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# **WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**

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**ANNUAL FINANCIAL REPORT**

**FOR THE**

**FISCAL YEAR ENDED**

**SEPTEMBER 30, 2024**

Prepared by:  
The Finance Department



WEST PALM BEACH

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Finance Department

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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, 2024**

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Finance Department

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Photo by Oriol Tarridas

FINANCIAL  
**SECTION**



## **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, 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 fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 14, and the Budgetary Comparison Schedules as listed in the table of contents on pages 42 through 43 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 44 and 45, 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 auditing standards generally accepted in the United States of America. 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, 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  
April 28, 2025

**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of West Palm Beach)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
**(UNAUDITED)**

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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, 2024.

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 2024 by approximately \$148.5 million.
- The CRA's total net position increased by approximately \$23.4 million, or 18.7%, 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 \$8.6 million, from \$138.6 million to \$130.0 million, or approximately 6.2%, reflecting repayments on bonds and notes.
- Total spending for the CRA's governmental activities was approximately \$47.4 million, an increase by \$3.9 million, or 9.1%, 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.

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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 \$148.5 million at the close of the most recent fiscal year.

At the end of the fiscal year, the CRA's net position increased by \$23.4 million or 18.7%. The overall increase can be attributed to the net change in current and long-term liabilities of \$8.6 million offset by an overall increase in total assets and deferred outflows of \$14.4 million.

Total assets of the CRA as of the end of the current fiscal year increased by \$14.6 million or 5.4%. The increase is attributed to an increase in cash and investments.

Long-term liabilities decreased by \$9.2 million or 6.6% resulting from to the repayment of bonds and notes payable during the current fiscal year.

The CRA's net investment in capital assets such as land, roads, parks, buildings, machinery and equipment, as a percentage of net position, amounts to \$79.6 million and \$74.6 million or 53.6% and 59.6%, respectively as of September 30, 2024 and 2023. 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 \$5.0 million largely due to new capital additions, net of retirements and depreciation of \$0.3 million and the net reduction of outstanding long-term debt of \$8.6 million which was used to acquire the assets.

Another portion of the CRA's net position is restricted net position, totaling \$69.0 million and \$50.6 million or 46.4% and 40.4%, respectively at September 30, 2024 and 2023. These balances represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations.

Restricted net position increased by \$18.4 million or 36.5% to comply with the requirements of the special revenue funds and other legal requirements. The increase in restricted net position is primarily due to an increase in property tax revenues during fiscal year 2024.

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The following table provides a comparative analysis of the CRA's net position for the fiscal years ended September 30, 2024 and 2023:

**Condensed Statement of Net Position**  
**As of September 30, 2024 and 2023**  
**(in thousands)**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Assets:</b>		
Current and other assets	\$ 94,565	\$ 80,286
Capital assets, net	188,034	187,755
Total assets	<u>282,599</u>	<u>268,041</u>
Deferred outflows of resources	<u>980</u>	<u>1,101</u>
<b>Liabilities:</b>		
Current liabilities	4,463	3,953
Long-term debt and other non-current liabilities	130,199	139,357
Total Liabilities	<u>134,662</u>	<u>143,310</u>
Deferred inflows of resources	<u>367</u>	<u>699</u>
<b>Net position:</b>		
Net investment in capital assets	79,553	74,578
Restricted	68,997	50,555
Total net position	<u>\$ 148,550</u>	<u>\$ 125,133</u>

**Governmental Activities - Change in Net Position**

The CRA reported total revenues and expenses of \$70.8 million and \$47.4 million, respectively. As shown below, revenues increased by \$9.7 million while expenses increased by \$3.9 million during the current fiscal year.

The majority of the increase in expenses was attributed to an arbitrage refund payment made in the current year for the 2019 bonds for \$1.3 million and an increase in redevelopment incentives in the current year.

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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, 2024 and 2023**  
**(in thousands)**

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenue:		
Charges for services	\$ 1,053	\$ 934
Capital grants and contributions	500	-
General revenue:		
Ad valorem taxes	63,376	56,296
Investment income (loss)	5,795	3,646
Miscellaneous	48	148
<b>Total revenues</b>	<b>70,772</b>	<b>61,024</b>
Expenses:		
Economic environment	42,470	38,319
Interest on long-term debt	4,885	5,088
<b>Total expenses</b>	<b>47,355</b>	<b>43,407</b>
Increase in net position	23,417	17,617
Net position at beginning of year, as previously reported	125,133	89,245
Restatement of net position	-	18,271
Net position at beginning of year	125,133	107,516
<b>Net position at end of year</b>	<b>\$ 148,550</b>	<b>\$ 125,133</b>

**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 \$55.3 million and \$5.6 million, respectively. At the end of the current fiscal year the fund balance for the CCCRA increased by \$17.3 million while the NPCCRA decreased by \$0.3 million. The increase in fund balance in the CCCRA fund can be attributed to an increase in tax revenue (\$4.2 million), intergovernmental revenue (\$2.5 million) and investment income (\$1.8 million) while redevelopment expenses saw a slight increase of \$1 million resulting in operating income of \$24.3 million. This was mainly offset by transfers out for debt service payments of \$7.3 million.

