7 million, primarily representing capital outlay and other related project expenditures, net of interest earnings during the year. The fund balance for the Series 2019 CCCRA Debt Service Fund increased $0.5 million mainly due to lower expenditures attributed to lower interest payments during the current fiscal year.

The chart below shows the revenues by source (in thousands) for the CRA's governmental activities during fiscal year 2023:



The chart below shows the expenses by function (in thousands) for the CRA's governmental activities during fiscal year 2023:



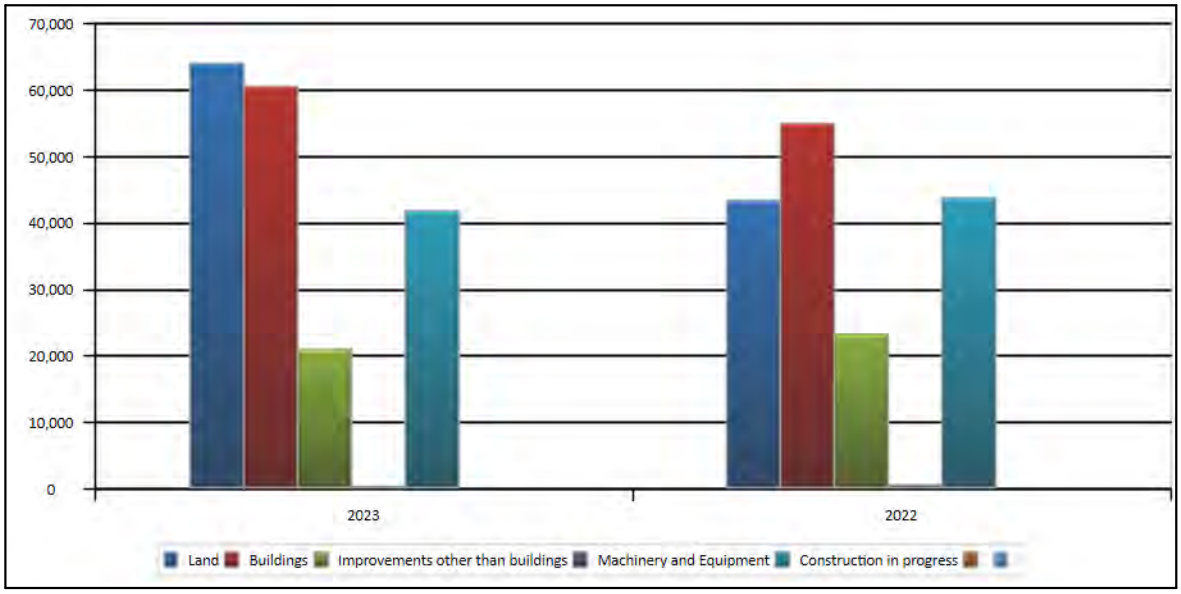
Capital Assets

The CRA's capital assets for its governmental activities as of September 30, 2023 and 2022 totaled $187.8 million and $166.2 million, net of accumulated depreciation, (in thousands). The net investment in capital assets as of September 30, 2023 and 2022 was $74.6 million and $49.3 million, respectively. The increase from the previous year of $25.3 million was largely due to new additions, net of depreciation in addition to the recording of a prior period adjustment of $18.3 million related to CRA land not previously recorded, and the net reduction of outstanding long-term debt which was used to acquire the assets. Additional information on the CRA's capital assets can be found in Note E of this report.

The following table compares the CRA's capital assets from September 30, 2023 and 2022, in thousands, net of accumulated depreciation:

	Governmental Activities	
	2023	**2022**
Land	$ 63,986	$ 43,456
Construction in progress	41,847	43,756
Buildings	60,564	55,059
Improvements other than buildings	21,005	23,311
Machinery and Equipment	353	612
Total capital assets, net	$ 187,755	$ 166,194

The following chart compares the CRA's capital assets from 2023 and 2022:



Long-term Obligations

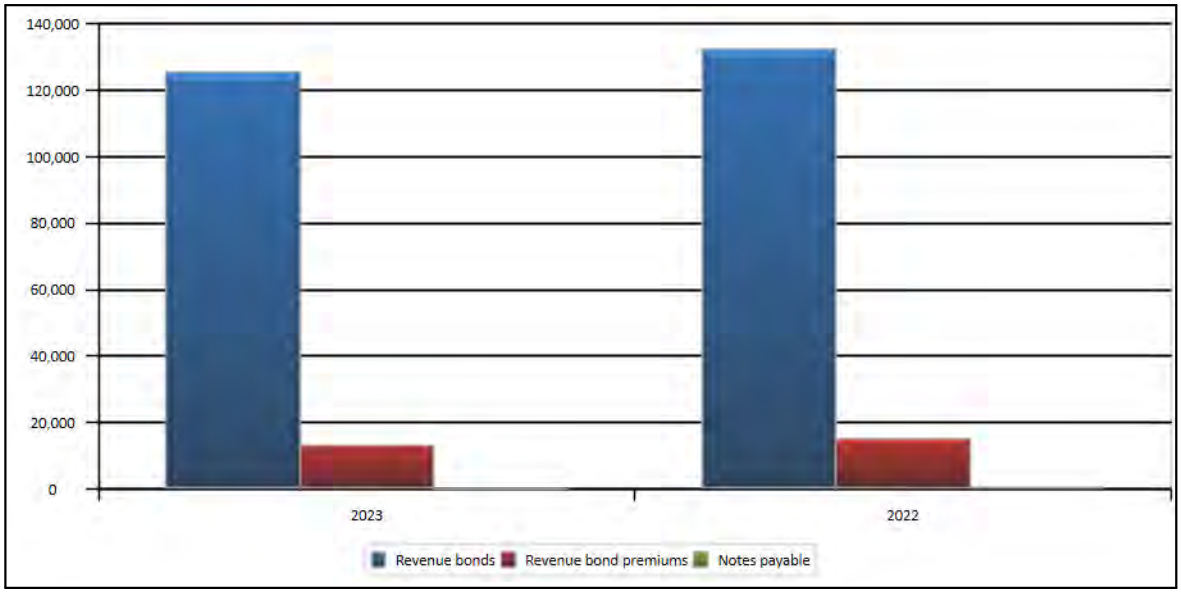
As of September 30, 2023, the CRA's $138.6 million of bonded debt is secured by a stand-alone pledge of tax increment revenue.

Total of bonds and notes payable decreased during the current fiscal year reflecting repayments and amortization of bond premiums totaling $9.0 million. Additional information on the CRA's long-term debt can be found in Note F of this report.

The following table compares the CRA's outstanding long-term debt from September 30, 2023 and 2022, in thousands:

	Governmental Activities	
	2023	**2022**
Revenue bonds	$ 125,385	$ 132,290
Revenue bond premiums	13,203	15,059
Total bonds	138,588	147,349
Notes payable	-	250
Total long-term obligations	$ 138,588	$ 147,599

The following chart compares the City's outstanding long-term debt from 2023 and 2022:



Currently there are four (4) individuals employed by the CRA as of September 30, 2023. These individuals have access to a defined contribution plan for retirement benefits. These individuals also have access to other post employee benefits upon meeting plan membership and benefit criteria set forth by the Trust. Allocation of the OPEB liability and related expenses are not reflected in the accompanying financial statements as the amounts are considened insignificant to the CRA and financial statement readers.

Economic Factors Affecting Next Year's Budget

The CRA's next year's budget is consistent with maintaining services to citizens without raising the millage rate. Despite the effects of the pandemic, the property tax base within each of the CRA's designated areas has continued an upward trend and resulted in increased tax revenues.

In determining the next year's budget, the CRA considered the following activities and population needs within each designated area:

City Center Community Redevelopment Area:

Within the CCCRA, the CRA works with the West Palm Beach Downtown Development Authority (DDA), an independent taxing district and the City of West Palm Beach to provide impactful and value-based programs.

The CRA is also invested in the increased value added within the Historic Northwest as the neighborhood moves toward a transformation into the hub of cultural tourism in West Palm Beach. In order to achieve these goals, the CRA has invested in infrastructure improvements, cleanliness and safety, removal of blight, and business attraction and retention.

One way the CRA and the DDA work to strengthen the business environment is through the retention/attraction of businesses through its business development grant programs which include funding for grand opening events, leasehold improvements, façade enhancement, and business assistance. During fiscal year 2022, the CRA provided over $5.1 million, in grants to local businesses within the CCCRA community. This is a decrease of $9.3 million from the prior fiscal year due to an additional $9 million grant to a third party for community redevelopment and affordable housing efforts made in the prior fiscal year.

