

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

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the CRA Board and Executive Director
Palm Springs Community Redevelopment Agency

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 Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, as of and for the fiscal year ended September 30, 2024, 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, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*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 7, and the Budgetary Comparison Schedule and related notes on pages 20 through 21 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025 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.

West Palm Beach, FL
March 27, 2025

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

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

MANAGEMENT’S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

- The assets of the CRA exceeded its liabilities at September 30, 2024, by \$1,166,601 (net position). Of this amount, the entire balance was restricted for redevelopment purposes.
- As of September 30, 2024, the CRA’s reported ending fund balances of \$1,166,601 Fund balance saw an increase of \$658,548 when compared to the prior year. This is the fourth year of operations.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

These Financial Statements consists of four components:

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

Government-wide Financial Statements

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

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

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

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

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

SUMMARY OF NET POSITION SEPTEMBER 30, 2024 AND 2023

	Governmental Activities			
	2024	2023	(\$) Change	(%) Change
Assets				
Current and other assets	\$ 1,170,533	\$ 510,425	\$ 660,108	129.3%
Total Assets	1,170,533	510,425	660,108	129.3%
Liabilities				
Current liabilities	3,932	2,372	1,560	65.8%
Total Liabilities	3,932	2,372	1,560	65.8%
Net Position				
Restricted	1,166,601	508,053	658,548	129.6%
Total Net Position	\$ 1,166,601	\$ 508,053	\$ 658,548	129.6%

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

Statement of Activities

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

SUMMARY OF CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	Governmental Activities			
	2024	2023	(\$) Change	(%) Change
Revenues				
Program revenues:				
Operating grants and contributions	\$ 41,358	\$ 207,931	\$ (166,573)	-80.1%
General revenues:				
Tax increment revenue	825,193	426,770	398,423	93.4%
Interest income	41,048	10,929	30,119	100.0%
Total Revenues	907,599	645,630	261,969	40.6%
Expenses				
Economic environment	249,051	204,210	44,841	22.0%
Total Expenses	249,051	204,210	44,841	22.0%
Change in Net Position	658,548	441,420	217,128	49.2%
Net Position - Beginning	508,053	66,633	441,420	662.5%
Net Position - Ending	\$ 1,166,601	\$ 508,053	\$ 658,548	129.6%

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

The increase in 2024 as compared to 2023 in tax increment revenue is a function of the increase in the assessed values of properties within the CRA boundaries above the base year valuation amounts.

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

CRA BUDGETARY HIGHLIGHTS

The original budget of \$2,405,721 was amended to appropriate the underutilization in the amount of \$996,856 and fund balance \$445,644 of American Rescue funds to produce a final budget of \$1,408,865.

Actual expenditures in the CRA were \$1,159,813 less than final budget amounts. The primary contributor to the unexpended funds is that Congress Ave CRA district budgeted \$1.3 million in contractual services for the CRA's portion of a new wastewater main to be installed along Congress Ave in the Palm Beach County Utility Service Area, but this project has not progressed at the pace anticipated at the time the budget was adopted and only \$65,192 was actually expended as of fiscal year end. Once the project is completed, Palm Beach County will hold the title to the asset.

A budgetary comparison between the final budget and actual results can be found on pages 20-21 of this report.

ECONOMIC FACTORY AND NEXT YEAR'S BUDGET

The increase in property values will generate increased incremental revenues for the CRA in fiscal year 2025 that will allow the CRA to offer a property improvement grant program to eligible commercial properties, consistent with the objectives of the Community Redevelopment Plan. The envisioned matching grant will be offered on a reimbursement basis for the elimination of substandard and blighted conditions. Additionally, upon completion of the Village Council's "visioning" process the CRA Board plans on retaining a marketing specialist in fiscal year 2025 to assist in implementing the branding and placemaking strategies.

The Village Council maintained the 2023 operating millage rate of 3.50 mills for 2024 and 2025. For fiscal year 2025, the CRA has budgeted expenditures of \$3,337,381.