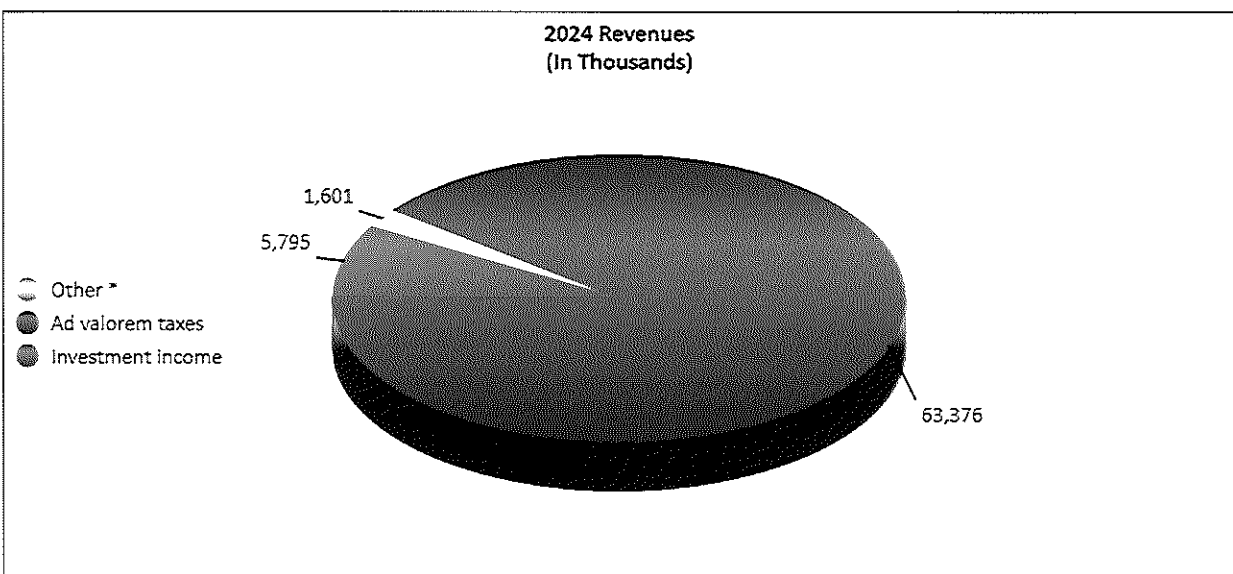
Total expenditures and net transfers for the CCCRA increased by \$1.0 million during the current fiscal year due to increases in community redevelopment of \$1.3 million related to an arbitrage rebate payment and a decrease of \$0.3 million in capital outlay. Total revenues for the CCCRA increased in the current year by \$8.6 million, due to the increase in the property tax base and corresponding revenues as well and an increase in investment income.

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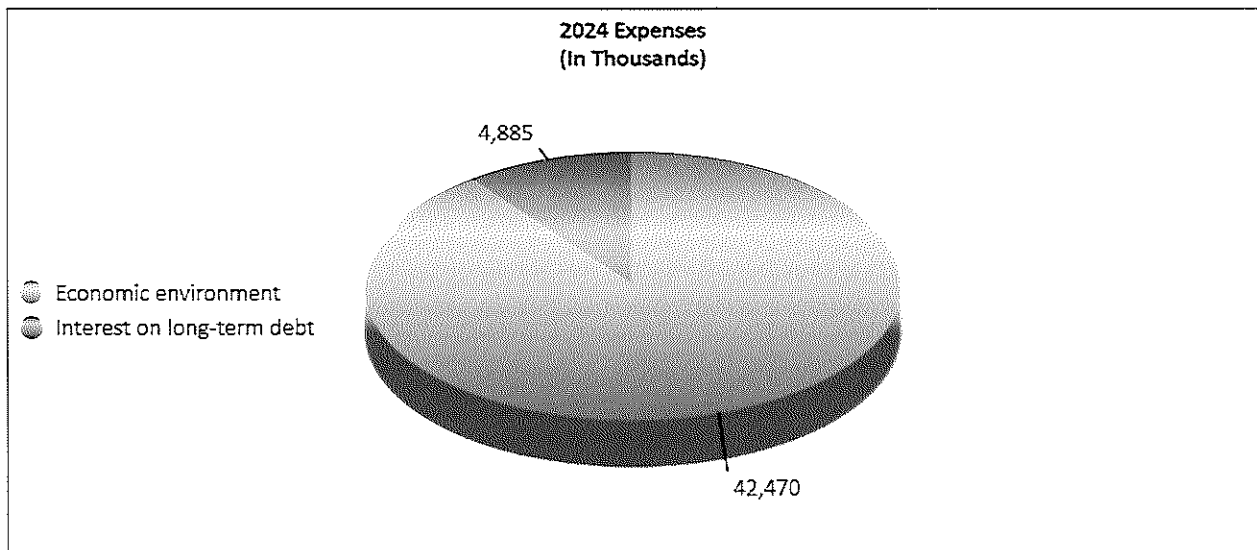
Revenues for the NPCCRA increased by \$1.3 million, mainly due to the increase in the property tax base and related revenues along with an increase in investment income. Expenditures for the NPCCRA increased by \$2.6 million.

At the end of the current fiscal year, fund balance for the Series 2019 CCCRA Capital Bond Fund and the Series 2019 CCCRA Debt Service Fund were \$20.6 million and \$8.2 million, respectively. The fund balance for the Series 2019 CCCRA Capital Bond Fund decreased by \$3.8 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 \$0.9 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 2024:



The chart below shows the expenses by function (in thousands) for the CRA's governmental activities during fiscal year 2024:



