



2025

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025



City of
WEST PALM BEACH
— FLORIDA —
COMMUNITY REDEVELOPMENT AGENCY

WEST PALM BEACH

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY

ANNUAL FINANCIAL REPORT

FOR THE

FISCAL YEAR ENDED

SEPTEMBER 30, 2025

Prepared by:
The Finance Department

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FINANCE

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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, 2025**

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FINANCIAL SECTION



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CBIZ CPAs P.C.

2255 Glades Road
Suite #321A
Boca Raton, FL 33431

P: 561.994.5050

Independent Auditors' Report

To the Board of Directors and Executive Director
West Palm Beach Community Redevelopment Agency

Report on the Audit of the Financial Statements *Opinions*

We have audited the financial statements of the governmental activities and each major fund of the West Palm Beach Community Redevelopment Agency (the "CRA"), a component unit of the City West Palm Beach, Florida, as of and for the fiscal year ended September 30, 2025, 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 and each major fund of the CRA, as of September 30, 2025, 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 43 and 44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 supplementary information as listed in the table of contents on pages 45 and 46, is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the 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 28, 2026 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.

CBIZ CPAs P.C.

Boca Raton, Florida
April 28, 2026

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
(UNAUDITED)

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, 2025.

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 2025 by approximately \$165.5 million.
- The CRA's total net position increased by approximately \$16.9 million, or 11.4%, from the prior year. This was partly attributable to an increase in capital assets offset by the reduction of debt and other liabilities.
- The CRA's total debt decreased by \$9.3 million, from \$130.0 million to \$120.7 million, or approximately 7.2%, reflecting repayments on bonds and notes.
- Total spending for the CRA's governmental activities was approximately \$59.0 million, an increase by \$11.6 million, or 24.5%, 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 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.

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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 and Series 2019 CCCRA Capital Bond 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.

Required Supplementary 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.

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
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(UNAUDITED)

Supplementary Information:

The supplementary information is presented for additional analysis and is not a required part of the basic financial statements. This section includes a budget and actual comparison for the Series 2019 CCCRA Debt Service Fund and Series 2019 CCCRA Capital Bond Fund.

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 \$165.5 million at the close of the most recent fiscal year.

At the end of the fiscal year, the CRA's net position increased by \$16.9 million or 11.4%. The overall increase is mostly attributed to the net change in current and long-term liabilities of \$9.3 million offset by an overall increase in total assets and deferred outflows of \$8.5 million.

Total assets of the CRA as of the end of the current fiscal year increased by \$8.6 million or 3.1%. The increase is attributed to an increase in capital assets.

Long-term liabilities decreased by \$8.8 million or 6.8% 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 \$97.8 million and \$79.6 million or 59.1% and 53.6%, respectively as of September 30, 2025 and 2024. 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 \$18.2 million largely due to new capital additions, net of retirements and depreciation of \$17.0 million and the net reduction of outstanding long-term debt of \$9.3 million which was used to acquire the assets.

Another portion of the CRA's net position is restricted net position, totaling \$67.7 million and \$69.0 million or 40.9% and 46.4%, respectively at September 30, 2025 and 2024. These balances represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations.

Restricted net position decreased by \$1.3 million or 1.9% to comply with the requirements of the special revenue funds and other legal requirements. The decrease in restricted net position is primarily due to an increase in operations, net of the change in the net investment in capital assets at September 30, 2025.

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
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SEPTEMBER 30, 2025
(UNAUDITED)

The following table provides a comparative analysis of the CRA's net position for the fiscal years ended September 30, 2025 and 2024:

Condensed Statement of Net Position
As of September 30, 2025 and 2024
(in thousands)

	Governmental Activities	
	2025	2024
Assets:		
Current and other assets	\$ 86,147	\$ 94,565
Capital assets, net	205,069	188,034
Total assets	<u>291,216</u>	<u>282,599</u>
Deferred outflows of resources	<u>860</u>	<u>980</u>
Liabilities:		
Current liabilities	4,970	4,463
Long-term debt and other non-current liabilities	121,352	130,199
Total Liabilities	<u>126,322</u>	<u>134,662</u>
Deferred inflows of resources	<u>268</u>	<u>367</u>
Net position:		
Net investment in capital assets	97,780	79,553
Restricted	67,706	68,997
Total net position	<u>\$ 165,486</u>	<u>\$ 148,550</u>

Governmental Activities - Change in Net Position

The CRA reported total revenues and expenses of \$75.9 million and \$59.0 million, respectively. As shown below, revenues increased by \$5.1 million while expenses increased by \$11.6 million during the current fiscal year.

Revenues increased due to the continued increases in tax increment revenues tied to increased property values, offset by decreases in investment income.

The increase in expenses is derived from increases in administrative expenses and operational charges, grants awarded to local businesses with the CRA community. In addition to the \$5.9 million increase in grant expenses, the CRA also partnered with the City to provide cultural and recreational programs within the CRA designated areas and provided funding of \$3.8 million. These programs include the acclaimed Clematis by Night, West Palm Beach Green Market, Soul in the City Jazz and Sunset Lounge events. Additionally, the CRA made its first annual funding contribution payment of \$1.9 million for the improvement of a City of West Palm Beach ("City") park.

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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, 2025 and 2024		
(in thousands)		
	Governmental Activities	
	2025	2024
Revenues:		
Program Revenue:		
Charges for services	\$ 489	\$ 1,053
Capital grants and contributions	-	500
General revenue:		
Ad valorem taxes	70,684	63,376
Investment income	4,510	5,795
Miscellaneous	217	48
Total revenues	<u>75,900</u>	<u>70,772</u>
Expenses:		
Economic environment	54,495	42,470
Interest on long-term debt	4,469	4,885
Total expenses	<u>58,964</u>	<u>47,355</u>
Increase in net position	16,936	23,417
Net position at beginning of year	<u>148,550</u>	<u>125,133</u>
Net position at end of year	<u>\$ 165,486</u>	<u>\$ 148,550</u>

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 \$54.1 million and \$3.6 million, respectively. At the end of the current fiscal year the fund balance for the CCCRA decreased by \$1.2 million while the NPCCRA decreased by \$1.9 million. The decrease in fund balance in the CCCRA fund can be attributed to an increase in operational charges, capital outlay and net transfers, offset by an increase in revenues. The increase in revenues continues to be largely tied to increased property values and is offset by a reduction in investment income. Revenues for the NPCCRA resulted in a slight increase of \$0.5 million over the prior fiscal year, while expenditures increased by \$1.9 million, representing the funding contribution to the City to improve a City park.