In addition to the grants provided to community partners, the CRA provides various services to its residents and local businesses within the community. Some of these activities include the following:

- Partnering with non-profit entities to provide assistance to the homeless population and formerly incarcerated individuals so they can receive part-time employment. Employment enables those in need to secure housing and earn honest wages while improving the quality of public spaces throughout the downtown development area.

- The CCCRA, through a contracted third party, provides full-time private public safety services to its residents and business community. The contractor aids businesses, residents, and visitors with scurity, information, or contact emergency services seven days a week whether on foot, bike, or mobile transportation.

- Trolley sevices throughout the downtown area is available to residents and visitors at no cost. During fiscal year 2022, ridership of the trolley services totaled roughly 76,000 passengers.

The CCCRA has the following ongoing or planned activity which are considered major redevelopment projects:

- The Banyan Garage is a public parking garage located at 200 Banyan Boulevard. The garage has reached the end of its useful life and has been reimagined as a mixed-use facility with active ground floor uses and public parking. The City and CRA are seeking a Public Private Partnership to finance the construction of a new mixed-use parking garage.

- Clematis Street businesses have long experienced the challenge of converting former department store spaces that are deep and wide into current retail and office space needs. By improving the aesthetics of the alleyways, the businesses have opportunities to activate the rear of their space. The final remaining component of the project, the improvement of the intersection at Quadrille and Clematis Street was completed in February 2024. Along with improvements to the Alleyways downtown, the CRA engaged in a program with the City's Public Works department to add a code officer and additional staff to upgrade the appearance and cleanliness of the Alleyways.

- Redevelopment of the historic Sunset Lounge (built in 1923) and surrounding properties into a cultural destination of the Northwest began to become a reality in fiscal year 2015. The CRA has begun restoring the building to how it looked at the height of the lounge's popularity in 1940 when as many as 1,000 people would dance together to the biggest names in music. The restored Sunset Lounge will be the centerpiece of a destination featuring a new Jazz Park and amphitheater, a full-service restaurant, lounge, and performance ballroom. The CRA developed the project concept and received support from the CRA Board on the $25 million construction cost and to move forward with development. The approved construction costs includes Phase II of the project which is still ongoing at the end of the fiscal year. Completion of the project and the grand opening is anticipated in December 2024.

- The Tent Site is a prominent area of the CRA located at 801 S. Dixie Highway. It has long been desired for redevelopment as a key parcel in the heart of Downtown. The CRA previously leased this property to a third party who will construct a Class A office tower to be located on the Tent Site. Construction is anticipated to begin before the end of fiscal year 2024. The property was appraised at $25.7 million and the CRA will receive annual lease payments on this property.

- North Railroad Avenue (NoRA) was officially created as a new sub-district within Brelsford Park in 2022. This area, spanning from Quadrille Boulevard to Palm Beach Lakes Boulevard between the FEC Right of Way and Dixie Highway, will bring the development of a mixed-use district and will include much needed upgrades to the infrastructure in the area, such as the undergrounding of electrical supplies, improved drainage, and state-of-the-art streetscapes. The CRA will partner with the developers by providing TIF incentives to be used for the streetscape, construction of affordable housing and for business attraction and job creation. Construction and redevelopment has begun and is 50% complete at the end of the fiscal year.

Northwood/Pleasant City Community Redevelopment Area:

The NPCCRA continues to prioritize home ownership within the Pleasant City Neighborhood. Previously, the CRA has conveyed 11 vacant properties to Habitat for Humanity who have successfully completed construction of homes. The completed homes were sold to buyers that best qualified for stable home ownership under the affordable housing program. These sale of these properties assist the CRA in increasing home ownership within Pleasant City, with 46% of the residents in Pleasant City now being homeowners.

Additionally, the CRA continues to focus on providing affordable rental options in the Pleasant City Neighborhood and also intends to extend affordable an workforce housing opportunities within the Broadway mixed-use district.

In addition to the investment in home ownership within the NPCCRA, the CRA has partnered with the City to fund the improvement of certain parks throughout the CRA designated areas, including Currie Park. The City has commited $8.0 million towards the Currie Park improvement. Additionally, the CRA was instrumental in the application process that resulted in the City being awarded an additional $16.7 million dollars to be used for the Currie Park improvement and construction of resilient seawalls, improve storm water quality, and develop living shorelines, pedestrian hardscaping, and native landscaping. The final master plan was approved by the CRA Board in June 2022. The project is scheduled to begin in latter part of fiscal year 2024.

Major projects which were completed during the current fiscal year included the following:

- Sunset Lounge Phase II, $6.4 million.

- Banyan Boulevard streescape and lighting project, $1.4 million.

The projects identified above, among others will usher in an urban renaissance within the CRA, bringing about positive residual effects in areas of economic development, sustainability and other benefits.

Requests for Information

This financial report is designed to provide a general overview of the CRA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Department, 401 Clematis Street, West Palm Beach, Florida 33401.

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BASIC FINANCIAL STATEMENTS

Photo by movetowestpalm.com12

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS:	
Cash and cash equivalents	$ 24,256,179
Investments	20,826,930
Receivables, net:	
Accounts	23,722
Interest	145,734
Due from other governments	125,000
Prepaid items	5,000
Lease receivable	723,557
Restricted assets:	
Cash and cash equivalents	8,740,072
Investments	25,330,014
Interest on restricted cash and investments	110,551
Capital assets:	
Nondepreciable	105,833,920
Depreciable, net of accumulated depreciation	81,921,037
Total assets	$ 268,041,716
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred loss on refunding	$ 1,100,669
LIABILITIES:	
Accounts payable and accrued liabilities	$ 3,856,185
Due to other governments	21,092
Deposits payable	75,537
Due within one year:	
Compensated absences payable	31,993
Bonds payable	7,245,000
Due in more than one year:	
Compensated absences payable	70,973
Bonds payable	132,009,348
Total liabilities	$ 143,310,128
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to leases	$ 698,930
NET POSITION:	
Net investment in capital assets	$ 74,577,901
Restricted for:	
Debt service	7,377,896
Community development	43,177,530
Total net position	$ 125,133,327

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

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position: Governmental Activities
Governmental Activities:					
Economic environment	$ 38,319,415	$ 933,768	$ -	$ -	$ (37,385,647)
Interest on long-term debt	5,087,949	-	-	-	(5,087,949)
Total governmental activities	$ 43,407,364	$ 933,768	$ -	$ -	$ (42,473,596)
General revenue:					
Ad valorem taxes					$ 56,296,466
Investment income					3,645,684
Miscellaneous					148,333
Total general revenues					$ 60,090,483
Change in net position					17,616,887
Net position at beginning of year, as previously reported					89,245,008
Restatement of net position (Note K)					18,271,432
Net position at beginning of year					107,516,440
Net position at end of year					$ 125,133,327

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

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Debt Service Fund	Series 2019 CCCRA Capital Bond Fund	Non-Major NPCCRA Series 2005A Acquisition & Construction Fund	Total Governmental Funds
ASSETS:						
Cash and cash equivalents	$ 17,910,735	$ 6,345,444	$ 650,537	$ 8,089,535	$ -	$ 32,996,251
Investments	20,826,930	-	7,034,915	18,295,099	-	46,156,944
Receivables, net:						
Accounts	13,226	10,496	-	-	-	23,722
Interest	125,771	19,963	35,173	75,378	-	256,285
Due from other governments	125,000	-	-	-	-	125,000
Prepaid items	5,000	-	-	-	-	5,000
Lease receivable	723,557	-	-	-	-	723,557
Total assets	39,730,219	6,375,903	7,720,625	26,460,012	-	80,286,759
LIABILITIES:						
Accounts payable and accrued liabilities	947,803	491,218	342,729	2,074,435	-	3,856,185
Deposits payable	47,137	28,400	-	-	-	75,537
Due to other governments	21,092	-	-	-	-	21,092
Total liabilities	1,016,032	519,618	342,729	2,074,435	-	3,952,814
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflows related to unavailable revenue	7,261	10,496	-	-	-	17,757
Deferred inflows related to leases	698,930	-	-	-	-	698,930
Total deferred inflows of resources	706,191	10,496	-	-	-	716,687
FUND BALANCES:						
Nonspendable	5,000	-	-	-	-	5,000
Restricted for:						
Community development	38,002,996	5,845,789	-	24,385,577	-	68,234,362
Debt service	-	-	7,377,896	-	-	7,377,896
Total fund balances	38,007,996	5,845,789	7,377,896	24,385,577	-	75,617,258
Total liabilities, deferred inflows of resources and fund balances	$ 39,730,219	$ 6,375,903	$ 7,720,625	$ 26,460,012	$ -	$ 80,286,759