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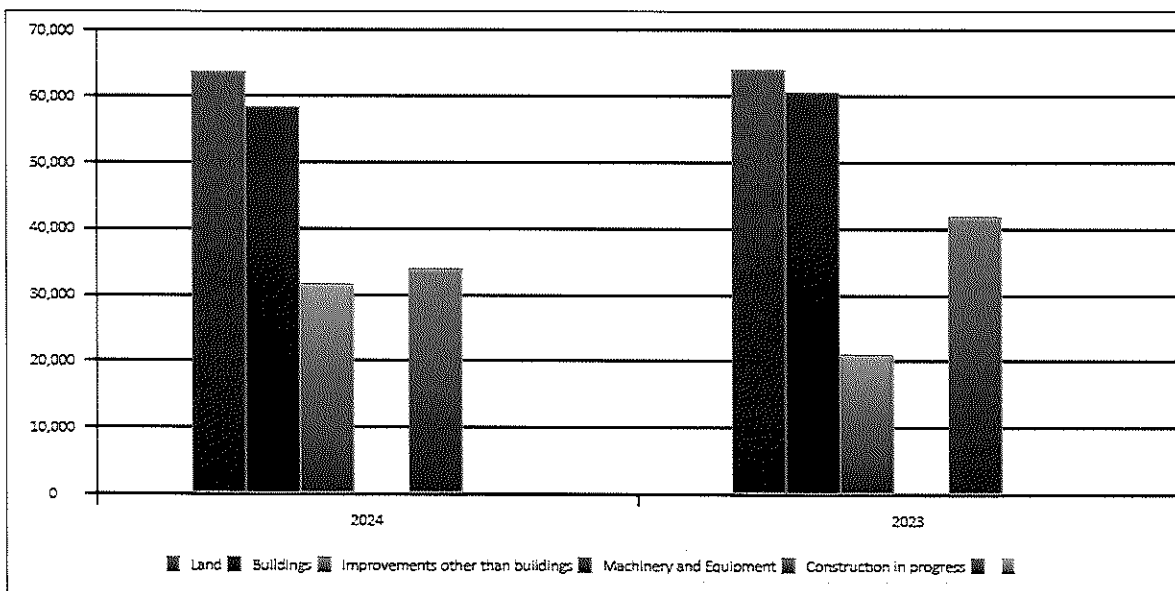
**Capital Assets**

The CRA's capital assets for its governmental activities as of September 30, 2024 and 2023 totaled \$188.0 million and \$187.8 million, net of accumulated depreciation, (in thousands). The net investment in capital assets as of September 30, 2024 and 2023 was \$79.6 million and \$74.6 million, respectively. The decrease from the previous year of \$5.0 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, 2024 and 2023, in thousands, net of accumulated depreciation:

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Land	\$ 63,740	\$ 63,986
Construction in progress	34,022	41,847
Buildings	58,332	60,564
Improvements other than buildings	31,725	21,005
Machinery and Equipment	215	353
Total capital assets, net	<u>\$ 188,034</u>	<u>\$ 187,755</u>

The following chart compares the CRA's capital assets from 2024 and 2023:



**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**Long-term Obligations**

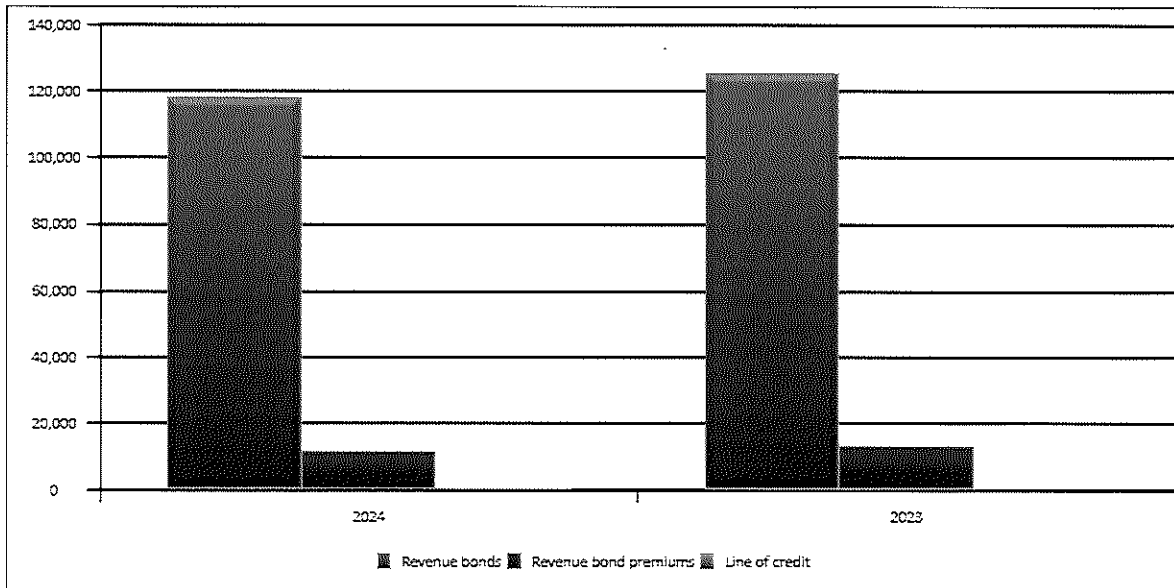
As of September 30, 2024, the CRA's \$129.6 million of bonded debt is secured by a stand-alone pledge of tax increment revenue. During the year the NPCCRA issued the Series 2023 non-revolving line of credit for \$5 million. The balance of the line of credit was approximately \$0.4 million as of September 30, 2024.

Total of bonds and notes payable decreased during the current fiscal year reflecting repayments and amortization of bond premiums totaling \$8.6 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, 2024 and 2023, in thousands:

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
Revenue bonds	\$ 118,140	\$ 125,385
Revenue bond premiums	11,455	13,203
Total bonds	129,595	138,588
Line of credit	385	-
Total long-term obligations	<u>\$ 129,980</u>	<u>\$ 138,588</u>

The following chart compares the City's outstanding long-term debt from 2024 and 2023:



Currently there are four (4) individuals employed by the CRA as of September 30, 2024. 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 CRA's next year's budget is consistent with maintaining services to citizens without raising the millage rate. The property tax base within each of the CRA's designated areas has continued an upward trend and resulted in increased tax revenues.