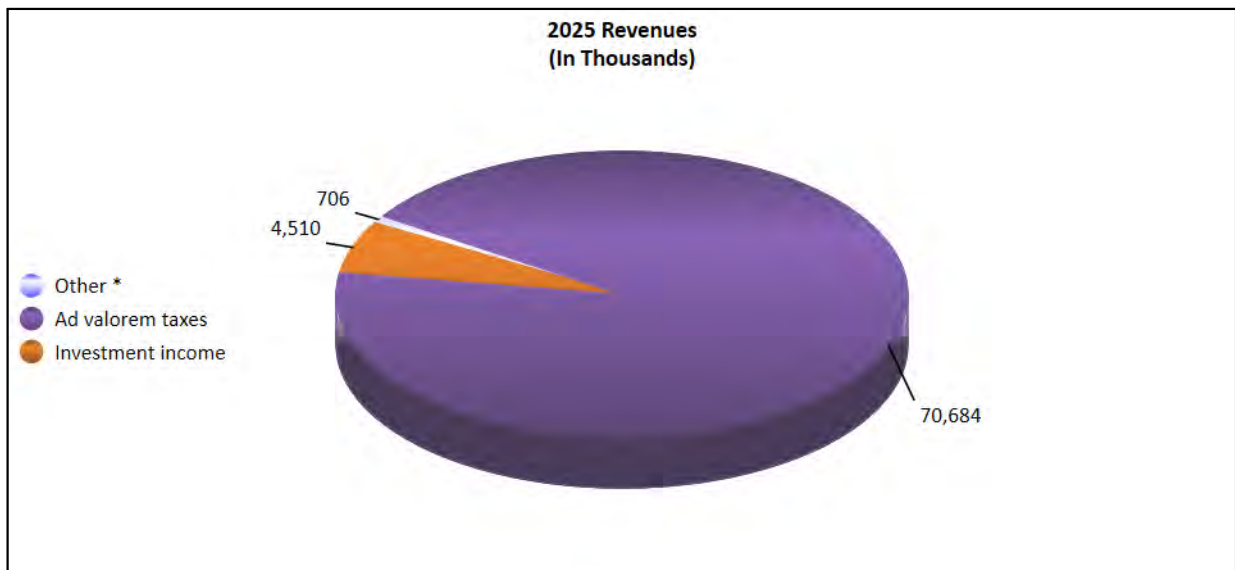
Total expenditures and net transfers for the CCCRA increased by \$23.6 million during the current fiscal year due to increases in community redevelopment by \$12.7 million and capital outlay by \$10.9 million. Community redevelopment expenditures were higher due to increases in grants awards to local businesses and community partners by \$5.8 million and other operational costs and higher supplier charges for goods and services. Capital outlay costs were higher in the current fiscal year, resulting from the continuation of capital projects which were previously paused due to supply chain shortages.

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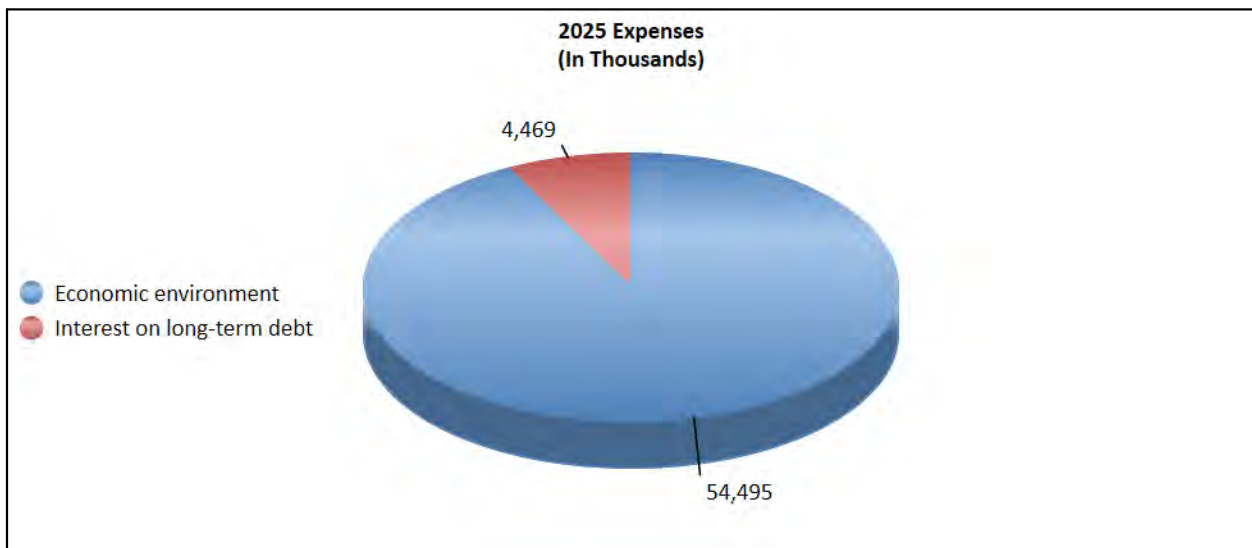
Total revenues for the CCCRA increased in the current year by \$5.1 million, mainly due to the increase in the property tax base and corresponding revenues as well offset by a decrease in investment income.

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 \$14.3 million and \$8.8 million, respectively. The fund balance for the Series 2019 CCCRA Capital Bond Fund decreased by \$6.3 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 \$0.6 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 2025:



The chart below shows the expenses by function (in thousands) for the CRA's governmental activities during fiscal year 2025:



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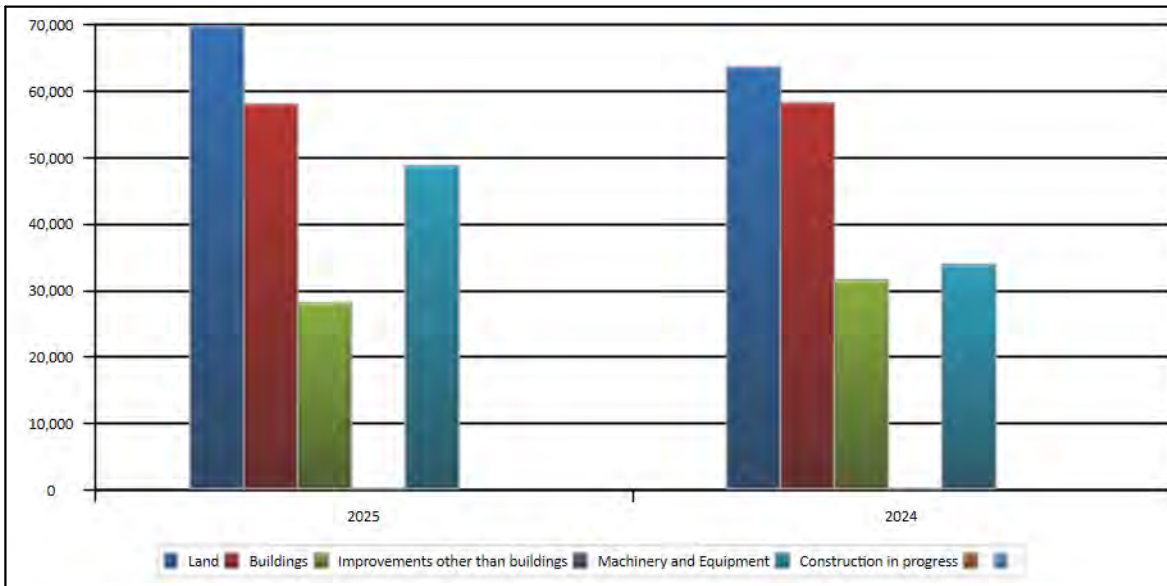
Capital Assets

The CRA’s capital assets for its governmental activities as of September 30, 2025 and 2024 totaled \$205.1 million and \$188.0 million, net of accumulated depreciation, (in thousands). The net investment in capital assets as of September 30, 2025 and 2024 was \$97.8 million and \$79.6 million, respectively. The increase from the previous year of \$18.2 million was largely due to new additions, net of depreciation 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, 2025 and 2024, in thousands, net of accumulated depreciation:

	Governmental Activities	
	2025	2024
Land	\$ 69,773	\$ 63,740
Construction in progress	48,771	34,022
Buildings	58,152	58,332
Improvements other than buildings	28,249	31,725
Machinery and Equipment	124	215
Total capital assets, net	<u>\$ 205,069</u>	<u>\$ 188,034</u>