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

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 75,617,258
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 are not reported in the funds		187,754,957
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		17,757
Deferred outflows of resources used in governmental activities are not current financial resources and are not reported in the governmental funds:		
Deferred loss on debt refunding		1,100,669
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	(102,966)	
Bonds payable	(138,587,924)	-
Arbitrage payable	(666,424)	(139,357,314)
Net position of governmental activities		$ 125,133,327

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

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Debt Service Fund	Series 2019 CCCRA Capital Bond Fund	Non-Major NPCCRA Series 2005A Acquisition & Construction Fund	Total
REVENUES:						
Taxes	$ 30,657,252	$ 3,496,424	$ -	$ -	$ -	$ 34,153,676
Intergovernmental	20,292,939	1,974,851	-	-	-	22,267,790
Charges for services	75,684	49,835	-	-	-	125,519
Rents and royalties	424,294	-	-	-	-	424,294
Investment income	1,608,138	298,620	448,386	1,284,182	6,359	3,645,685
Miscellaneous	148,331	-	-	-	-	148,331
Total revenues	53,206,638	5,819,730	448,386	1,284,182	6,359	60,765,295
EXPENDITURES:						
Current:						
Economic environment	27,919,783	2,093,586	-	833,837	-	30,847,206
Capital outlay	4,227,027	1,031,027	-	5,163,965	238,964	10,660,983
Debt service:						
Principal	3,000,000	1,025,000	3,130,000	-	-	7,155,000
Interest and fiscal charges	1,359,006	619,528	4,178,927	-	-	6,157,461
Total expenditures	36,505,816	4,769,141	7,308,927	5,997,802	238,964	54,820,650
Excess (deficiency) of revenues over (under) expenditures	16,700,822	1,050,589	(6,860,541)	(4,713,620)	(232,605)	5,944,645
OTHER FINANCING SOURCES (USES):						
Disposal of capital assets	316,898	-	-	-	-	316,898
Transfers in	-	6,360	7,381,250	-	-	7,387,610
Transfers out	(7,381,250)	-	-	-	(6,360)	(7,387,610)
Total other financing sources (uses)	(7,064,352)	6,360	7,381,250	-	(6,360)	316,898
Net change in fund balances	9,636,470	1,056,949	520,709	(4,713,620)	(238,965)	6,261,543
Fund balances - beginning	28,371,526	4,788,840	6,857,187	29,099,197	238,965	69,355,715
Fund balances - ending	$ 38,007,996	$ 5,845,789	$ 7,377,896	$ 24,385,577	$ -	$ 75,617,258

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

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		$ 6,261,543
Amounts reported for governmental activities in the Statement of Activities are different because		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expenses exceeded capital outlay in the current period		
Capital outlay	10,660,983	
Depreciation expense	(7,254,110)	3,406,873
Retirement of capital asset		(115,131)
Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are not reported as revenues in governmental funds:		
Charges for services		(57,944)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are capitalized and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Principal repayment on bonds payable	6,905,000	
Principal repayment on notes payable	250,000	
Amortization of bond premiums	1,189,705	
Change in deferred loss on refunding	(120,193)	8,224,512
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		
Compensated absences		(102,966)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 17,616,887

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE A. SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies for the Community Redevelopment Agency of West Palm Beach, Florida ("CRA") is presented to assist the reader in interpreting the basic financial statements. The policies are considered essential and should be read in conjunction with the basic financial statements. The accounting policies of the CRA have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") as applied to governmental units. This report, the accounting system and classification of accounts conforms to the Governmental Accounting Standards Board ("GASB"), which is the standard setting body for governmental accounting and financial reporting. The following is a summary of the CRA's most significant accounting policies.

1. Financial Reporting Entity

The Community Redevelopment Agency of West Palm Beach ("CRA") was established on September 10, 1984 by the City of West Palm Beach, Florida (the "City") under Ordinance No. 1805-84 (Redevelopment Act) pursuant to the "Community Redevelopment Act of 1969" and Chapter 163, Part III of the Florida Statutes. The CRA has created and is responsible for promoting the economic redevelopment of two designated areas: the City Center/Downtown Area and the Northwood/Pleasant City Area.

The CRA is governed by a board of directors comprised of five members of the City Commission. Management of the City has operational responsibility for the CRA. The City is considered to be financially accountable for the CRA in accordance with GASB Statement No. 61, and therefore the CRA is considered to be a blended component unit in the City's annual comprehensive financial report.

The CRA has adopted GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, for the purpose of evaluating whether it has any component units. Based on the criteria therein, the CRA has determined that there are no component units that meet criteria for inclusion in the CRA's financial statements.

2. Government-wide and Fund Financial Statements

The basic financial statements of the CRA consist of the government-wide financial statements and fund financial statements which provide a more detailed level of financial information. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The CRA does not have any business-type activities and has only governmental activities. The accounts of the CRA are reported as special revenue funds, capital projects funds and debt service funds.

Government-wide Statements: The government-wide financial statements include a Statement of Net Position and the Statement of Activities. These statements report information on all of the activities of the CRA as a whole and provide a consolidated financial picture of the CRA. As part of the consolidation process, interfund activities are eliminated to avoid distorted financial results.

The Statement of Net Position reports all financial and capital resources of the governmental activities. The net position of the CRA (assets and deferred outflows of resources minus liabilities and deferred inflows resources) is reported in three separate components – net investment in capital assets, restricted and unrestricted net position.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. 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. Program revenues include (1) charges for goods and services that are recovered directly from customers for services rendered and (2) grants and contributions that are restricted to meeting the operational or capital requirements for a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements: The financial transactions of the CRA are reported in individual governmental funds within the City's accounting system. Each fund is accounted for by providing a separate, self-balancing set of accounts comprised of the assets, deferred outflows/inflows of resources, liabilities, fund equity, revenues and expenditures of each fund. Major governmental funds are reported as separate columns in the fund financial statements.

The governmental funds financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, therefore a reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of the governmental fund accounting to the government-wide presentations.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements 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 when earned, measurable, and available to finance expenditures of the current period. Revenues are considered to be available for the current period when they are collected within the fiscal year being reported on or soon enough thereafter to pay liabilities of that fiscal year. The CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year being reported on. Incremental property taxes and investment earnings associated with the current fiscal periods are susceptible to accrual and are recorded as earned since they are measurable and available. All other revenues are considered measurable and available only when cash is received by the CRA or property has been legally transferred to the CRA. Expenditures, other than debt service, are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures are recorded only when payment is due.

4. Major Funds and Basis of Presentation

The accounts of the CRA are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equities, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Major Funds and Basis of Presentation (Continued)

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets plus deferred outflows, liabilities plus deferred inflows, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined), for the determination of major funds. The CRA electively added funds, as major funds, which either have significant outstanding debt proceeds or a specific community focus.The CRA reports the following major governmental funds:

The City Center Community Redevelopment Agency Fund accounts for revenue received from tax increment financing. The fund is restricted for carrying out redevelopment activity in the designated downtown redevelopment area.

The Northwood/Pleasant City CRA Fund accounts for revenue received from tax increment financing. These funds are restricted for carrying out redevelopment activity in the Northwood/Pleasant City designated area. While not required to be a major fund, this Northwood/Pleasant City CRA Fund is deemed a major fund and is reported separately due to its high level of public interest.

The Series 2019 CCCRA Capital Bond Fund accounts for the proceeds from the Series 2019 CCCRA Tax Increment Revenue and Refunding Bonds. The proceeds will be used for various capital improvements and capital purchases as outlined in the issue's Official Statement.

The Series 2019 CCCRA Debt Service Fund accounts for principal and interest of the Series 2019 Tax Increment Revenue and Refunding Bonds.

5. Budget Policy and Budgetary Data

The CRA prepares an annual operating budget for all governmental funds. These budgets are prepared on the modified accrual basis of accounting.

The level of control (level at which expenditures may not exceed budget) is the department. The Executive Director is authorized to transfer budgeted amounts within departments of any fund. The CRA Board must approve any revisions that alter the total expenditures of any department.

The original and final budgets, as presented, include re-appropriated encumbrances of the prior year. The budgets have been adopted on a basis consistent with GAAP.

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents and Investments

The CRA participates in a cash and investment pool maintained by the City. The City's cash and investment pool allows individual funds, at any time, to deposit additional cash or make withdrawals without prior notice or penalty. Cash and cash equivalents include cash on hand, demand and time deposits and short-term investments with original maturities of three months or less as of the date of purchase. Interest earned on pooled cash and investments is allocated to funds based on the average monthly balances.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Cash, Cash Equivalents and Investments (Continued)

Investments are stated at fair value which is 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. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the CRA are accounted for in the City's investment pool. Income earned from this pool is allocated to the respective funds based upon average monthly equity balances.