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

City Center Community Redevelopment Area:

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

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

One way the CRA and the DDA work to strengthen the business environment is through the retention/attraction of businesses through its business development grant programs which include funding for grand opening events, leasehold improvements, façade enhancement, and business assistance. During fiscal year 2024, the CRA provided over \$9.5 million, in grants to local businesses within the CCCRA community.

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

- Partnering with non-profit entities to provide assistance to the homeless population and formerly incarcerated individuals so they can receive part-time employment. Employment enables those in need to secure housing and earn honest wages while improving the quality of public spaces throughout the downtown development area.
- The CCCRA, through a contracted third party, provides full-time private public safety services to its residents and business community. The contractor aids businesses, residents, and visitors with security, information, or contact emergency services seven days a week whether on foot, bike, or mobile transportation.
- Trolley services throughout the downtown area is available to residents and visitors at no cost. During fiscal year 2023, ridership of the trolley services totaled roughly 76,000 passengers.

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

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

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- Clematis Street businesses have long experienced the challenge of converting former department store spaces that are deep and wide into current retail and office space needs. By improving the aesthetics of the alleyways, the businesses have opportunities to activate the rear of their space. The final remaining component of the project, the improvement of the intersection at Quadrille and Clematis Street was completed in February 2024. Along with improvements to the Alleyways downtown, the CRA engaged in a program with the City's Public Works department to add a code officer and additional staff to upgrade the appearance and cleanliness of the Alleyways.
- Redevelopment of the historic Sunset Lounge (built in 1923) and surrounding properties into a cultural destination of the Northwest began to become a reality in fiscal year 2015. The CRA has begun restoring the building to how it looked at the height of the lounge's popularity in 1940 when as many as 1,000 people would dance together to the biggest names in music. The restored Sunset Lounge will be the centerpiece of a destination featuring a new Jazz Park and amphitheater, a full-service restaurant, lounge, and performance ballroom. The CRA developed the project concept and received support from the CRA Board on the \$25 million construction cost and to move forward with development. The approved construction costs includes Phase II of the project which is still ongoing at the end of the fiscal year. Completion of the project and the grand opening is anticipated in 2025.
- The Tent Site is a prominent area of the CRA located at 801 S. Dixie Highway. It has long been desired for redevelopment as a key parcel in the heart of Downtown. The CRA previously leased this property to a third party who will construct a Class A office tower to be located on the Tent Site. Construction is anticipated to begin in early 2025. The property was appraised at \$25.7 million and the CRA will receive annual lease payments on this property.
- North Railroad Avenue (NoRA) was officially created as a new sub-district within Brelsford Park in 2022. This area, spanning from Quadrille Boulevard to Palm Beach Lakes Boulevard between the FEC Right of Way and Dixie Highway, will feature a vibrant, walkable environment, with cobbleston streets, landscaped parks, and a mix of hospitality, retail and office spaces. These improvements are currently under construction, with completion anticipated by the first quarter of 2026. Groundbreaking for The Nora Hotel, a 201-key boutique hotel is set to take place in November 2024. This hotel will showcase Mediterranean and Spanish Colonial Revival-inspired design and offer amenities such as a roof-top pool, deck, two bars, a lounge area, private cabanas, and a restaurant curated by STARR Restaurants.

Northwood/Pleasant City Community Redevelopment Area:

The CRA developed and adopted a master plan for the North End of West Palm Beach in 2014, which encompasses the Northwood/Pleasant City CRA, three mixed-use districts (Currie Park, Northwood Village, and the Broadway Corridor), the Pleasant City neighborhood, and the Industrial Park Target Area. In addition to the master plan, the CRA amended the Comprehensive Master Plan and zoning regulations for the three mixed-use districts based on the new vision plan.

The CRA has adopted the Comprehensive Plan and zoning amendments for the Currie Mixed-Use District and the Northwood Mixed-Use District and is currently working on the comprehensive plan and zoning and land development amendments for the Broadway mixed-use district to promote redevelopment of the district as a vibrant mixed-use pedestrian friendly corridor.

The Broadway Corridor is characterized today by crime and blight. The master plan recommended various development scenarios and specific streetscape improvements to the roadway to support the proposed development. The CRA believes that its greatest impact along the Broadway Corridor will be by facilitating development through Public Private Partnerships (P3s). To this end, the focus has been on acquisitions of derelict properties along the north end of the strip which will be held for future negotiations and development of a mix of residential/affordable housing and commercial projects in the district.

**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of West Palm Beach)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2024**  
**(UNAUDITED)**

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In 2020, the CRA retained a third party to complete a Master Plan and design for Currie Park. The CRA is funding the park design, while park improvements will be funded by a 2020 Parks Bond. Currently, the City has budgeted \$8 million for initial improvements to the park. The CRA was instrumental in the application process that resulted in the City being awarded an additional \$16.7 million dollars towards infrastructure construction to build resilient seawalls, improve storm water quality, and develop living shorelines, pedestrian hardscaping, and native landscaping, through the FDEO Rebuild Florida General Infrastructure Program. The final master plan was approved by the CRA Board in June of 2022. The site components include a public arts plaza, tidal amphitheater, boundless playground, multi-use events lawn, fitness areas, trails, plazas, native gardens, piers, boat ramp, sports courts, and maintains the MLK memorial. Through an RFQ, two construction firms were pre-selected to bid on the construction of the project. Re-construction of the park is scheduled to commence in 2025.