The following chart compares the CRA’s capital assets from 2025 and 2024:



WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
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Long-term Obligations

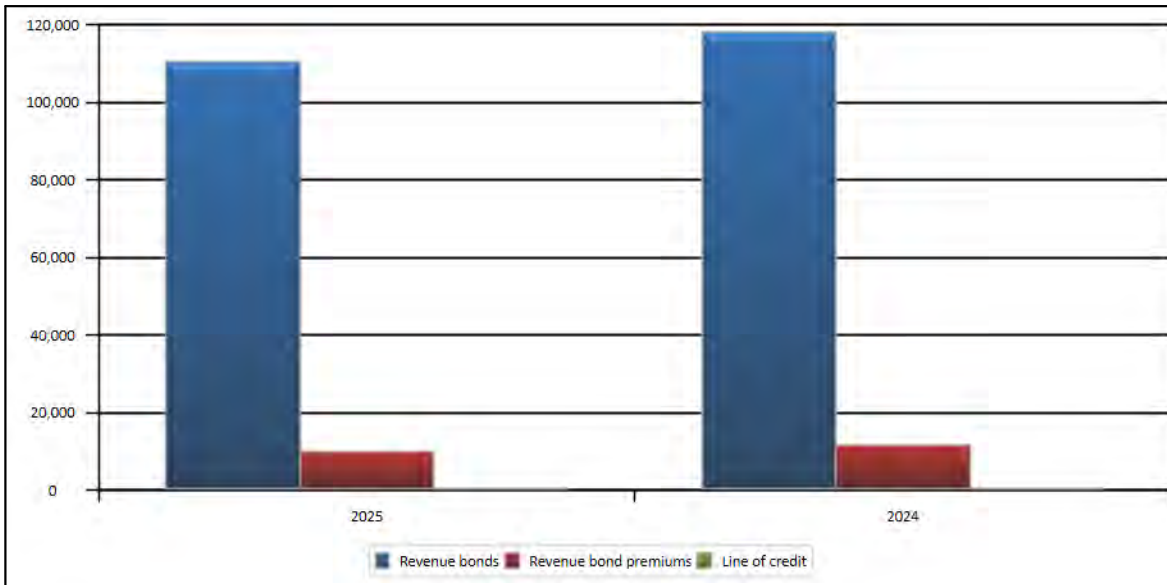
As of September 30, 2025, the CRA's \$120.4 million of bonded debt and \$0.3 million of line of credit is secured by a stand-alone pledge of tax increment revenue.

Total of bonds and line of credit decreased during the current fiscal year reflecting repayments and amortization of bond premiums totaling \$9.3 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, 2025 and 2024, in thousands:

	Governmental Activities	
	2025	2024
Revenue bonds	\$ 110,550	\$ 118,140
Revenue bond premiums	9,820	11,455
Total bonds	120,370	129,595
Line of credit	289	385
Total long-term obligations	<u>\$ 120,659</u>	<u>\$ 129,980</u>

The following chart compares the CRA's outstanding long-term debt from 2025 and 2024:



Currently there are six (6) individuals employed by the CRA as of September 30, 2025. 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 considered insignificant to the CRA and financial statement readers.

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Economic Factors Affecting Next Year's Budget

The CCCRA and the NPCCRA areas that comprises the CRA, is funded primarily through tax-increment revenue which continue to rise due to the upward trend in the taxable property values. As a result of increased tax-increment revenues in fiscal year 2025, the CRA's next year's budget is consistent with maintaining services to citizens at the same the millage rate as the prior year.

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

City Center Community Redevelopment Area:

- Within the CCCRA, economic activity remains strong due to coordinated redevelopment efforts with the West Palm Beach Downtown Development Authority (DDA) and the City. Key factors include:
 - Programs focused on public safety, cleanliness, and blight removal.
 - Business attraction and retention through CRA funded business development grants.
 - Over \$15.3 million in grants awarded to businesses and partners during fiscal year 2025 to support economic vitality, façade improvements, grand openings, and business assistance. These grants are expected to continue in fiscal year 2026.
 - 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 has continued to attract national and international companies, introducing new programs like Project Flagship. Project Flagship represents an over \$50 million investment in the CCCRA urban core and is expected to provide approximately 800 new high-wage job opportunities. Project Flagship is also expected to deliver exponential long-term economic impact as other similar businesses are expected to follow.
- The CCCRA celebrated the groundbreaking of the Chase/Trinity streetscape and public realm improvements, a strategic investment in the Downtown core. The project is expected to enhance pedestrian connectivity between Flagler Drive, Okeechobee Boulevard and surrounding destinations through upgraded sidewalks, lighting, landscaping and roadway improvements. Other infrastructure projects are expected to continue, utilizing available bond proceeds.
- The CCCRA developed its operating fund budget for fiscal year 2026 for \$124.6 million, an increase of \$4.8 million over the final amended budget for fiscal year 2025. The new year's budget was developed with a focus on core services, infrastructure and community programs, while managing inflationary pressures with the City's millage held flat at 8.1308 mills, leveraging property valuation growth to fund priorities.
- With the opening of the revitalized Sunset Lounge in fiscal year 2026, it is expected that this historic venue will become a revenue generating and community gathering space, while attracting new and repeat visitors alike who will also contribute to the local economy withing the CCCRA. One such event was the Soul of the City Jazz event held in November 2025, with many other events expected to follow.
- As part of its ongoing commitment to expand attainable homeownership opportunities, the CCCRA has partnered with Habitat for Humanity to construct workforce housing for income qualified residents at four separate locations.

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Northwood/Pleasant City Community Redevelopment Area:

The NPCCRA developed and adopted a master plan for the North End of West Palm Beach in 2014, which encompasses the Northwood/Pleasant City, three mixed-use districts (Currie Park, Northwood Village, and the Broadway Corridor), the Pleasant City neighborhood, and the Industrial Park Target Area. Higher assessed property values within the NPCCRA provide resources for additional redevelopment, public-private partnerships, and infrastructure investments.

The NPCCRA's budget is heavily shaped by its Master Plan and drives the fiscal year 2026 budget priorities, including streetscape improvements and redevelopment initiatives and acquisition of derelict properties for redevelopment.

Like the CCCRA, economic activity within the NPCCRA remains strong due to coordinated redevelopment efforts with public-private partnerships and the City in the respective targeted areas. Key indicators include:

- The Currie Park Redevelopment Project is a transformational waterfront redevelopment led in partnership by the City and the NPCCRA. The project, part of a \$35.5 million revitalization effort, officially broke ground on May 6, 2025 — a milestone that celebrates the start of two years of construction to reimagine Currie Park into a vibrant and inclusive community destination.
- The groundbreaking of The Spruce represents a major milestone in addressing housing needs and fostering inclusive growth within the NPCCRA. This eight-story mixed-income development in the Northwood Village neighborhood will deliver 270 apartments, including 117 income-restricted units tailored to workforce and affordable housing needs. This project is supported through a public-private partnership that includes substantial funding incentives and tax-increment financing from the City the West Palm Beach NPCCRA. The project exemplifies collaborative solutions to the region's housing challenges while also bringing retail space and modern amenities to the area. By breaking ground on The Spruce, the community takes a meaningful step forward toward expanding housing opportunities, strengthening neighborhood vitality, and realizing long-term redevelopment goals that benefit current and future residents alike.
- The District at Northwood is a multi-building mixed-use development designed to support the continued revitalization of the Northwood area through thoughtfully planned commercial and community-oriented space. The project includes several buildings organized to create a cohesive district environment that encourages pedestrian activity and neighborhood connectivity. Construction is being carried out in phases to ensure efficient coordination and quality control. The primary building, which anchors the development, is currently underway and is scheduled for completion by the end of 2026, encompassing foundational infrastructure, vertical construction, and full interior buildout.
- The Plant, Paint, and Pave Grant Program was established to enhance the aesthetics of single-family and multi-family properties within the NPCCRA. Designed to incentivize improved curb appeal, the program provides financial assistance for qualified exterior improvements, including landscaping, exterior painting, paving, and other visible property upgrades that strengthen neighborhood appearance and stability. Resident involvement is encouraged to contribute to improved streetscapes, increased neighborhood pride, and alignment with revitalization and community development goals within West Palm Beach.
- The NPCCRA developed its operating fund budget for fiscal year 2026 for \$11.7 million, a decrease of \$1.9 million compared to the final amended budget for fiscal year 2025. The new year's budget was developed and was reduced to recognize the reduction in the fund balance from the fiscal 2025 operations. However, the CRA will continue to focus on the redevelopment efforts consistent with the Master Plan.