REQUESTS FOR INFORMATION

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

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

FINANCIAL STATEMENTS

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,170,533
Total Assets	1,170,533
Liabilities	
Accounts payable and accrued liabilities	3,932
Total Liabilities	3,932
Net Position	
Restricted for:	
Community Redevelopment	1,166,601
Total Net Position	\$ 1,166,601

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					Governmental Activities
Economic environment	\$ 249,051	\$ --	\$ 41,358	\$ --	\$ (207,693)
Total Governmental Activities	\$ 249,051	\$ --	\$ 41,358	\$ --	(207,693)

General Revenues

Tax increment revenues	825,193
Interest income	41,048
Total General Revenues	866,241

Change in Net Position

Net Position - Beginning of Year	508,053
Net Position - End of Year	\$ 1,166,601

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
BALANCE SHEET
SEPTEMBER 30, 2024

	Road CRA	Congress Ave CRA	Total Governmental Funds
Assets			
Cash	\$ 606,394	\$ 564,139	\$ 1,170,533
Total Assets	\$ 606,394	\$ 564,139	\$ 1,170,533
Liabilities			
Accounts payable and accrued liabilities	\$ 2,051	\$ 1,881	\$ 3,932
Total Liabilities	2,051	1,881	3,932
Fund Balances			
Restricted for:			
Lake Worth Road CRA	604,343	--	604,343
Congress Ave CRA	--	562,258	562,258
Total Fund Balances	604,343	562,258	1,166,601
Total Liabilities and Fund Balances	\$ 606,394	\$ 564,139	\$ 1,170,533

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

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total Governmental Fund Balances \$ 1,166,601

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

No items exist --

Total Net Position \$ 1,166,601

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Lake Worth Road CRA	Congress Ave CRA	Total Governmental Funds
Revenues			
Tax increment revenues	\$ 455,913	\$ 369,280	\$ 825,193
Interest income	21,908	19,140	41,048
Total Revenues	477,821	388,420	866,241
Expenditures			
Current:			
Economic environment	128,583	120,468	249,051
Total Expenditures	128,583	120,468	249,051
Excess of revenues over expenditures	349,238	267,952	617,190
Other Financing Sources			
Contributions from the Village (See Note 5)	--	41,358	41,358
Total Other Financing Sources	--	41,358	41,358
Change in Fund Balances	349,238	309,310	658,548
Fund Balances - Beginning of Year	255,105	252,948	508,053
Fund Balances - End of Year	\$ 604,343	\$ 562,258	\$ 1,166,601

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

**PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
 (A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 658,548

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

No items exist --

Change in Net Position of Governmental Activities \$ 658,548

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

NOTES TO FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Tax increment revenues are recognized as revenues in the year for which they are levied. Grants, if any, are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the period in which they become both measurable and available. Revenues are considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

CASH

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

EMPLOYEE AND RELATED BENEFIT COSTS

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

NET POSITION/FUND BALANCE

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

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION/FUND BALANCE (CONTINUED)

Net Position

Net position of the government-wide financial statements is categorized as investment in capital assets, restricted or unrestricted. Investment in capital assets is that portion of net position that relates to the CRA's net capital assets. The CRA had no investment in capital assets as of September 30, 2024. Restricted net position is that portion of net position that has constraints placed on its use by external restrictions imposed by creditors (such as through debt covenants, if applicable), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of investment in capital assets or restricted net position.

Fund Balance

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

Nonspendable - Nonspendable fund balance includes amounts that cannot be spent because they are either 1) not in spendable form; or, 2) legally or contractually required to be maintained intact. The CRA had no nonspendable fund balance as of September 30, 2024.

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

Committed - Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA's Board through a Board resolution. The CRA had no committed fund balance as of September 30, 2024.

Assigned - Assigned fund balance includes amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance are made by the CRA's Executive Director based upon direction by the CRA's Board or in the CRA's annual budget. The CRA had no assigned fund balance as of September 30, 2024.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION/FUND BALANCE (CONTINUED)

Fund Balance (continued)

Unassigned - Unassigned fund balance includes amounts that have not been restricted, committed, or assigned to specific purposes within the governmental funds.

The CRA considers restricted fund balance to be spent first when an expenditure is incurred for the restricted purpose. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the CRA considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the CRA Board has provided otherwise in its commitment or assignment actions by either an ordinance or resolution.

RISK MANAGEMENT

The CRA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The CRA purchases commercial insurance through the Village for the risks of losses to which it is exposed. Policy limits and deductibles are reviewed annually by management and established at amounts to provide reasonable protection from significant financial loss. The CRA is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of \$200,000 and \$300,000 in the aggregate. There was no reduction in insurance coverage from coverage in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

USE OF ESTIMATES

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

IMPLEMENTATION OF NEW GASB STATEMENTS

There were no new significant GASB Statements which were implemented by the CRA during the fiscal year ended September 30, 2024.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 3 – CASH

The CRA participates in the Village’s pooled cash system. Cash as of September 30, 2024, consists of deposits with a financial institution. The bank deposits were entirely covered by federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a Qualified Public Depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, the amount of public funds would be covered by the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, the CRA’s deposits are considered fully insured or collateralized in accordance with the provisions of GASB Statements.