The Northwood Village area is the North End's entertainment district with an eclectic mix of restaurants, galleries, and shops. This area's success is due to the rebranding and marketing strategies implemented by the CRA. The master plan proposes a transit-oriented district anchored on the west-end by a future passenger rail station along the FEC railroad.

In September 2020, the CRA Board approved a development agreement with ImmoCorp Capital for construction of a mixed-use development that will include over 300 apartments, retail, office space and public parking on the Anchor Site. The concept plan was approved by the CRA Board in April 2020. The developer's final site plan was approved by the Planning Board in November 2022 and the developer is currently working on obtaining building permits. Construction of the Anchor Site began in 2023 with foundation work starting in 2024. Project completion is anticipated by the third quarter of 2026.

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

- Clematis streetscape and north alleyway, \$2.3 million.
- Douglas Avenue lighting and landscape, \$0.9 million
- Banyan Boulevard streetscape and lighting project, \$12.6 million.

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

**Requests for Information**

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



WEST PALM BEACH

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Finance Department

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Photo by Oriol Tarridas

# BASIC FINANCIAL STATEMENTS

**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of West Palm Beach)**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 10,685,688
Investments	52,049,301
Receivables, net:	
Accounts	50,425
Interest	206,830
Prepaid items	5,000
Lease receivable	375,932
Restricted assets:	
Cash and cash equivalents	11,236,496
Investments	19,866,295
Interest on restricted cash and investments	89,255
Capital assets:	
Nondepreciable	97,762,041
Depreciable, net of accumulated depreciation	<u>90,271,576</u>
<b>Total assets</b>	<u><b>282,598,839</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Deferred loss on refunding	<u>980,475</u>
<b>LIABILITIES:</b>	
Accounts payable and accrued liabilities	4,368,049
Due to other governments	20,145
Deposits payable	75,537
Due within one year:	
Compensated absences payable	30,611
Bonds payable	7,590,000
Due in more than one year:	
Compensated absences payable	35,937
Bonds payable	122,157,385
Line of credit payable	<u>385,031</u>
<b>Total liabilities</b>	<u><b>134,662,695</b></u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred inflows related to leases	<u>366,722</u>
<b>NET POSITION:</b>	
Net investment in capital assets	79,552,754
Restricted for:	
Debt service	8,235,785
Community development	<u>60,761,358</u>
<b>Total net position</b>	<u><b>\$ 148,549,897</b></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, 2024

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:					
Economic environment	\$ 42,470,256	\$ 1,053,143	\$ -	\$ 500,000	\$ (40,917,113)
Interest on long-term debt	<u>4,885,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,885,381)</u>
<b>Total governmental activities</b>	<b>\$ <u>47,355,637</u></b>	<b>\$ <u>1,053,143</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>500,000</u></b>	<b>\$ <u>(45,802,494)</u></b>
<b>General revenue:</b>					
					\$ 63,375,749
					5,795,085
					<u>48,230</u>
					<b>\$ 69,219,064</b>
					<b>23,416,570</b> <sup>- 1</sup>
					<u>125,133,327</u> <sup>- 2</sup>
					<b>\$ <u>148,549,897</u></b>

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, 2024**

	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
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 4,555,808	\$ 6,129,880	\$ 1,123,497	\$ 10,112,999	\$ 21,922,184
Investments	52,049,301	-	7,407,704	12,458,591	71,915,596
Receivables, net:					
Accounts	36,122	14,303	-	-	50,425
Interest	187,386	19,444	33,562	55,692	296,084
Prepaid items	5,000	-	-	-	5,000
Lease receivable	375,932	-	-	-	375,932
<b>Total assets</b>	<b>\$ 57,209,549</b>	<b>\$ 6,163,627</b>	<b>\$ 8,564,763</b>	<b>\$ 22,627,282</b>	<b>\$ 94,565,221</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities	\$ 1,426,172	\$ 560,301	\$ 328,978	\$ 2,052,598	\$ 4,368,049
Deposits payable	47,137	28,400	-	-	75,537
Due to other governments	20,145	-	-	-	20,145
<b>Total liabilities</b>	<b>\$ 1,493,454</b>	<b>\$ 588,701</b>	<b>\$ 328,978</b>	<b>\$ 2,052,598</b>	<b>\$ 4,463,731</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflows related to unavailable revenue	30,542	15,153	-	-	45,695
Deferred inflows related to leases	366,722	-	-	-	366,722
<b>Total deferred inflows of resources</b>	<b>397,264</b>	<b>15,153</b>	<b>-</b>	<b>-</b>	<b>412,417</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Community development:					
Capital outlay	-	-	-	20,574,684	20,574,684
Economic environment	55,318,831	5,559,773	-	-	60,878,604
Total community development	55,318,831	5,559,773	-	20,574,684	81,453,288
Debt service	-	-	8,235,785	-	8,235,785
<b>Total fund balances</b>	<b>55,318,831</b>	<b>5,559,773</b>	<b>8,235,785</b>	<b>20,574,684</b>	<b>89,689,073</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 57,209,549</b>	<b>\$ 6,163,627</b>	<b>\$ 8,564,763</b>	<b>\$ 22,627,282</b>	<b>\$ 94,565,221</b>

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, 2024

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>		\$ 89,689,073
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		188,033,617
Intergovernmental revenue is not available to pay for current period expenditures and, therefore, is deferred in the funds.		45,695
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		980,475
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated absences	(66,548)	
Line of credit payable	(385,031)	
Bonds payable	(129,595,299)	-
Arbitrage payable	<u>(152,085)</u>	<u>(130,198,963)</u>
<b>Net position of governmental activities</b>		<u>\$ 148,549,897</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, 2024**