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025
(UNAUDITED)

The CRA had no major projects which were completed during the fiscal year ended September 30, 2025.

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.

WEST PALM BEACH
FINANCE

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BASIC FINANCIAL STATEMENTS



Eataly West Palm Beach - Photo by oftmw.com

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 33,965,970
Investments	28,000,000
Receivables, net:	
Accounts	73,319
Interest	361,695
Prepaid items	5,000
Lease receivable	281,093
Restricted assets:	
Cash and cash equivalents	13,417,178
Investments	10,000,000
Interest on restricted cash and investments	42,313
Capital assets:	
Nondepreciable	118,544,631
Depreciable, net of accumulated depreciation	<u>86,524,478</u>
Total assets	<u>291,215,677</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred loss on refunding	<u>860,282</u>
LIABILITIES:	
Accounts payable and accrued liabilities	4,873,970
Deposits payable	75,537
Due to other governments	20,421
Due within one year:	
Compensated absences payable	41,828
Bonds payable	7,965,000
Line of credit payable	289,907
Due in more than one year:	
Compensated absences payable	40,745
Bonds payable	112,405,251
Arbitrage rebate payable	<u>609,194</u>
Total liabilities	<u>126,321,853</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to leases	<u>268,295</u>
NET POSITION:	
Net investment in capital assets	97,780,311
Restricted for:	
Debt service	8,789,342
Community development	<u>58,916,158</u>
Total net position	<u>\$ 165,485,811</u>

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, 2025

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Economic environment	\$ 54,495,113	\$ 489,394	\$ -	\$ -	\$ (54,005,719)
Interest on long-term debt	<u>4,468,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,468,920)</u>
Total governmental activities	\$ <u>58,964,033</u>	\$ <u>489,394</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(58,474,639)</u>
General revenue:					
					\$ 70,683,583
					4,510,021
					<u>216,949</u>
					\$ <u>75,410,553</u>
					16,935,914
					<u>148,549,897</u>
					\$ <u>165,485,811</u>

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, 2025

	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	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 29,779,440	\$ 4,186,530	\$ 9,072,015	\$ 4,345,163	\$ 47,383,148
Investments	28,000,000	-	-	10,000,000	38,000,000
Receivables, net:					
Accounts	59,891	13,428	-	-	73,319
Interest	331,707	29,988	31,869	10,444	404,008
Prepaid items	5,000	-	-	-	5,000
Lease receivable	281,093	-	-	-	281,093
Total assets	\$ 58,457,131	\$ 4,229,946	\$ 9,103,884	\$ 14,355,607	\$ 86,146,568
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 3,946,577	\$ 546,965	\$ 314,542	\$ 65,886	\$ 4,873,970
Deposits payable	47,137	28,400	-	-	75,537
Due to other governments	20,421	-	-	-	20,421
Total liabilities	4,014,135	575,365	314,542	65,886	4,969,928
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows related to unavailable revenue	-	14,278	-	-	14,278
Deferred inflows related to leases	323,230	-	-	-	323,230
Total deferred inflows of resources	323,230	14,278	-	-	337,508
FUND BALANCES:					
Nonspendable	5,000	-	-	-	5,000
Restricted for:					
Community development:					
Capital outlay	-	-	-	14,289,721	14,289,721
Economic environment	54,114,766	3,640,303	-	-	57,755,069
Total community development	54,114,766	3,640,303	-	14,289,721	72,044,790
Debt service	-	-	8,789,342	-	8,789,342
Total fund balances	54,119,766	3,640,303	8,789,342	14,289,721	80,839,132
Total liabilities, deferred inflows of resources and fund balances	\$ 58,457,131	\$ 4,229,946	\$ 9,103,884	\$ 14,355,607	\$ 86,146,568

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, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 80,839,132
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		205,069,109
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		69,213
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		860,282
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	\$ (82,573)	
Line of credit payable	(289,907)	
Bonds payable	(120,370,251)	-
Arbitrage payable	<u>(609,194)</u>	<u>(121,351,925)</u>
Net position of governmental activities		<u>\$ 165,485,811</u>

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, 2025

	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	Total
REVENUES:					
Taxes	\$ 38,883,643	\$ 4,458,189	\$ -	\$ -	\$ 43,341,832
Intergovernmental	24,882,345	2,459,406	-	-	27,341,751
Charges for services	75,684	53,589	-	-	129,273
Rents and royalties	208,608	-	-	-	208,608
Investment income	2,833,616	270,450	500,082	905,874	4,510,022
Miscellaneous	54	-	-	-	54
Total revenues	66,883,950	7,241,634	500,082	905,874	75,531,540
EXPENDITURES:					
Current:					
Economic environment	42,108,492	6,415,299	-	131,876	48,655,667
Capital outlay	14,831,205	968,747	-	7,058,961	22,858,913
Debt service:					
Principal	3,035,000	1,258,274	3,465,000	-	7,758,274
Interest and fiscal charges	1,086,707	591,934	3,848,025	-	5,526,666
Total expenditures	61,061,404	9,234,254	7,313,025	7,190,837	84,799,520
Excess (deficiency) of revenues over (under) expenditures	5,822,546	(1,992,620)	(6,812,943)	(6,284,963)	(9,267,980)
OTHER FINANCING SOURCES (USES):					
Issuance of line of credit	-	73,150	-	-	73,150
Disposal of capital assets	344,889	-	-	-	344,889
Transfers in	-	-	7,366,500	-	7,366,500
Transfers out	(7,366,500)	-	-	-	(7,366,500)
Total other financing sources (uses)	(7,021,611)	73,150	7,366,500	-	418,039
Net change in fund balances	(1,199,065)	(1,919,470)	553,557	(6,284,963)	(8,849,941)
Fund balances - beginning of year	55,318,831	5,559,773	8,235,785	20,574,684	89,689,073
Fund balances - end of year	\$ 54,119,766	\$ 3,640,303	\$ 8,789,342	\$ 14,289,721	\$ 80,839,132

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, 2025**

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$	(8,849,941)
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	\$	22,858,913	
Depreciation expense		<u>(5,823,421)</u>	17,035,492
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			23,518
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:			
Issuance of line of credit		(73,150)	
Principal repayment on bonds payable		7,590,000	
Principal repayment on line of credit		168,274	
Amortization of bond premiums and discounts		<u>1,635,048</u>	9,320,172
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			
Change in deferred loss on refunding		(120,193)	
Change in arbitrage payable		(457,109)	
Change in compensated absences		<u>(16,025)</u>	<u>(593,327)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$</u>	<u>16,935,914</u>

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

WEST PALM BEACH
FINANCE

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NOTES TO THE BASIC FINANCIAL STATEMENTS



NORA Distric - Photo by ndtdevelopment.com

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, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34* 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 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.