Receivables

Receivables include amounts for services provided by the City. Revenues derived from these services are recognized when earned. All accounts receivable are reported net of any allowances for uncollectible. Allowances for uncollectible receivables are based upon a review of accounts and the knowledge of the creditor's ability to pay.

Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit the period beyond the current year. These services are recorded as expenditures/expenses when consumed.

Restricted Assets

Certain proceeds from fund revenue bonds, as well as other resources set aside in accordance with bond indentures and other arrangements, are classified as restricted assets in the government-wide Statement of Net Position. Restricted assets are not required to be presented on the balance sheets of the governmental funds under the modified accrual basis of accounting; however, certain assets of these funds are restricted as to use.

Leases

The CRA periodically engages in non-cancellable lease contracts as a lessor for various land and facility spaces. Some lease contracts include increases in annual payments related to the consumer price index ("CPI") or similar indices, and the available index increase is included in the present value at the commencement of the lease or remeasurement when changes to existing contracts are executed. Some lease contracts also include options to extend and those deemed reasonably certain to be exercised have been factored into the determination of leases receivable. An incremental borrowing rate is used as the discount rate to measure the present value of the lease over the the contacted term.

The financial statements recognize leases receivable and deferred inflow of resources, based on the present value of the future lease payments expected to be received during noncancellable period of the lease contracts, and the deferred inflow of resources is amortized evenly over the life of the lease. The lease receivable relevant to each lease contract is reduced by the principal portion of the fixed lease payments received.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Capital Assets

The CRA capitalizes all acquisitions of tangible and intangible property expected to be held for more than one year and which have a minimum cost of $25,000 for buildings and infrastructure or a minimum cost of $10,000 for all other assets. Right-to-use leased assets are amortized over the lease term or the life of the asset, whichever is less. See Note J for details regarding the CRA's leased assets.

Expenditures that materially extend the useful life of existing properties are capitalized. The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts, and any resulting gain or loss is included in the change in net position.

Depreciation, recorded in the Government-wide Statement of Activities, is computed using the straight-line method over the estimated useful lives of the related assets which are:

Buildings	20 - 40 years
Improvements	15 - 40 years
Infrastructure	30 - 40 years
Equipment	5 - 10 years
Intangibles (primarily software)	5 years

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities of the statement of net position. Bond premiums and discounts are recorded as direct additions to or deductions from the related debt and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premiums and discounts.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt issued and any premiums received are reported as other financing sources while discounts are reported as other financing uses.

Bond premiums or discounts are amortized over the life of the bonds using the effective interest method. Deferred amounts on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method and reported as deferred outflows of resources. Issuance costs are expensed in the year of issuance, except for prepaid bond insurance costs.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future accounting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The CRA reports a deferred loss on refunding in this category.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Deferred Outflows of Resources (Continued)

The deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred Inflows of Resources

The governmental funds financial statements include a separate section for deferred inflow of resources. Deferred inflows of resources represent the acquisition of fund balance that is applicable to a future accounting period and will not be recognized as revenue until the future period in which it applies. The items that qualify for reporting in this category are:

- Deferred inflows from unavailable revenues, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from from property taxes, assessments, and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

- Deferred inflow related to leases is deferred and recognized as an inflow of resources in the governmental funds and the government-wide report based on the payment provisions in the contracts.

See Note J for more information on deferred inflows related to the CRA leases.

Fund Balance and Net Position

The CRA classifies fund balance in accordance with GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the CRA is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The CRA reports the following fund balance classifications:

When both restricted and unrestricted resources are available for use for a given purpose, it is the CRA's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are available for use for a given purpose, it is the CRA's policy to use committed resources first, then assigned, then unassigned, as they are needed.

Nonspendable fund balance: Non-spendable fund balances include amounts which cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Committed fund balance: Amounts which can only be appropriated, modified, or rescinded for specific purposes pursuant to constraints imposed by the City Commission through an ordinance.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Fund Balance and Net Position (Continued)

Restricted fund balance: Restricted fund balances include amounts that are constrained by the imposition of external creditors, grantors, contributors, or laws or regulations of other governmental agencies or imposed by law through constitutional provisions or enabling legislation.

Net Position is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. The government-wide financial statements utilize a net position presentation. The CRA reports the following net position classifications:

Net Investment in Capital Assets: Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds.

Restricted Net Position: Restricted net position includes amounts restricted to specific constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Revenues

Intergovernmental Revenue: The CRA's primary source of revenue is tax increment funds collected from the City, Palm Beach County ("County") and the Downtown Development Authority ("DDA"). These entities levy ad valorem property taxes within the legally defined redevelopment areas of the CRA. The tax increment revenue is calculated by applying the adopted millage rate to the increase in current year taxable assessed valuations within the designated CRA areas using the year in which they were established as the "base year". For example, if an unimproved property was valued at $10,000 in the base year and a new house is built on the property tomorrow, the new value of the property is $25,000. The incremental difference in value (new assessed value – base year value) is $15,000. Taxes collected on the property will be split amongst the City, the County, DDA and various agencies. The CRA receives all taxes assessed on the incremental increase of $15,000. Revenues generated by improvements in the CRA districts are to be reinvested in the designated CRA areas to continue to spur redevelopment.

Assessed values are established by the Palm Beach County Property Appraiser. The assessed property value recognized by the City, County and DDA includes the second homestead exemption. The City, County and DDA are required to pay 95% of these incremental property taxes to the CRA on or before January 1 of each year, otherwise the full amount of the incremental revenue will be due.

Program Revenue: In the Government-wide Statement of Activities, revenue that is derived directly from the program itself or from outside sources, if restricted to a specific program, it is called program revenue. Program revenue is classified as either operating grants or capital grants. Operating grant revenues received from other government entities to support the operational costs of a particular function are legally restricted to that function. Capital grants are received from other government entities for the purpose of constructing or purchasing capital assets.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued)

Estimates

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

7. Implementation of New GASB Statements

The CRA considered the new accounting standards which effective dates are applicable for the fiscal year ended September 30, 2023. The implementation of GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*, did not have a significant impact on the CRA's financial statements.

NOTE B. DEPOSITS AND INVESTMENTS

The CRA has elected to follow the City's investment policy. In accordance with Section 218.415, Florida Statutes, the City's Investment Policy applies to all cash and investments held or controlled by the City. Permitted investments, asset allocation limits, issuer limits, credit rating requirements and maturity limits are detailed in the investment policy in order to protect all of the City's cash and investments. As of September 30, 2023, total cash and investments for the CRA totaled $79,153,195.

Authorized Investments and Credit Risk

The City adheres to an investment policy that conforms to state statutes. The City has no formal policy relating to foreign currency risk. For the fiscal year ended September 30, 2023 the City had no investment exposure to foreign currency. The City's policy regarding derivative instruments specifically states that City Commission approval is required prior to the use of derivatives. For the fiscal year ended September 30, 2023, the City had no investment exposure to derivative instruments.

The City's Investment Policy adheres to an investment policy that conforms to State Statutes and permits the following investments, which are limited to credit quality ratings from Nationally Recognized Statistical Ratings Organizations ("NRSRO") as follows:

- U.S. Treasury obligations which are guaranteed by the full faith and credit of the United States with maturities not to exceed ten years from the date of purchase.

- Money Market Mutual Fund shares in open-end, no-load funds that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. The prospectus of such funds must indicate that the share value shall not fluctuate.

- Intergovernmental Investment Pools that are authorized pursuant to the Florida Inter-local Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

NOTE B. DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

- Corporate obligations or notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a minimum long term debt rating, at the time of purchase, of A or better by any Nationally Recognized Statistical Ratings Organization ("NRSRO"). Maximum term for corporate notes and obligations shall be seven years.

- In addition, under the Investment Policy, the Short Term and Long Term Portfolios may invest in the following investments: U.S. Government Agencies, State and Local Government Debt, Commercial Paper rated "Prime-1" by Moody's and "A-1" by Standard & Poor's or equivalent by another NRSRO, Banker's Acceptances rated Prime-1 by Moody's and A-1 by Standard and Poor's, Registered Investment Companies (Mutual Funds) rated AAA or better by Standard & Poor's.