	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
<b>REVENUES:</b>					
Taxes	\$ 34,891,998	\$ 3,979,222	\$ -	\$ -	\$ 38,871,220
Licenses and permits	307,669	-	-	-	307,669
Intergovernmental	22,819,584	2,569,976	-	-	25,389,560
Charges for services	75,684	59,168	-	-	134,852
Rents and royalties	255,949	-	-	-	255,949
Investment income	3,393,299	463,452	608,661	1,329,672	5,795,084
Miscellaneous	48,230	-	-	-	48,230
<b>Total revenues</b>	<b>61,792,413</b>	<b>7,071,818</b>	<b>608,661</b>	<b>1,329,672</b>	<b>70,802,564</b>
<b>EXPENDITURES:</b>					
Current:					
General government	211,138	-	-	-	211,138
Economic environment	29,219,228	5,341,576	-	-	34,560,804
Capital outlay	3,957,818	415,009	-	3,640,565	8,013,392
Debt service:					
Principal	2,885,000	1,060,000	3,300,000	-	7,245,000
Interest and fiscal charges	1,217,630	541,249	4,017,484	-	5,776,363
<b>Total expenditures</b>	<b>37,490,814</b>	<b>7,357,834</b>	<b>7,317,484</b>	<b>3,640,565</b>	<b>55,806,697</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>24,301,599</b>	<b>(286,016)</b>	<b>(6,708,823)</b>	<b>(2,310,893)</b>	<b>14,995,867</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Disposal of capital assets	326,736	-	-	-	326,736
Other issuance and debt costs	-	-	(1,250,788)	-	(1,250,788)
Transfers in	-	-	8,817,500	-	8,817,500
Transfers out	(7,317,500)	-	-	(1,500,000)	(8,817,500)
<b>Total other financing sources (uses)</b>	<b>(6,990,764)</b>	<b>-</b>	<b>7,566,712</b>	<b>(1,500,000)</b>	<b>(924,052)</b>
<b>Net change in fund balances</b>	<b>17,310,835</b>	<b>(286,016)</b>	<b>857,889</b>	<b>(3,810,893)</b>	<b>14,071,815</b>
<b>Fund balances - beginning of year</b>	<b>38,007,996</b>	<b>5,845,789</b>	<b>7,377,896</b>	<b>24,385,577</b>	<b>75,617,258</b>
<b>Fund balances - end of year</b>	<b>\$ 55,318,831</b>	<b>\$ 5,559,773</b>	<b>\$ 8,235,785</b>	<b>\$ 20,574,684</b>	<b>\$ 89,689,073</b>

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, 2024**

<b>NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS</b>		<b>\$ 14,071,815</b>
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	8,013,392	
Depreciation expense	<u>(7,454,189)</u>	559,203
Retirement of capital asset		(280,543)
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		27,939
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	(385,031)	
Principal repayment on bonds payable	7,245,000	
Amortization of bond premiums and discounts	<u>1,747,624</u>	8,607,593
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	(120,194)	
Change in arbitrage payable	514,339	
Change in compensated absences	<u>36,418</u>	<u>430,563</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ <u>23,416,570</u></b>

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



WEST PALM BEACH

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Finance Department

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Photo by Related Southeast

# NOTES TO THE BASIC FINANCIAL STATEMENTS



## **NOTE A. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Financial Reporting Entity**

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

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

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

### **2. Government-wide and Fund Financial Statements**

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

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

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

**NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Government-wide and Fund Financial Statements (Continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Program revenues include (1) charges for goods and services that are recovered directly from customers for services rendered and (2) grants and contributions that are restricted to meeting the operational or capital requirements for a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when earned, measurable, and available to finance expenditures of the current period. Revenues are considered to be available for the current period when they are collected within the fiscal year being reported on or soon enough thereafter to pay liabilities of that fiscal year. The CRA considers revenues to be available if they are collected within 60 days of the end of the fiscal year being reported on. Incremental property taxes and investment earnings associated with the current fiscal periods are susceptible to accrual and are recorded as earned since they are measurable and available. All other revenues are considered measurable and available only when cash is received by the CRA or property has been legally transferred to the CRA. Expenditures, other than debt service, are generally recorded when a liability is incurred, as under accrual accounting. Debt service expenditures are recorded only when payment is due.

**4. Major Funds and Basis of Presentation**

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

**NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Major Funds and Basis of Presentation (Continued)**

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

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

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

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

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

**5. Budget Policy and Budgetary Data**

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

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

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

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

**Cash, Cash Equivalents and Investments**

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

**NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Cash, Cash Equivalents and Investments (Continued)**

Investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the CRA are accounted for in the City's investment pool. Income earned from this pool is allocated to the respective funds based upon average monthly equity balances.

**Receivables**

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

**Prepaid Items**

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

**Restricted Assets**

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

**Leases**

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

The financial statements recognize leases receivable and deferred inflow of resources, based on the present value of the future lease payments expected to be received during noncancellable period of the lease contracts, and the deferred inflow of resources is amortized 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.

**NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Capital Assets**

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

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

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

Buildings	20 - 40 years
Improvements	15 - 40 years
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.

**NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Deferred Outflows of Resources (Continued)**

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

**Deferred Inflows of Resources**

The governmental funds financial statements include a separate section for deferred inflow of resources. Deferred inflows of resources represent the acquisition of 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. The CRA had no non-spendable fund balance as of September 30, 2024.