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.

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 Community Redevelopment Agency Fund accounts for revenue received from tax increment financing. This fund is 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.

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. The interest rate the CRA charges in the lease; if not practicable to determine a rate that approximates that rate, is used as the discount rate to measure the present value of the lease over the the contracted 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 on the straight-line basis 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.

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
Equipment	5 - 10 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 assets 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.

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 net assets 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 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. The CRA had no committed fund balance as of September 30, 2025.

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

Ad Valorem Taxes and 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.

Funds received from the County and the DDA are reported in the fund financial statements as intergovernmental revenues. At the government-wide level, all revenue attributed to property values are combined and reported as ad valorem taxes.

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.

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, 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 period. Actual results could differ from those estimates.

7. Implementation of New GASB Statements

During the current fiscal year, the CRA adopted the following GASB statement:

GASB Statement No. 101, *Compensated Absences*, is effective for the fiscal year ended September 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management has determined that there is no significant impact to the CRA's financial accounting or reporting and there is no change to previously reported amounts for the implementation of GASB Statement No. 101.

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for the fiscal year ended September 30, 2025. The requirements of this Statement is intended to improve financial reporting by providing users of financial statements with essential information that currently is not provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risk to governments' financial condition. Management has determined that there is no significant impact to the CRA's financial accounting or reporting and there is no change to previously reported amounts for the implementation of GASB Statement No. 102.

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, 2025, total cash and investments for the CRA totaled \$85,383,148.

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, 2025, the City had no investment exposure to foreign currency.

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.

B. DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

- 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.
- 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.
- 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 City's investment portfolio is designed to reduce the concentration of credit risk within the City's investment portfolio. A maximum of 25% of available funds may be invested in the Florida PRIME Fund and similar funds, 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, 10% of available funds may be invested in United States Government Sponsored Enterprises with a 3% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 25% limit on individual issuers, 5% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 5% limit on any one institution, 10% of available funds may be directly invested in prime commercial paper with a 5% limit on individual issuers, 5% of available funds may be directly invested in Bankers' acceptances with a 5% limit on individual issuers, 30% of available funds may be invested in state and/or local taxable and tax-exempt debts with a limit of 5% on individual issuers, 20% of available funds may be invested in mutual funds with a limit of 10% with any one non-SEC Rule 2a-7 investment mutual fund, 20% of available funds may be invested in money market funds, with a 10% limit on individual issuers, 40% of available funds may be invested in intergovernmental investment pools with a 25% limit on individual issuers and 10% of available funds may be invested in corporate obligations or corporate notes of US corporations with a limit of 3% with any one corporate note.

The City has investments in four investment pools, Florida PRIME, 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 150, Florida Prime is a "2a-7 like" pool. Accordingly, investments in Florida PRIME are reported at amortized cost. The Florida LGIT is accounted for as net asset value (NAV) pools. As such, its investments have been valued based on their respective fair value factor as of the financial statement date.

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B. DEPOSITS AND INVESTMENTS (CONTINUED)

Authorized Investments and Credit Risk (Continued)

Florida PRIME, Florida CLASS, Florida PALM and Florida LGIT are exempt from the GASB No. 72, *Fair Value Measurement and Application*, 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, 2025, in the Florida PRIME, Florida CLASS, Florida PALM and Florida LGIT have a weighted average days to maturity (WAM) of 39 days, 30 days, 44 days and 38 days, respectively.

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, 2025, the CRA had the following cash, cash equivalents and investment types and effective duration presented in terms of years:

Investment Vehicle	Rating	% of Portfolio	Duration Years	As of September 30, 2025 (in thousands)		
				Total Portfolio	Cash Equivalents	Investments
Cash Deposits	NR	5.7%	0.00	\$ 4,864	\$ 4,864	\$ -
Money Market Funds	AAAm	10.2%	0.00	8,740	8,740	-
Florida PRIME	AAAm	22.2%	0.11	18,941	18,941	-
Florida CLASS	AAAm	5.7%	0.08	4,831	4,831	-
Florida LGIT	NR	2.0%	0.11	1,747	1,747	-
Florida PALM	AAAm	4.6%	0.12	3,874	3,874	-
Certificates of Deposits	NR	5.1%	0.00	4,386	4,386	-
United States Treasury Notes	NR	44.0%	1.62	37,578	-	37,578
Municipal Bonds	AA+	0.3%	0.56	231	-	231
Agency Bonds	AA-	0.2%	0.98	191	-	191
		<u>100.0%</u>		<u>\$ 85,383</u>	<u>\$ 47,383</u>	<u>\$ 38,000</u>

Amounts from Statement of Net Position:

Unrestricted cash and cash equivalents	\$ 33,966
Unrestricted investments	28,000
Restricted cash and cash equivalents	13,417
Restricted investments	10,000
Total cash and investments on Statement of Net Position	<u>\$ 85,383</u>

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.

B. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

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 seven (7) years with an average duration of the portfolio as a whole not to exceed three (3) years.

As of September 30, 2025, 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 twenty-four (24) months.

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 seven years.

Concentration of Credit Risk

As of September 30, 2025, the CRA had the following issuer concentrations that exceed 5% of their respective investment portfolio based on fair value:

Issuer	% of Portfolio	Amount (in thousands)
United States Treasury	30.9%	\$ 26,407
Florida PRIME	22.2%	18,941
Florida CLASS	5.7%	4,831
Money Market Funds	10.2%	8,740
Other	31.0%	26,464
Total	100.0%	\$ 85,383

As of September 30, 2025, 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.

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B. DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2025, the CRA had the following investment types portfolio based on fair value:

Investment	Fair Value (in thousands)			
	Prices in	Significant	Significant	Total
	Active	Other	Unobservable	
	Markets For	Observable	Inputs	
Identical	Inputs	Inputs		
	Assets			
	Level 1	Level 2	Level 3	
Municipal Bonds	\$ -	\$ 231	\$ -	\$ 231
Agency Bonds	-	191	-	191
United States Treasury Notes	-	37,578	-	37,578
Money Market Funds	8,740	-	-	8,740
Total Investments by Fair Value Level	<u>\$ 8,740</u>	<u>\$ 38,000</u>	<u>\$ -</u>	<u>46,740</u>
Florida PRIME (exempt)				18,941
Florida LGIT (exempt)				1,747
Florida CLASS (exempt)				4,831
Florida PALM (exempt)				3,874
Certificates of Deposits (exempt)				4,386
Cash Deposits (exempt)				4,864
Total				<u>\$ 85,383</u>

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	Total
Receivables:					
Accounts (gross)	\$ 59,891	\$ 13,428	\$ -	\$ -	\$ 73,319
Interest	331,707	29,988	31,869	10,444	404,008
Total receivables	<u>\$ 391,598</u>	<u>\$ 43,416</u>	<u>\$ 31,869</u>	<u>\$ 10,444</u>	<u>\$ 477,327</u>

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
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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, 2025 are as follows:

	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Total
Revenues earned but not available:			
Other receivables	\$ -	\$ 14,278	\$ 14,278
Lease receivable	323,230	-	323,230
Total unavailable revenue	<u>\$ 323,230</u>	<u>\$ 14,278</u>	<u>\$ 337,508</u>