The investment policy is designed to reduce the concentration of credit risk within the City's investment portfolio. A maximum of 20% of available funds may be invested in the Florida PRIME Fund and similar pools, 100% of available funds may be invested in United States Treasury Securities, 50% of available funds may be invested in United States Government Agencies with a 25% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 50% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 25% limit on any one institution, 25% of available funds may be directly invested in prime commercial paper with a 5% limit on individual issuers, 25% of available funds may be directly invested in Bankers' acceptances with a 5% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts with a limit of 20% on individual issuers, 40% of available funds may be invested in mutual funds with a limit of 20% invested in mutual funds with a limit of 20% with any one non-SEC Rule 2a-7 investment mutual fund, 25% of available funds may be invested in intergovernmental investment pools, 25% of available funds may be invested in corporate obligations or corporate notes of US corporations with a limit of 5% with any one corporate note, and 30% of available funds may be invested in mortgage-backed securities with a limit of 20% invested with any one MBS.

The City has investments in four investment pools, Florida PRIME, the Florida Cooperative Liquid Assets Securities System ("Florida CLASS"), Florida Public Assets for Liquidity Management ("Florida PALM") and the Florida Local Government Investment Trust ("Florida LGIT"). Florida PRIME and Florida CLASS are state pools managed by the State Board Administration ("SBA"), who provides regulatory oversight. In order to accommodate pool participants with readily available cash, a substantial portion of the portfolio is placed in short-term securities. Florida PALM is a local government investment pool developed through the joint efforts of the Florida School Boards Association and the Florida Association of District School Superintendents. The Florida LGIT is a local government investment pool developed through the joint efforts of the Florida Association of Court Clerks and Comptrollers and the Florida Association of Counties.

Under the guidelines of GASB Codification Section I50, Florida PRIME is a "2a-7 like" pool. Accordingly, investments in Florida Prime are reported at amortized cost. Florida CLASS, Florida PALM and Florida LGIT measure investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of GASB Statement No. 31. The City's investment in Florida CLASS, Florida PALM and Florida LGIT are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of GASB 72. As such, these investment pools have been valued based on their respective fair value factors as of the financial statement date.

Florida PRIME, Florida CLASS, Florida PALM and Florida LGIT are exempt from the GASB No. 72 fair value hierarchy disclosures. Additionally, the investments in the Florida PRIME, Florida CLASS, Florida PALM and Florida LGIT are not insured by FDIC or any other governmental agency. Investments at September 30, 2023, in the Florida PRIME, Florida CLASS, Florida PALM and Florida LGIT have a weighted average days to maturity (WAM) of 36 days, 43 days, 51 days and 38 days, respectively.

NOTE B. DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

The City's investment in the Florida PRIME, Florida Class and Florida PALM investment pools are rated AAAm by Standard and Poor's while the Florida LGIT is rated AAAm by Fitch Rating Agency.

As of September 30, 2023, the CRA had the following cash, cash equivalents and investment types and effective duration presented in terms of years:

Credit and Interest Rate Risk				**As of September 30, 2023 (in thousands)**		
Investment Vehicle	**Rating**	**% of Portfolio**	**Duration Years**	**Total Portfolio**	**Cash Equivalents**	**Investments**
Cash Deposits	NR	12.6%	0.00	$ 10,006	$ 10,006	$ -
Money Market Funds	AAAm	0.1%	0.02	57	57	-
Florida PRIME	AAAm	19.0%	0.08	15,061	15,061	-
Florida CLASS	AAAm	6.0%	0.09	4,767	4,767	-
Florida LGIT	NR	2.0%	0.09	1,582	1,582	-
Florida PALM	NR	1.9%	0.00	1,523	1,523	-
Sovereign Government	NR	0.2%	2.47	192	-	192
United States Treasury Notes	NR	51.5%	2.19	40,734	-	40,734
Municipal Bonds	AA+	1.2%	1.26	928	-	928
Agency Bonds	AA-	2.7%	2.08	2,119	-	2,119
Corporate Notes	AA-	2.8%	2.08	2,184	-	2,184
		100.0%		$ 79,153	$ 32,996	$ 46,157

Amounts from Statement of Net Position:	
Unrestricted cash and cash equivalents	$ 24,256
Unrestricted investments	20,827
Restricted cash and cash equivalents	8,740
Restricted investments	25,330
Total cash and investments on Statement of Net Position	$ 79,153

Custodial Credit Risk

Cash, Cash Equivalents and Investments: Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the CRA will not be able to recover the value of its investment or collateral security that are in the possession of an outside party. The CRA's cash deposits are commingled with the City's cash deposits and are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. As such, the cash deposits are fully insured by the Public Deposits Trust Fund. The CRA's cash equivalents and investment portfolio is held in safekeeping by the custodians in the name of the City of West Palm Beach, thereby eliminating exposure to custodial credit risk.

Interest Rate Risk: The Investment Policy sets limits for investment maturities to match known cash needs and cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants, not to exceed a maturity of five (5) years with an average duration of the portfolio as a whole not to exceed three (3) years.

NOTE B. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

As of September 30, 2023, the CRA has no investments that have embedded options, allowing the issuer to call the obligation or demand a stated increase in the interest rate.

Effective Duration:

Short Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Investment Policy requires that 100% of the short term portfolio be invested in maturities of less than one year.

Long Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Investment Policy requires that the duration of the long term portfolio not exceed three years.

Concentration of Credit Risk

The Investment Policy permits up to 50% of the portfolio to be invested in any single Federal Instrumentality. As of September 30, 2023 investments in the following Federal Instrumentalities exceed 5% of the portfolio:

Investment Vehicle	% of Portfolio	Amount (in thousands)
United States Treasury Notes	67.3%	$ 40,734

As of September 30, 2023, the CRA had the following issuer concentrations in the investment portfolio based on fair value:

Issuer	% of Portfolio	Amount (in thousands)
United States Treasury Notes	51.5%	$ 40,734
Florida PRIME	19.0%	15,061
Florida CLASS	6.0%	4,767
Total	76.5%	$ 60,562

As of September 30, 2023, the CRA categorized its investment portfolio using the fair value measurements in accordance with GASB Statement No. 72, which uses a hierarchy based on the valuation inputs used to measure the fair value of the asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices for similar assets in markets that are active and not active; Level 3 inputs are significant unobservable inputs.

NOTE B. DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2023, the CRA had the following investment types portfolio based on fair value:

	Fair Value (in thousands)			
Investment	Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	Total
Municipal Bonds	$ -	$ 928	$ -	$ 928
Federal Instrumentalities	-	2,119	-	2,119
United States Treasury Notes	-	40,734	-	40,734
Corporate Notes	-	2,184	-	2,184
Sovereign Government	-	192	-	192
Money Market Funds	57	-	-	57
Total Investments by Fair Value Level	$ 57	$ 46,157	$ -	46,214
Florida PRIME (exempt)				15,061
Florida LGIT (exempt)				1,582
Florida CLASS (exempt)				4,767
Florida PALM (exempt)				1,523
Cash Deposits (exempt)				10,006
Total				$ 79,153

NOTE C. RECEIVABLES AND UNEARNED REVENUE

Receivables

Receivables at the end of the fiscal year for the CRA governmental activities are as follows:

	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Debt Service Fund	Series 2019 CCCRA Capital Bond Fund	NPCCRA Series 2005A Acquisition & Construction Fund	Total
Receivables:						
Accounts (gross)	$ 13,226	$ 10,496	$ -	$ -	$ -	$ 23,722
Interest	125,771	19,963	35,173	75,378	-	256,285
Total receivables	$ 138,997	$ 30,459	$ 35,173	$ 75,378	$ -	$ 280,007

NOTE C. RECEIVABLES AND UNEARNED REVENUE (CONTINUED)

Unearned/Unavailable Revenue

Unearned revenue from resources that have been received but not yet earned is reported on both the government-wide Statement of Net Position and on the fund financial statements. The governmental fund financial statements also report unavailable revenue from receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

The components of unearned/unavailable revenues as of September 30, 2023 are as follows:

	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Total
Revenues earned but not available:			
Other receivables	$ 7,261	$ 10,496	$ 17,757
Total unavailable revenue	$ 7,261	$ 10,496	$ 17,757

NOTE D. RESTRICTED CASH AND INVESTMENTS

Certain cash and investments are restricted by external third parties for the following purposes:

	GOVERNMENTAL ACTIVITIES			
Purpose	Series 2019 CCCRA Debt Service Fund	NPCCRA Series 2005A Acquisition & Construction Fund	Series 2019 CCCRA Capital Bond Fund	Totals
Debt service	$ 7,685,452			$ 7,685,452
Revenue bond and capital improvement unspent proceeds	-	-	26,384,634	26,384,634
Total restricted assets	$ 7,685,452	$ -	$ 26,384,634	$ 34,070,086