**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, 2024.

NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Fund Balance and Net Position (Continued)**

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

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

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

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

**Revenues**

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

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

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

**NOTE A. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Estimates**

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

**7. Implementation of New GASB Statements**

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

GASB Statement No. 100, *Accounting Changes and Error Corrections*, is effective for the fiscal year ending September 30, 2024. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation did not have a material impact.

**NOTE B. DEPOSITS AND INVESTMENTS**

The CRA has elected to follow the City's investment policy. In accordance with Section 218.415, Florida Statutes, the City's Investment Policy applies to all cash and investments held or controlled by the City. Permitted investments, asset allocation limits, issuer limits, credit rating requirements and maturity limits are detailed in the investment policy in order to protect all of the City's cash and investments. As of September 30, 2024, total cash and investments for the CRA totaled \$93,837,780.

**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, 2024, the City had no investment exposure to foreign currency. The City's policy regarding derivative instruments specifically states that City Commission approval is required prior to the use of derivatives. For the fiscal year ended September 30, 2024, the City had no investment exposure to derivative instruments.

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

- U.S. Treasury obligations which are guaranteed by the full faith and credit of the United States with maturities not to exceed ten years from the date of purchase.
- Money Market Mutual Fund shares in open-end, no-load funds that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. The prospectus of such funds must indicate that the share value shall not fluctuate.

**NOTE B. DEPOSITS AND INVESTMENTS (CONTINUED)**

**Authorized Investments and Credit Risk (Continued)**

- 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 investment policy is designed to reduce the concentration of credit risk within the City's investment portfolio. A maximum of 20% of available funds may be invested in the Florida PRIME Fund and similar pools, 100% of available funds may be invested in United States Treasury Securities, 50% of available funds may be invested in United States Government Agencies with a 25% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 50% limit on individual issuers, 50% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 50% limit on individual issuers, 50% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with a 25% limit on any one institution, 25% of available funds may be directly invested in prime commercial paper with a 5% limit on individual issuers, 25% of available funds may be directly invested in Bankers' acceptances with a 5% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts with a limit of 5% on individual issuers, 50% of available funds may be invested in mutual funds with a limit of 20% invested in mutual funds with a limit of 20% with any one non-SEC Rule 2a-7 investment mutual fund, 25% of available funds may be invested in intergovernmental investment pools, 25% of available funds may be invested in corporate obligations or corporate notes of US corporations with a limit of 10% with any one corporate note, and 30% of available funds may be invested in mortgage-backed securities with a limit of 20% invested with any one MBS, 5% of available funds may be invested in State of Israel Bonds, having a maximum term of 5 years and a rating of A or greater.

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

Under the guidelines of GASB Codification Section 150, Florida PRIME is a "2a-7 like" pool. Accordingly, investments in Florida Prime are reported at amortized cost. Florida CLASS, Florida PALM and Florida LGIT measure investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of GASB Statement No. 31. The City's investment in Florida CLASS, Florida PALM and Florida LGIT are not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of GASB 72. As such, these investment pools have been valued based on their respective fair value factors as of the financial statement date.

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**NOTE 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 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, 2024, in the Florida PRIME, Florida CLASS, Florida PALM and Florida LGIT have a weighted average days to maturity (WAM) of 36 days, 43 days, 51 days and 38 days, respectively.

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, 2024, the CRA had the following cash, cash equivalents and investment types and effective duration presented in terms of years:

<b>Investment Vehicle</b>	<b>Rating</b>	<b>% of Portfolio</b>	<b>Duration Years</b>	<b>As of September 30, 2024 (in thousands)</b>		
				<b>Total Portfolio</b>	<b>Cash Equivalents</b>	<b>Investments</b>
Cash Deposits	NR	14.7%	0.00	\$ 13,796	\$ 13,796	\$ -
Money Market Funds	AAAm	1.1%	0.00	1,019	1,019	-
Florida PRIME	AAAm	17.8%	0.11	16,743	7,107	9,636
Florida CLASS	AAAm	5.2%	0.16	4,863	-	4,863
Florida LGIT	NR	1.8%	0.10	1,670	-	1,670
Florida PALM	AAAm	7.0%	0.10	6,515	-	6,515
Sovereign Government	NR	0.2%	.57	213	-	213
United States Treasury Notes	NR	47.7%	1.62	44,773	-	44,773
Municipal Bonds	AA+	0.6%	.56	517	-	517
Agency Bonds	AA-	2.3%	.98	2,200	-	2,200
Corporate Notes	A	1.6%	.48	1,529	-	1,529
		<u>100.0%</u>		<u>\$ 93,838</u>	<u>\$ 21,922</u>	<u>\$ 71,916</u>

**Amounts from Statement of Net Position:**

Unrestricted cash and cash equivalents	\$ 10,686
Unrestricted investments	52,049
Restricted cash and cash equivalents	11,237
Restricted investments	19,866
Total cash and investments on Statement of Net Position	<u>\$ 93,838</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.

**NOTE 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, 2024, 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**

The Investment Policy permits up to 50% of the portfolio to be invested in any single Federal Instrumentality. As of September 30, 2024 investments in the following Federal Instrumentalities exceed 5% of the portfolio:

Investment Vehicle	% of Portfolio	Amount (in thousands)
United States Treasury Notes	47.7%	\$ 44,773

As of September 30, 2024, the CRA had the following issuer concentrations in the investment portfolio based on fair value:

Issuer	% of Portfolio	Amount (in thousands)
United States Treasury Notes	47.7%	\$ 44,773
Florida PRIME	17.8%	16,743
Florida CLASS	5.2%	4,863
Florida PALM	7.0%	6,515
Total	77.7%	\$ 72,894

As of September 30, 2024, 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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**NOTE B. DEPOSITS AND INVESTMENTS (CONTINUED)**