D. RESTRICTED CASH AND INVESTMENTS

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

Purpose	GOVERNMENTAL ACTIVITIES		Totals
	Series 2019 CCCRA Debt Service Fund	Series 2019 CCCRA Capital Bond Fund	
Debt service	\$ 9,072,015		\$ 9,072,015
Revenue bond and capital improvement unspent proceeds	-	14,345,163	14,345,163
Total restricted assets	<u>\$ 9,072,015</u>	<u>\$ 14,345,163</u>	<u>\$ 23,417,178</u>

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E. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 63,740,447	\$ 6,032,754	\$ -	\$ -	\$ 69,773,201
Construction in progress	34,021,594	14,749,836	-	-	48,771,430
Total capital assets not being depreciated	<u>97,762,041</u>	<u>20,782,590</u>	<u>-</u>	<u>-</u>	<u>118,544,631</u>
Capital assets being depreciated:					
Buildings	89,099,618	2,076,323	-	-	91,175,941
Improvements other than buildings	81,799,378	-	-	-	81,799,378
Machinery, furniture, and equipment	1,334,488	-	-	-	1,334,488
Total capital assets being depreciated	<u>172,233,484</u>	<u>2,076,323</u>	<u>-</u>	<u>-</u>	<u>174,309,807</u>
Total capital assets	<u>269,995,525</u>	<u>22,858,913</u>	<u>-</u>	<u>-</u>	<u>292,854,438</u>
Less accumulated depreciation:					
Buildings	30,767,447	2,256,942	-	-	33,024,389
Improvements other than buildings	50,074,439	3,475,588	-	-	53,550,027
Machinery, furniture, and equipment	1,120,022	90,891	-	-	1,210,913
Total accumulated depreciation	<u>81,961,908</u>	<u>5,823,421</u>	<u>-</u>	<u>-</u>	<u>87,785,329</u>
Total capital assets being depreciated, net	<u>90,271,576</u>	<u>(3,747,098)</u>	<u>-</u>	<u>-</u>	<u>86,524,478</u>
Governmental Activities					
Capital Assets, Net	<u>\$188,033,617</u>	<u>\$17,035,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,069,109</u>

F. LONG-TERM OBLIGATIONS

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Total Current Liabilities</u>	<u>Total Noncurrent Liabilities</u>
Governmental Activities:						
CC CRA bonds (other):						
Revenue bonds	\$103,505,000	\$ -	\$(6,500,000)	\$ 97,005,000	\$ 6,835,000	\$ 90,170,000
Unamortized premiums	11,779,225	-	(1,674,430)	10,104,795	-	10,104,795
Arbitrage rebate payable	152,085	457,109	-	609,194	-	609,194
CC CRA bonds payable, net	<u>115,436,310</u>	<u>457,109</u>	<u>(8,174,430)</u>	<u>107,718,989</u>	<u>6,835,000</u>	<u>100,883,989</u>
NPC CRA bonds (other):						
Revenue bonds	14,635,000	-	(1,090,000)	13,545,000	1,130,000	12,415,000
Unamortized discount	(323,926)	-	39,382	(284,544)	-	(284,544)
NPC CRA bonds payable, net	<u>14,311,074</u>	<u>-</u>	<u>(1,050,618)</u>	<u>13,260,456</u>	<u>1,130,000</u>	<u>12,130,456</u>
Total bonds	<u>129,747,384</u>	<u>457,109</u>	<u>(9,225,048)</u>	<u>120,979,445</u>	<u>7,965,000</u>	<u>113,014,445</u>
Line of credit	385,031	73,150	(168,274)	289,907	289,907	-
Compensated absences payable	66,548	50,223	(34,198)	82,573	41,828	40,745
Total Governmental Activities	<u>\$130,198,963</u>	<u>\$ 580,482</u>	<u>\$(9,427,520)</u>	<u>\$121,351,925</u>	<u>\$ 8,296,735</u>	<u>\$ 113,055,190</u>

F. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds outstanding at September 30, 2025 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 4.01% 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, 2025 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 4.01% to 4.13% 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, 2025 the principal balance was \$13,545,000.

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 4.67% 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, 2025 the principal balance was \$21,510,000.

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 5.00% 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, 2025 the principal balance was \$75,490,000.

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F. LONG-TERM OBLIGATIONS (CONTINUED)

The annual requirements to pay Governmental Activities principal and interest on the bonds outstanding at September 30, 2025 are as follows:

Fiscal Years Ending September 30	GOVERNMENTAL ACTIVITIES					
	CCCRA Bonds			NPCCRA Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2026	\$ 6,835,000	\$ 4,608,248	\$ 11,443,248	\$ 1,130,000	\$ 524,731	\$ 1,654,731
2027	7,185,000	4,257,748	11,442,748	1,165,000	482,341	1,647,341
2028	7,535,000	3,907,729	11,442,729	1,215,000	433,878	1,648,878
2029	7,875,000	3,567,798	11,442,798	1,265,000	384,291	1,649,291
2030	8,255,000	3,187,129	11,442,129	1,320,000	333,225	1,653,225
2031 - 2035	48,155,000	9,056,500	57,211,500	7,450,000	793,650	8,243,650
2036 - 2040	11,165,000	279,111	11,444,111	-	-	-
Total	\$ 97,005,000	\$ 28,864,263	\$ 125,869,263	\$ 13,545,000	\$ 2,952,116	\$ 16,497,116
Current Portion	(6,835,000)			(1,130,000)		
Premium (Discount)	10,104,795			(284,544)		
Long-term Portion	\$ 100,274,795			\$ 12,130,456		

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. Tax revenue received from the CCCRA and NPCCRA in fiscal year 2025 was \$38,883,643 and \$4,458,189 respectively.

Line of Credit:

On December 15, 2023, the NPCCRA, Series 2023, non-revolving line of credit was issued for \$5,000,000 under a loan agreement for the acquisition of certain properties within Northwood/Pleasant City Community Redevelopment Area for redevelopment. The line of credit is to be converted to a loan on September 1, 2026. The interest rate is fixed at 8.0% and matures on September 30, 2031. Upon the occurrence and during the continuance of any event of default, the loan shall bear interest at the default rate of the lessor of 18.0% and the maximum lawful rate. As of September 30, 2025, the principal balance outstanding was \$289,907. Subsequent to year end the CRA paid the line of credit in full.

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F. LONG-TERM OBLIGATIONS (CONTINUED)

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	21,510,000	4.67 - 5.25%	4,119,150
Series 2019, CCCRA	Refunding	91,285,000	75,490,000	5.00%	11,443,500
Total CCCRA Bonds		212,520,000	97,005,000		15,567,761
NPCCRA Revenue Bonds:					
Series 2015, NPCCRA	Refunding	18,870,000	13,545,000	4.01 - 4.13%	1,654,731
Total Bonds		231,390,000	110,550,000		17,222,492
Notes Payable:					
NPCCRA:					
2023 Line of credit	Redevelopment	385,031	289,907	8.00%	289,907
Total Governmental Activities		\$ 231,775,031	\$ 110,839,907		\$ 17,512,399

The CRA had the following pledged debt as of September 30, 2025 in its governmental activities:

Description of Issue	Purpose	Pledged Revenue	Revenue Received in FY 2025	Principal and Interest Paid in FY 2025	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	\$ 38,883,643	\$ 11,414,540	29.4%	\$ 125,869,263	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	\$ 4,458,189	\$ 1,649,692	37.0%	\$ 16,497,116	Fiscal years through 2035

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

G. INTERFUND TRANSFERS

The following is a summary of interfund transfer activity:

Transfer-Out Fund:	Series 2019 CCCRA Debt Service Fund	Totals
City Center Community Redevelopment Agency Fund	\$ <u>7,366,500</u>	\$ <u>7,366,500</u>

Transfers-out from the City Center Community Redevelopment Agency Fund to the Series 2019 CCCRA Debt Service Fund funded debt service requirements.