NOTE E. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Restatement*	Balance as Restated	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:							
Capital assets not being depreciated:							
Land	$ 43,456,114	$ 18,271,432	$ 61,727,546	$ 2,162,436	$ -	$ 96,463	$ 63,986,445
Construction in progress	43,755,558	-	43,755,558	8,342,931	(31,357)	(10,219,657)	41,847,475
Total capital assets not being depreciated	87,211,672	18,271,432	105,483,104	10,505,367	(31,357)	(10,123,194)	105,833,920
Capital assets being depreciated:							
Buildings	80,751,670	-	80,751,670	155,616	-	8,192,332	89,099,618
Improvements other than buildings	64,063,788	-	64,063,788	-	-	1,930,862	65,994,650
Machinery, furniture, and equipment	2,091,042	-	2,091,042	-	(566,334)	-	1,524,708
Total capital assets being depreciated	146,906,500	-	146,906,500	155,616	(566,334)	10,123,194	156,618,976
Total capital assets	234,118,172	18,271,432	252,389,604	10,660,983	(597,691)	-	262,452,896
Less accumulated depreciation:							
Buildings	25,693,417	-	25,693,417	2,842,405	-	-	28,535,822
Improvements other than buildings	40,753,345	-	40,753,345	4,236,602	-	-	44,989,947
Machinery, furniture, and equipment	1,479,627	-	1,479,627	175,103	(482,560)	-	1,172,170
Total accumulated depreciation	67,926,389	-	67,926,389	7,254,110	(482,560)	-	74,697,939
Total capital assets being depreciated, net	78,980,111	-	78,980,111	(7,098,494)	(83,774)	10,123,194	81,921,037
Governmental Activities Capital Assets, Net	$ 166,191,783	$ 18,271,432	$ 184,463,215	$ 3,406,873	$ (115,131)	$ -	$ 187,754,957

*The beginning balances of capital assets for governmental activities have been restated for the correction of errors. (See Note K)

NOTE F. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term debt and liabilities for governmental activities:

	Beginning Balances	Additions	Reductions	Ending Balances	Total Current Liabilities	Total Noncurrent Liabilities
Governmental Activities:						
CCCRA bonds (other):						
Revenue bonds	$115,570,000	$ -	$ (5,880,000)	$109,690,000	$ 6,185,000	$ 103,505,000
Unamortized premiums	15,438,401	-	(1,879,598)	13,558,803	-	13,558,803
Arbitrage rebate payable	-	-	666,424	666,424	-	666,424
CCCRA bonds payable, net	131,008,401	-	(7,093,174)	123,915,227	6,185,000	117,730,227
NPCCRA bonds (other):						
Revenue bonds	16,720,000	-	(1,025,000)	15,695,000	1,060,000	14,635,000
Unamortized discount	(379,348)	-	23,469	(355,879)	-	(355,879)
NPCCRA bonds payable, net	16,340,652	-	(1,001,531)	15,339,121	1,060,000	14,279,121
Total bonds	147,349,053	-	(8,094,705)	139,254,348	7,245,000	132,009,348
Notes payable (direct)	250,000	-	(250,000)	-	-	-
Compensated absences payable	-	134,959	(31,993)	102,966	31,993	70,973
Total Governmental Activities	$147,599,053	$134,959	$ (8,344,705)	$139,357,314	$ 7,276,993	$ 132,080,321

Bonds outstanding at September 30, 2023 payable from governmental activities are comprised of tax increment revenue bonds. These bonds mature in varying amounts during succeeding fiscal years through 2036. Interest rates on these long-term obligations range from 2.25% to 5.25%.

Tax Increment Revenue Bonds:

The $77,175,000 City Center Community Redevelopment Area (CCCRA) Tax Increment Revenue Bonds, Series 2006A, were issued on November 30, 2006. Interest rates on remaining annual principal amounts payable is 4.45%. Proceeds of the bond are used to finance the costs of the CCCRA Redevelopment Project and mature on March 1, 2036. The Bonds will be payable solely from and are secured by Pledged Funds derived by the CRA from: (i) CCCRA Tax Increment Revenues; and (ii) all moneys, securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. On August 11, 2015, $46,925,000 of the outstanding principal was refunded through the issuance of 2015 CCCRA Refunding Bond. The outstanding balance of Series 2006A CCCRA Tax Increment Revenue Bonds after this refunding was $26,365,000 and the maturity date was unchanged and principal payments resume on March 1, 2032. At September 30, 2023 the principal balance was $5,000.

The $18,870,000 NPCCRA Tax Increment Revenue Refunding Bonds, Series 2015, were issued on June 11, 2015 and advance refunded all of the outstanding Series 2005A bonds of like title. Interest rates on remaining annual principal amounts payable, vary from 2.25% to 4.00% and matures March 1, 2035. The Series 2015 Bonds are solely payable from and secured by a pledge of and first lien on the Pledged Funds derived by the Agency from (i) NPCCRA Tax Increment Revenues and (ii) all moneys, securities and instrument held in the accounts and subaccounts created under the Bond Resolution, except the NPCCRA Rebate Account. At September 30, 2023 the principal balance was $15,695,000.

NOTE F. LONG-TERM OBLIGATIONS (CONTINUED)

Tax Increment Revenue Bonds: (Continued)

The $44,060,000 CCCRA Tax Increment Revenue Refunding Bonds, Series 2015 were issued September 10, 2015 and advance refunded a portion of the outstanding Series 2006A bonds of like title. Interest rates on remaining annual principal amounts payable, vary from 3.25% to 5.25% and matures March 1, 2031. The bond is solely payable from and secured by a pledge of and first lien on the Pledged Funds derived by the Agency from (i) CCCRA Tax Increment Revenues and (ii) all moneys securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. At September 30, 2023 the principal balance was $27,430,000.

The $91,285,000 CCCRA Tax Increment Revenue Bonds, Series 2019, were issued July 23, 2019. Proceeds of the bond were used to finance the costs of CCCRA redevelopment projects and partially refund the outstanding Series 2006A Bonds of $24,265,000. The interest rate on the annual principal amounts payable is 5.0% and matures on March 1, 2036.

The Bonds will be payable solely from and are secured by pledged funds derived by the CCCRA from: (i) tax increment revenues; and (ii) all moneys, securities and instruments held in the accounts and subaccounts created under the Board Resolution, except the CCCRA Rebate Account. At September 30, 2023 the principal balance was $82,255,000.

The annual requirements to pay Governmental Activities principal and interest on the bonds outstanding at September 30, 2023 are as follows:

	GOVERNMENTAL ACTIVITIES					
	CCCRA Bonds			NPCCRA Bonds		
Fiscal Years Ending September 30	Principal	Interest	Total Required	Principal	Interest	Total Required
2024	$ 6,185,000	$ 5,258,748	$ 11,443,748	$ 1,060,000	$ 591,694	$ 1,651,694
2025	6,500,000	4,941,623	11,441,623	1,090,000	559,444	1,651,694
2026	6,835,000	4,608,248	11,443,248	1,130,000	524,731	1,649,444
2027	7,185,000	4,257,748	11,442,748	1,165,000	482,341	1,654,731
2028	7,535,000	3,907,729	11,442,729	1,215,000	433,878	1,648,878
2029 - 2033	43,565,000	13,645,981	57,210,981	6,870,000	1,379,269	8,249,269
2034 - 2038	31,885,000	2,444,556	34,329,556	3,165,000	131,897	3,296,897
Total	$ 109,690,000	$ 39,064,633	$ 148,754,633	$ 15,695,000	$ 4,103,254	$ 19,802,607
Current Portion	(6,185,000)			(1,060,000)		
Premium (Discount)	13,558,803			(355,879)		
Long-term Portion	$ 117,063,803			$ 14,279,121		

Pledged Revenue:

Tax Increment Revenue Bonds are those secured by a pledge of and first lien on the Pledged Funds derived from the CRA. There are two types of Tax Increment Revenue Bonds: the Northwood/Pleasant City Community Redevelopment Area (NPCCRA), 2015 and the City Center Community Redevelopment Area (CCCRA) Tax increment Revenue Bonds, 2006A, 2015 and 2019. Revenue received from the CCCRA and NPCCRA in fiscal year 2023 was $30,657,252 and $3,496,424 respectively.

NOTE F. LONG-TERM OBLIGATIONS (CONTINUED)

Notes Payable:

On April 2, 2004, the City and the CRA entered into an agreement with Palm Beach County to pay $5,000,000 in 20 equal annual installments of $250,000. The City and the CRA entered into a separate interlocal agreeement whereby the City would pay the annual debt service to Palm Beach County and be reimbursed by the CRA, until the note is paid in full. The note was used to defray operating expenses related to the Palm Beach County Convention Center and matures April 2023. The note payable to the City is secured solely by the covenant of the CRA to budget and appropriate legally available non-ad valorem revenues. As of September 30, 2023, the principal balance of the note was paid in full.