NOTE 4 – TAX INCREMENT REVENUES

Tax increment revenues are the primary source of revenue for the CRA. Tax increment revenue is collected from the two governmental entities that levy property taxes within the legally defined redevelopment area of the CRA, the Village and Palm Beach County (the “County”). The tax increment revenue is calculated by applying the adopted millage rate of the Village to the increase in current year taxable assessed valuations over the base year assessed valuations for all properties located within the CRA boundaries. The Village used a millage rate of 3.500 for fiscal year 2024. The County then contributes the same amount of taxes to the CRA as the Village for the fiscal year.

NOTE 5 – RELATED PARTY TRANSACTIONS

The CRA received tax increment revenues from the Village’s General Fund totaling \$412,286 for the fiscal year ended September 30, 2024, which are reflected as tax increment revenues in the accompanying financial statements.

The CRA received American Rescue Plan Fund contributions from the Village totaling \$41,358 for the fiscal year ended September 30, 2024, which are reflected as other financing sources in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 412,907	\$ 412,907	\$ 412,286	\$ (621)
Interest income	15,000	15,000	41,048	26,048
Total Revenues	427,907	427,907	453,334	25,427
Expenditures				
Economic environment				
Operating	1,995,513	716,303	199,051	517,252
Capital outlay	310,208	412,562	--	412,562
Non-operating	100,000	280,000	50,000	230,000
Total Expenditures	2,405,721	1,408,865	249,051	1,159,814
Excess (Deficiency) of Revenues over Expenditures	(1,977,814)	(980,958)	204,283	1,185,241
Other Financing Sources				
Transfers in	1,915,407	472,907	454,265	(18,642)
Appropriations of prior year's fund balance	62,407	508,051	--	(508,051)
Total Other Financing Sources	1,977,814	980,958	454,265	(526,693)
Net Change in Fund Balance	\$ --	\$ --	658,548	\$ 658,548
Fund Balance - Beginning of Year			508,053	
Fund Balance - End of Year			\$ 1,166,601	

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 1 – BUDGETARY ACCOUNTING

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

Total expenditures may not legally exceed total fund appropriations including any budgeted fund balance from prior years. All annual appropriations lapse at year end. The budget amounts presented reflect the original budget and the amended budget based on legally authorized revisions to the original budget during the year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is utilized by the CRA during the year. However, all encumbrances outstanding at year end lapse. There were supplementary appropriations in the amount of \$508,051 adopted for the year ended September 30, 2024.

NOTE 2 – BUDGET AND ACTUAL COMPARISONS

The budgetary comparison schedule is prepared on the basis of accounting used in preparing the appropriated budget. As a result, the revenue and expenditures reported in the budgetary comparison schedule for the CRA agree with that reported on the GAAP basis. As required by GAAP, for financial statement reporting, a portion of the transfer in on page 20 (budgetary basis), represents transfers in from the Village in the amount of \$412,907 which are reported as Ad Valorem taxes revenue on page 12.

REPORTING SECTION

**Independent Auditors' Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the CRA Board and Executive Director
Palm Beach Community Redevelopment Agency

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 Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, as of September 30, 2024, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated March 27, 2025.

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.

West Palm Beach, FL
March 27, 2025

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

To the CRA Board and Executive Director
Palm Springs Community Redevelopment Agency

Report on the Financial Statements

We have audited the financial statements of the Palm Springs Community Redevelopment Agency (the “CRA”), a component unit of the Village of Palm Springs, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 27, 2025.

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 March 27, 2025, 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 2 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, 2024, 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 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.

- e. Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as follows:
 - a. Sanitary Sewer Force Main Installation with Palm Beach County Utilities: Budget of \$1,700,000; Expenditures of \$65,192.
- 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 \$508,051.

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 are 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, the CRA Board, Executive Director, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

West Palm Beach, FL
March 27, 2025

**Independent Accountant's Report on
Compliance with Florida Statutes**

To the CRA Board and Executive Director
Palm Springs Community Redevelopment Agency

We have examined the Palm Springs Community Redevelopment Agency's (the "CRA"), a component unit of the Village of Palm Springs, Florida, compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2024. 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 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2024.

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.

West Palm Beach, FL
March 27, 2025