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 Board approval. Budget changes within a fund and department which do not affect the departmental total may be approved on the administrative level. The CRA Administrator and Chief Financial Officer of the City have the authority to approve such administrative changes.

I. COMMITMENTS AND CONTINGENCIES

Construction and Equipment Contracts

As of the fiscal year ended September 30, 2025, the CRA had the following significant commitments related to uncompleted contracts for construction and equipment:

Governmental activities:

City Center Community Redevelopment Agency Fund	\$ 9,303,785
Northwood/Pleasant City Community Redevelopment Agency Fund	709,140
Series 2019 CCCRA Capital Bond Fund	<u>4,754,591</u>
	<u>\$ 14,767,516</u>

I. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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 District Debt

On April 20, 2012, the Community Development District ("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, 2025, neither the City nor the CRA has an outstanding liability to the CDD.

Development Agreements:

Helen Wilkes Site - 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. This agreement does not qualify for the accounting treatment in accordance with GASB Statement No. 87, *Leases*, or No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. No amounts are included in the basic financial statements related to this Agreement.

Anchor Site - On September 22, 2020, the NPCCRA entered into a property development and public-public lease arrangement ("Anchor Site 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 Anchor Site 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. 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 Anchor Site, 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.

I. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Development Agreements: (Continued)

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 arrangement, the ownership of improvements to the property will remain with the developer. The developer has not satisfied all pre construction requirements to obtain full access to the Anchor site. This arrangement follows the accounting treatment in accordance with GASB Statement No. 94 and will be disclosed in the basic financial statements upon the completion of the construction requirement and the developer having full access to the Anchor Site property.

Tent Site - On April 21, 2020, the CCCRA entered into a property development and public-private lease arrangement (the "Tent Site 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 Tent Site 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 Commencement Date at the fair market value at that time. 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 National Consumer Price Index (CPI Index). On the 25th anniversary of the Tent Site 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 arrangement, the ownership of improvements to the leased property will remain with the developer. As of September 30, 2025, developer has not satisfied all pre construction requirements to obtain full access to the Tent Site. The Tent Site Agreement follows the accounting treatment in accordance with GASB Statement No. 94 and will be disclosed in the basic financial statements upon the completion of the construction requirement and the developer having full access to the Tent Site property.

Subsequent to the fiscal year end 2025, the developer defaulted on the terms of the agreement with the City. As a result, the CRA issued a breach of lease and notice of default letter, notifying the developer of a 30 day notice to cure the default and comply with the Tent Site Agreement.

Nora District - On May 3, 2023, the CRA entered into a Real Estate Development Incentive Agreement (REDA) with a developer to remedy blight in the Brelsford Park and Nora District. In accordance with the REDA, the developer plans to fund the design and construction of certain infrastructure improvements that are needed to support the redevelopment of the Brelsford Park neighborhood and the Nora District. The CRA has partnered with the developer to complete the necessary infrastructure improvements and provide an incentive to ensure that the redevelopment is completed on schedule. The CRA granted the developer a REDA in an amount not to exceed \$20,831,235 to be used to reimburse the developer for costs incurred in connection with the construction of the infrastructure improvements and incentivize the redevelopment of the Brelsford Park and Nora District. As of September 30, 2025, the CRA had disbursed \$18,500,000 to the developer. The remaining \$2,331,235 of the REDA will be disbursed to the developer on a fixed payment schedule after the infrastructure improvements, construction of a planned hotel and multi-family housing building have been substantially completed, estimated to be paid in fiscal year 2026.

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

I. COMMITMENTS AND CONTINGENCIES (CONTINUED)

City Park Interlocal Agreement

On January 7, 2025, the CRA entered into an interlocal contribution agreement the “Contribution Agreement” with the City to provide \$10,000,000 in funding assistance for the improvement of a City park. In accordance with the Contribution Agreement, funding contributions will be provided annually, starting in fiscal year 2025 through 2028. Remaining payments due are as follows:

Fiscal year 2026	\$1,510,925
Fiscal year 2027	\$1,510,925
Fiscal year 2028	\$5,109,036

In the event that CRA contribution to the City is not fully paid in fiscal year 2028, the CRA agrees to budget and appropriate funding in each subsequent fiscal year until the contribution is paid in full to the City. Additionally, The CRA and the City agree that the above payments may be accelerated and be paid prior to fiscal year 2028. The CRA provided funding contributions of \$1,869,114 in accordance with the Contribution Agreement during fiscal year 2025.

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, 2025, the CRA recognized the following, related to its lessor agreements:

Lease revenue	\$	98,427
Interest income related to leases	\$	5,056

As of the fiscal year ended September 30, 2025, the CRA had future principal and interest payments related to lease receivable, as follows:

Fiscal Year Ending September 30,	Principal Receipt	Interest Revenue	Future Minimum Rent
2026	\$ 99,305	\$ 3,584	\$ 102,889
2027	92,810	2,084	94,894
2028	88,978	734	89,712
	<u>\$ 281,093</u>	<u>\$ 6,402</u>	<u>\$ 287,495</u>

K. SUBSEQUENT EVENT

Subsequent to the fiscal year ended September 30, 2025, the \$27,510,000 CCCRA Taxable Series 2025 Bonds were issued on October 23, 2025 for the purpose of acquiring three leases for properties located at 185 Banyan Boulevard and 255 N. Flagler Drive (collectively “the Leases”). The CCCRA completed the acquisition of the Leases on December 17, 2025 and entered into a five-year agreement with a third party, to perform management services for the leased properties, with total compensation over five years totaling \$190,803.

Upon acquisition of the Leases, the CCCRA assumed the existing term of the lease contracts having remainder terms ranging from 3 years to 41 years, with options to renew in 5 year increments, upon expiration.

Subsequent to the fiscal year end 2025, the developer associated with the Tent Site defaulted on the terms of its agreement with the CRA. As a result, the CRA issued a breach of lease and notice of default letter, notifying the developer of a 30 day notice to cure the breach or lease and default and comply with the initial agreement.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



Heart Soul Park - Photo by wpb.org

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, 2025

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
REVENUES:				
Taxes	\$ 38,586,996	\$ 38,586,996	\$ 38,883,643	\$ 296,647
Intergovernmental	24,875,178	24,875,178	24,882,345	7,167
Charges for services	75,684	75,684	75,684	-
Rents and royalties	55,916	55,916	208,608	152,692
Investment income	850,000	-	2,833,616	2,833,616
Miscellaneous	-	850,000	54	(849,946)
Total revenues	64,443,774	64,443,774	66,883,950	2,440,176
EXPENDITURES:				
Current:				
Economic environment	52,280,208	54,535,094	42,108,492	12,426,602
Capital outlay	35,256,729	35,329,262	14,831,205	20,498,057
Debt service:				
Principal	3,035,000	3,035,000	3,035,000	-
Interest and fiscal charges	1,087,725	1,105,725	1,086,707	19,018
Total expenditures	91,659,662	94,005,081	61,061,404	32,943,677
Excess (deficiency) of revenues over (under) expenditures	(27,215,888)	(29,561,307)	5,822,546	35,383,853
OTHER FINANCING SOURCES (USES):				
Disposal of capital assets	-	-	344,889	344,889
Transfers out	(7,366,500)	(7,366,500)	(7,366,500)	-
Budgeted use of fund balance	34,582,388	36,927,807	-	(36,927,807)
Total other financing sources (uses)	27,215,888	29,561,307	(7,021,611)	(36,582,918)
Net changes in fund balances	\$ -	\$ -	(1,199,065)	\$ (1,199,065)
Fund balances - beginning of year			55,318,831	
Fund balances - ending of year			\$ 54,119,766	