The CRA's long-term debt for governmental activities is summarized as follows:

	Purpose of Issue	Amount Issued	Principal Amount Outstanding	Stated Interest Rate	Maximum Annual Debt Service
GOVERNMENTAL ACTIVITIES:					
Bonds:					
CCCRA Revenue Bonds					
Series 2006A, CCCRA	Redevelopment	$ 77,175,000	$ 5,000	4.45%	$ 5,111
Series 2015, CCCRA	Refunding	44,060,000	27,430,000	3.25 - 5.25%	4,119,150
Series 2019, CCCRA	Refunding	91,285,000	82,255,000	5.00%	11,443,500
Total CCCRA Bonds		212,520,000	109,690,000		15,567,761
NPCCRA Revenue Bonds					
Series 2015, NPCCRA	Refunding	18,870,000	15,695,000	2.25 - 4.00%	1,654,731
Total Bonds		231,390,000	125,385,000		17,222,492
Total Bonds for Governmental Activities		$ 236,390,000	$ 125,385,000		$ 17,222,492

The CRA had the following pledged debt as of September 30, 2023 in its governmental activities:

Description of Issue	Purpose	Pledged Revenue	Revenue Received in FY 2023	Principal and Interest Paid in FY 2023	Debt Service as a Percentage of Revenues Pledged	Outstanding Principal and Interest	Pledged Through
City Center CRA Tax Increment Revenue Bonds Series 2006A, 2015B and 2019	To finance certain public improvements, refund Sunshine State Loans and a portion of the Agency's Tax Increment Revenue Bonds Series 2006A	City Center CRA Tax Increment Revenue	$ 30,657,252	$ 11,440,373	37.3%	$ 148,754,633	Fiscal years through 2036
Northwood / Pleasant City CRA Tax Increment Revenue Bonds Series: 2015A	To pay for the cost of acquiring and clearing real property for redevelopment purposes and loan repayment made to the City	Northwood / Pleasant City CRA Tax Increment Revenue	$ 3,496,424	$ 1,328,797	38.0%	$ 19,802,607	Fiscal years through 2035

NOTE G. INTERFUND TRANSFERS

The following is a summary of interfund transfer activity:

Transfer-Out Fund:	Northwood / Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Debt Service Fund	Totals
City Center Community Redevelopment Agency Fund	$ -	$ 7,381,250	$ 7,381,250
NPCCRA Series 2005A Acquisition & Construction Fund	6,360	-	6,360
Total Transfers	$ 6,360	$ 7,381,250	$ 7,387,610

Transfers-out from the NPCCRA Series 2005A Acquisition & Construction Fund to the Northwood / Pleasant City Community Redevelopment Agency Fund were recorded to close the fund. Transfers-out from the City Center Community Redevelopment Agency Fund to the Series 2019 CCCRA Debt Service Fund funded debt service requirements.

NOTE H. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

Annual budgets are adopted for major and nonmajor governmental funds. Budgets are prepared on the modified accrual basis of accounting.

All unencumbered and unexpended appropriations lapse at the fiscal year-end except those for ongoing capital projects and special revenue funds which are brought forward and become part of the subsequent year's original budget.

Appropriations at year end that are encumbered but unexpended are also brought forward and become part of the subsequent year's original budget. Supplemental appropriations made during the fiscal year are included in the 'Final Budget' columns on the statements of revenues, expenditures and changes in fund balances – budget and actual.

Budgetary Control

Expenditures may not legally exceed appropriations at the fund and department level without Commission approval. Budget changes within a fund and department which do not affect the departmental total may be approved on the administrative level. The City Administrator and Chief Financial Officer have the authority to approve such administrative changes.

NOTE I. COMMITMENTS AND CONTINGENCIES

Construction and Equipment Contracts

As of the fiscal year ended September 30, 2023, the CRA had the following significant commitments related to uncompleted contracts for construction and equipment:

Governmental activities:

Major Funds	$ 25,130,395
Other Governmental Funds	251,430
	$ 25,381,825

State and Federal Grants

Grant funds received and disbursed by the CRA are for specific purposes and are subject to audit by the grantor agencies. Amounts received or receivable from the agencies are subject to audit and adjustment. Any disallowed claims, including the amounts already collected, may constitute a liability of the applicable funds. Future disallowances, if any, cannot be determined at this time although in the opinion of management, any disallowed expenditures would not have a material adverse effect on the financial condition of the CRA.

City Place Community Development City Debt

On April 20, 2012, the Community Development City ("CDD") issued the $39,890,000 Special Assessment and Refunding Bonds, Series 2012, primarily pledged by special assessments to the properties within the CDD. Additionally, the CRA pledged certain tax increment revenue for properties within the CDD and up to $2 million of the existing tax increment revenues generated outside the CDD. The CRA payments, together with the special assessments required to be levied by the CDD, are anticipated to fully fund the debt service requirements. As of September 30, 2023, neither the City nor the CRA has an outstanding liability to the CDD.

Development Agreements

On March 30, 2018, the City and the CCCRA entered into a ground lease and development agreement (the "Agreement") with a developer to lease property. In accordance with the Agreement, the lessee will construct and develop commercial and residential buildings for the benefit of the public. The initial term of the lease is 50 years with an option to renew for an additional 25 years. No rent is payable by the buyer within the initial term. If the buyer elects to exercise the renewal option, the annual rent shall be the fair rental value of the leased property at renewal. Upon expiration of the lease, the ownership of improvements to the leased property will automatically revert to the City or the CCCRA. During the fiscal year ended September 30, 2023, there were no revenues received by the CRA related to this lease.

On September 22, 2020, the NPCCRA entered into a property development and lease agreement (the "Anchor Site Development Agreement") with a third party to lease property for development and to remedy blight in the Northwood/Pleasant City Community Redevelopment District. In accordance with the Development and Lease Agreement, the lessee will construct and develop commercial and residential buildings in accordance with a specific plan to be approved by the CRA Board. The term of the lease is 50 years, with an option to purchase the property after 10 years, following the issuance of the final Certificate of Occupancy for the project.

NOTE I. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Development Agreements (Continued)

Annual base rent of $174,000 is due in twelve monthly installments after the final Certificate of Occupancy is issued. The base rent is subject to annual increases based on the National Consumer Price Index ("CPI Index"). On the 25th anniversary of the Development and Lease Agreement, the annual base rent will be recalculated without the CPI Index by multiplying the appraised value by the 20-year United States Treasury Note Interest Rate, or its equivalent at such time.

The NPCCRA shall not sell the property to a third party other than the developer or an affiliate of the developer for a period of 10 years, following the issuance of the final Certificate of Occupancy for the project. Should the developer elect to exercise the option to purchase the property, the purchase price shall be $4,350,000.

During the construction phase of the project, the NPCCRA commits to reimburse the developer for building permit fees and other related charges, not to exceed $1,000,000. Upon expiration of the lease, the ownership of improvements to the leased property will remain with the developer.

As of the fiscal year ended September 30, 2023, this project has not been completed and Certificate of Occupancy was not received by the third party. The developer has not satisfied all pre-construction requirements to obtain full access to the Anchor Site. Consequently, the CRA has not recognized commencement of this lease and has not included any amounts from this lease in the determination of leases receivable or deferred inflows as required under GASB Statement No. 87.

On April 21, 2020, the CCCRA entered into a property development and lease agreement (the "Tent Site Development Agreement") with a third party to lease the Tent Site property for construction and development in the City Center Community Redevelopment District. In accordance with the Development and Lease Agreement, the lessee will construct, develop and maintain Class-A office buildings with retail and onsite parking in accordance with a specific plan to be approved by the CRA Board. The initial term of the lease is 49 years, with an option to renew for two additional twenty-five year terms. The Developer has an option to purchase the Tent Site property after 10 years from Rent Commencent Date.

Annual base rent of $1,028,000 is due in twelve monthly installments after the final Certificate of Occupancy is issued. The base rent is subject to annual increases based on the CPI Index. On the 25th anniversary of the Development and Lease Agreement, the annual base rent will be recalculated without the CPI Index by multiplying the appraised value by the 20-year United States Treasury Note Interest Rate, or its equivalent at such time. Upon expiration of the lease, the ownership of improvements to the leased property will remain with the developer.

As of the fiscal year ended September 30, 2023, construction has not been completed and Certificate of Occupancy was not received by the third party. The developer has not satisfied all pre-construction requirements to obtain full access to the Tent Site. Consequently, the CRA has not recognized commencement of this lease and has not included any amounts from this lease in the determination of leases receivable or deferred inflows as required under GASB Statement No. 87.

NOTE J. LEASES

The CRA has entered into non-cancelable contractual agreements as a lessor for land and facility spaces. The agreements include options to extend beyond the initial term. Those extensions of terms deemed reasonably to be exercised have been factored into the determination of leases receivable. Payments are fixed and payable monthly or quarterly.

During the fiscal year ended September 30, 2023, the CRA recognized the following, related to its lessor agreements:

Lease revenue	$	106,470
Interest income related to leases	$	11,797

NOTE K. RESTATEMENT

During the current fiscal year, the CRA identified and corrected the following error reported in the financial statements for September 30, 2022.

- Capital Assets for Governmental Activities reported in the Statement of Net Position were understated by $18,271,432, net of related depreciation.

The following reconciliation summarizes the restatement net position amount as reported in the financial statements as of September 30, 2023:

Description	Governmental Activities
Net position at beginning of year, as previously reported	$ 89,245,008
Correction of capital assets	18,271,432
Net position at beginning of year, as restated	$ 107,516,440

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Photo by Department_Pr

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
CITY CENTER COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	$ 30,200,584	$ 30,200,584	$ 30,657,252	$ 456,668
Intergovernmental	20,135,833	20,135,833	20,292,939	157,106
Charges for services	103,284	103,284	75,684	(27,600)
Rents and royalties	147,625	147,625	424,294	276,669
Investment income	275,000	275,000	1,608,138	1,333,138
Miscellaneous	-	-	148,331	148,331
Total revenues	50,862,326	50,862,326	53,206,638	2,344,312
EXPENDITURES:				
Current:				
Economic environment	43,314,321	38,776,591	27,919,783	10,856,808
Capital outlay	22,637,230	28,346,520	4,227,027	24,119,493
Debt service:				
Principal	2,750,000	2,750,000	3,000,000	(250,000)
Interest and fiscal charges	1,402,725	1,402,725	1,359,006	43,719
Total expenditures	70,104,276	71,275,836	36,505,816	34,770,020
Excess (deficiency) of revenues over (under) expenditures	(19,241,950)	(20,413,510)	16,700,822	37,114,332
OTHER FINANCING SOURCES (USES):				
Disposal of capital assets	1,026,200	1,026,200	316,898	(709,302)
Transfers out	(7,381,250)	(7,381,250)	(7,381,250)	-
Total other financing sources (uses)	-	-	(7,064,352)	(709,302)
Net changes in fund balances	$ (25,597,000)	$ (26,768,560)	9,636,470	$ 36,405,030
Fund balances - beginning			28,371,526	
Fund balances - ending			$ 38,007,996	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETARY BASIS
NORTHWOOD / PLEASANT CITY COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	$ 3,444,371	$ 3,444,371	$ 3,496,424	$ 52,053
Intergovernmental	1,980,369	1,980,369	1,974,851	(5,518)
Charges for services	81,600	81,600	49,835	(31,765)
Investment income	45,000	45,000	298,620	253,620
Total revenues	5,551,340	5,551,340	5,819,730	268,390
EXPENDITURES:				
Current:				
Economic environment	7,496,264	6,067,573	2,093,586	3,973,987
Capital outlay	1,614,000	3,176,791	1,031,027	2,145,764
Debt service:				
Principal	1,025,000	1,025,000	1,025,000	-
Interest and fiscal charges	651,500	651,500	619,528	31,972
Total expenditures	10,786,764	10,920,864	4,769,141	6,151,723
Excess (deficiency) of revenues over (under) expenditures	(5,235,424)	(5,369,524)	1,050,589	6,420,113
Transfers in	-	-	6,360	6,360
Total other financing sources (uses)	-	-	6,360	6,360
Net change in fund balances	$ (5,235,424)	$ (5,369,524)	1,056,949	$ 6,426,473
Fund balances - beginning			4,788,840	
Fund balances - ending			$ 5,845,789	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SERIES 2019 CCCRA DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income	$ -	$ -	$ 448,384	$ 448,384
Total revenues	-	-	448,384	448,384
EXPENDITURES:				
Debt service:				
Principal	3,130,000	3,130,000	3,130,000	-
Interest and fiscal charges	4,251,250	4,251,250	4,178,925	72,325
Total expenditures	7,381,250	7,381,250	7,308,925	72,325
Excess (deficiency) of revenues over (under) expenditures	(7,381,250)	(7,381,250)	(6,860,541)	520,709
OTHER FINANCING SOURCES:				
Transfers in	7,381,250	7,381,250	7,381,250	-
Total other financing sources	7,381,250	7,381,250	7,381,250	-
Net change in fund balances	$ -	$ -	520,709	$ 520,709
Fund balances - beginning			6,857,187	
Fund balances - ending			$ 7,377,896	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SERIES 2019 CCCRA CAPITAL BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income	$ -	$ -	$ 1,284,182	$ 1,284,182
Total revenues	-	-	1,284,182	1,284,182
EXPENDITURES:				
Current:				
Economic environment	970,802	970,802	833,837	136,965
Capital outlay	29,453,064	29,453,064	5,163,965	24,289,099
Total expenditures	30,423,866	30,423,866	5,997,802	24,426,064
Excess (deficiency) of revenues over (under) expenditures	(30,423,866)	(30,423,866)	(4,713,620)	25,710,246
Net change in fund balances	$ (30,423,866)	$ (30,423,866)	(4,713,620)	$ 25,710,246
Fund balances - beginning			29,099,197	
Fund balances - ending			$ 24,385,577	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NPCCRA SERIES 2005A ACQUISITION & CONSTRUCTION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income	$ -	$ -	$ 6,360	$ 6,360
Total revenues	-	-	6,360	6,360
EXPENDITURES:				
Capital outlay	238,965	238,965	238,965	-
Total expenditures	238,965	238,965	238,965	-
Excess (deficiency) of revenues over (under) expenditures	(238,965)	(238,965)	(232,605)	6,360
Transfers out	-	-	(6,360)	6,360
Total other financing sources (uses)	-	-	(6,360)	6,360
Net change in fund balances	$ (238,965)	$ (238,965)	(238,965)	$ -
Fund balances - beginning			238,965	
Fund balances - ending			$ -	

COMPLIANCE REPORT AND MANAGEMENT LETTER

Photo by movetowestpalm.com

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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 Board of Directors and CRA Director
West Palm Beach Community Redevelopment Agency
West Palm Beach, 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 (*Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Palm Beach Community Redevelopment Agency (the "Agency" or "CRA"), a component unit of the City of West Palm Beach, Florida, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's financial statements, and have issued our report thereon dated April 26, 2024.

Report on 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 opinions 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 or significant deficiencies may exist that were not identified.

Report on 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, FL
April 26, 2024

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 31, 2023

SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Significant Deficiency

SD 2022-001 -was addressed and the finding is not repeated.

SECTION II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS

None

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

To the Board of Directors and CRA Director
West Palm Beach Community Redevelopment Agency
West Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the West Palm Beach Community Redevelopment Agency (the "Agency" or "CRA"), a component unit of the City of West Palm Beach, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 26, 2024.

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;* Schedule of Findings and Responses 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 and schedule, which are dated April 26, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of findings made in the preceding annual financial audit report have been addressed as noted in the schedule of findings and responses in this report.

Official Title and Legal Authority

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

Financial Condition and Management

Section 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.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.38(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information for Special Districts

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

a. The total number of Agency employees compensated in the last pay period of the Agency's fiscal year as 4.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as 19.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $418,156.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $1,463,808.

e. Each construction project with a total cost of at least $65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as follows:

- Lighting on Douglass - $1,000,000
- Hamburger Heaven - $475,000
- 914 10th Street - $75,000
- 300 Block of Clematis North Alley - $2,950,000

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted on pages 42 through 46.

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 have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and other regulatory agencies, the CRA Board of Directors, 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
April 26, 2024

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA STATUTES

To the Board of Directors and CRA Director
West Palm Beach Community Redevelopment Agency
West Palm Beach, Florida

We have examined the West Palm Beach Community Redevelopment Agency (the "Agency" or "CRA"), a component unit of the City of West Palm Beach, Florida, compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2023. We also examined the CRA's compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2023. 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 judgement, 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.

We are required to be independent of the CRA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the examination engagement.

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 Section 218.415, 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2023.

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 26, 2024

WEST PALM BEACH

Finance Department