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, 2025

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 4,446,274	\$ 4,446,274	\$ 4,458,189	\$ 11,915
Intergovernmental	2,460,795	2,460,795	2,459,406	(1,389)
Charges for services	52,530	52,530	53,589	1,059
Investment income	150,000	150,000	270,450	120,450
Total revenues	7,109,599	7,109,599	7,241,634	132,035
EXPENDITURES:				
Current:				
Economic environment	7,782,016	8,946,450	6,415,299	2,531,151
Capital outlay	1,271,561	1,729,743	968,747	760,996
Debt service:				
Principal	1,090,000	1,258,274	1,258,274	-
Interest and fiscal charges	760,500	592,226	591,934	292
Total expenditures	10,904,077	12,526,693	9,234,254	3,292,439
Excess (deficiency) of revenues over (under) expenditures	(3,794,478)	(5,417,094)	(1,992,620)	3,424,474
OTHER FINANCING SOURCES (USES):				
Issuance of line of credit	-	-	73,150	73,150
Budgeted use of fund balance	3,794,478	5,417,094	-	(5,417,094)
Net change in fund balances	\$ -	\$ -	(1,919,470)	\$ (1,919,470)
Fund balances - beginning of year			5,559,773	
Fund balances - end of year			\$ 3,640,303	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
SUPPLEMENTARY INFORMATION
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, 2025

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 500,082	\$ 500,082
Total revenues	<u>-</u>	<u>-</u>	<u>500,082</u>	<u>500,082</u>
EXPENDITURES:				
Debt service:				
Principal	3,465,000	3,465,000	3,465,000	-
Interest and fiscal charges	<u>3,901,500</u>	<u>3,901,500</u>	<u>3,848,025</u>	<u>53,475</u>
Total expenditures	<u>7,366,500</u>	<u>7,366,500</u>	<u>7,313,025</u>	<u>53,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,366,500)</u>	<u>(7,366,500)</u>	<u>(6,812,943)</u>	<u>553,557</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>7,366,500</u>	<u>7,366,500</u>	<u>7,366,500</u>	<u>-</u>
Total other financing sources (uses)	<u>7,366,500</u>	<u>7,366,500</u>	<u>7,366,500</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>553,557</u>	<u>\$ 553,557</u>
Fund balances - beginning of year			<u>8,235,785</u>	
Fund balances - end of year			<u>\$ 8,789,342</u>	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY
(A Component Unit of the City of West Palm Beach)
SUPPLEMENTARY INFORMATION
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, 2025

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Investment income	\$ 400,000	\$ 400,000	\$ 905,874	\$ 505,874
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>905,874</u>	<u>505,874</u>
EXPENDITURES:				
Current:				
Economic environment	136,965	369,465	131,876	237,589
Capital outlay	<u>19,894,463</u>	<u>19,661,963</u>	<u>7,058,961</u>	<u>12,603,002</u>
Total expenditures	<u>20,031,428</u>	<u>20,031,428</u>	<u>7,190,837</u>	<u>12,840,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,631,428)</u>	<u>(19,631,428)</u>	<u>(6,284,963)</u>	<u>13,346,465</u>
Budgeted use of fund balance	<u>19,631,428</u>	<u>19,631,428</u>	<u>-</u>	<u>(19,631,428)</u>
Total other financing sources (uses)	<u>19,631,428</u>	<u>19,631,428</u>	<u>-</u>	<u>(19,631,428)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(6,284,963)</u>	<u>\$ (6,284,963)</u>
Fund balances - beginning of year			<u>20,574,684</u>	
Fund balances - end of year			<u>\$ 14,289,721</u>	

REPORTING SECTION



Hollow Jack - Photo by CWPB



CBIZ CPAs P.C.

2255 Glades
Road Suite
#321A
Boca Raton, FL 33431

P: 561.994.5050

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 Executive Director
West Palm Beach Community Redevelopment Agency

We have audited, in accordance with the 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*"), the financial statements of the governmental activities and each major fund of the West Palm Beach Community Redevelopment Agency (the "CRA"), a component unit of the City of West Palm Beach, Florida, as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's financial statements, and have issued our report thereon dated April 28, 2026.

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.

CBIZ CPAs P.C.

Boca Raton, Florida
April 28, 2026

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY

SCHEDULE OF FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None

SECTION II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS

None



CBIZ CPAs P.C.

2255 Glades
Road Suite
#321A
Boca Raton, FL 33431

P: 561.994.5050

**Management Letter in Accordance with the Rules of
the Auditor General of the State of Florida**

To the Board of Directors and Executive Director
West Palm Beach Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the West Palm Beach Community Redevelopment Agency (the "CRA"), a component unit of the City of West Palm Beach, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated April 28, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 28, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA 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. The financial condition 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.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the CRA's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2025, the PACE program did not operate within the CRA's geographical boundaries.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate 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 218.39(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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the CRA reported:

- a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 6.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 71.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$567,030.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$23,680,346.

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

- Clematis North Alleyway- \$325,966
- Chase Trinity Streetscape- \$944,890
- 941 Fern Street Property Improvement- \$5,451,998
- 1000 Palm Beach Lakes Property Improvement- \$387,254
- 1026 Palm Beach Lakes Property Improvement- \$1,130,561
- Sunset Lounge Project- \$3,589,349
- 719 N. Sapodilla Property Improvement- \$1,585,771
- 901 N. Tamarind Property Improvement- \$6,034
- 311 N. Sapodilla Property Improvement- \$477,125
- 708 3rd Street Property Improvement- \$76,762
- 610 Douglass Avenue Property Improvement- \$175,027
- 800 N. Tamarind Property Improvement- \$132,985
- Eat N Cake Property Improvement- \$211,681
- 907 7th Street Property Improvement- \$61,401
- Lighting Project- \$56,483
- 5701 Broadway Property Improvement- \$939,264
- Tamarind Avenue Streetscape- \$2,054,687
- Nora Streetscape- \$5,000,000
- Banyan Streetscape- \$2,434

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the CRA amends a final adopted budget under Section 189.016(6), Florida Statutes, as noted on pages 43 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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.

CBIZ CPAs P.C.

Boca Raton, Florida
April 28, 2026



CBIZ CPAs P.C.

2255 Glades
Road Suite
#321A
Boca Raton, FL 33431

P: 561.994.5050

Independent Accountant’s Report on Compliance
With Florida Statutes

To the Board of Directors and Executive Director
West Palm Beach Community Redevelopment Agency

We have examined the West Palm Beach Community Redevelopment Agency’s (the “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, 2025. 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, 2025. Management of the CRA is responsible for the CRA’s compliance with the specified requirements. Our responsibility is to express an opinion on the CRA’s compliance based on our examination.

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

We are required to be independent 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 Sections 218.415, 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2025.

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.

CBIZ CPAs P.C.

Boca Raton, Florida
April 28, 2026

WEST PALM BEACH

FINANCE



CITY OF WEST PALM BEACH

401 CLEMATIS STREET | WEST PALM BEACH, FL 33401

561-822-1400 | WPB.ORG