As of September 30, 2024, the CRA had the following investment types portfolio based on fair value:

Investment	Fair Value (in thousands)			
	Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Total
	Level 1	Level 2	Level 3	
Municipal Bonds	\$ -	\$ 517	\$ -	\$ 517
Agency Bonds	-	2,200	-	2,200
United States Treasury Notes	-	24,906	-	24,906
Corporate Notes	-	1,529	-	1,529
Sovereign Government	-	213	-	213
Money Market Funds	1,019	-	-	1,019
Total Investments by Fair Value Level	\$ 1,019	\$ 29,365	\$ -	\$ 30,384
Florida PRIME (exempt)				16,743
Florida LGIT (exempt)				1,670
Florida CLASS (exempt)				4,863
Florida PALM (exempt)				6,515
Cash Deposits (exempt)				13,796
Total				\$ 73,971

**NOTE C. RECEIVABLES AND UNEARNED REVENUE**

**Receivables**

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

	City Center Community Redevelopment Agency Fund	Northwood / Pleasant City Community Redevelopment Agency Fund	Series 2019 CCCRA Debt Service Fund	Series 2019 CCCRA Capital Bond Fund	Total
Receivables:					
Accounts (gross)	\$ 36,122	\$ 14,303	\$ -	\$ -	\$ 50,425
Interest	187,386	19,444	33,562	55,692	296,084
Total receivables	\$ 223,508	\$ 33,747	\$ 33,562	\$ 55,692	\$ 346,509

**NOTE C. RECEIVABLES AND UNEARNED REVENUE (CONTINUED)**

**Unearned/Unavailable Revenue**

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

The components of unearned/unavailable revenues as of September 30, 2024 are as follows:

	<b>City Center Community Redevelopment Agency Fund</b>	<b>Northwood / Pleasant City Community Redevelopment Agency Fund</b>	<b>Total</b>
Revenues earned but not available:			
Other receivables	\$ 30,542	\$ 15,153	\$ 45,695
Total unavailable revenue	<u>\$ 30,542</u>	<u>\$ 15,153</u>	<u>\$ 45,695</u>

**NOTE D. RESTRICTED CASH AND INVESTMENTS**

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

	<b>GOVERNMENTAL ACTIVITIES</b>		<b>Totals</b>
	<b>Series 2019 CCCRA Debt Service Fund</b>	<b>Series 2019 CCCRA Capital Bond Fund</b>	
Debt service	\$ 8,531,201		\$ 8,531,201
Revenue bond and capital improvement unspent proceeds	-	22,571,590	22,571,590
Total restricted assets	<u>\$ 8,531,201</u>	<u>\$ 22,571,590</u>	<u>\$ 31,102,791</u>

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**NOTE E. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 63,986,445	\$ -	\$ (280,543)	\$ 34,545	\$ 63,740,447
Construction in progress	41,847,475	8,013,392	-	(15,839,273)	34,021,594
Total capital assets not being depreciated	<u>105,833,920</u>	<u>8,013,392</u>	<u>(280,543)</u>	<u>(15,804,728)</u>	<u>97,762,041</u>
Capital assets being depreciated:					
Buildings	89,099,618	-	-	-	89,099,618
Improvements other than buildings	65,994,650	-	-	15,804,728	81,799,378
Machinery, furniture, and equipment	1,524,708	-	(190,220)	-	1,334,488
Total capital assets being depreciated	<u>156,618,976</u>	<u>-</u>	<u>(190,220)</u>	<u>15,804,728</u>	<u>172,233,484</u>
Total capital assets	<u>262,452,896</u>	<u>8,013,392</u>	<u>(470,763)</u>	<u>-</u>	<u>269,995,525</u>
Less accumulated depreciation:					
Buildings	28,535,822	2,231,625	-	-	30,767,447
Improvements other than buildings	44,989,947	5,084,492	-	-	50,074,439
Machinery, furniture, and equipment	1,172,170	138,072	(190,220)	-	1,120,022
Total accumulated depreciation	<u>74,697,939</u>	<u>7,454,189</u>	<u>(190,220)</u>	<u>-</u>	<u>81,961,908</u>
Total capital assets being depreciated, net	<u>81,921,037</u>	<u>(7,454,189)</u>	<u>-</u>	<u>15,804,728</u>	<u>90,271,576</u>
<b>Governmental Activities</b>					
<b>Capital Assets, Net</b>	<u>\$ 187,754,957</u>	<u>\$ 559,203</u>	<u>\$ (280,543)</u>	<u>\$ -</u>	<u>\$ 188,033,617</u>

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**NOTE F. LONG-TERM OBLIGATIONS**

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

	Beginning Balances	Additions	Reductions	Ending Balances	Total Current Liabilities	Total Noncurrent Liabilities
<b>Governmental Activities:</b>						
CCCRA bonds (other):						
Revenue bonds	\$109,690,000	\$ -	\$(6,185,000)	\$103,505,000	\$ 6,500,000	\$ 97,005,000
Unamortized premiums	13,558,803	-	(1,779,578)	11,779,225	-	11,779,225
Arbitrage rebate payable	666,424	-	(514,339)	152,085	-	152,085
CCCRA bonds payable, net	123,915,227	-	(8,478,917)	115,436,310	6,500,000	108,936,310
NPCCRA bonds (other):						
Revenue bonds	15,695,000	-	(1,060,000)	14,635,000	1,090,000	13,545,000
Unamortized discount	(355,879)	-	31,954	(323,925)	-	(323,925)
NPCCRA bonds payable, net	15,339,121	-	(1,028,046)	14,311,075	1,090,000	13,221,075
Total bonds	139,254,348	-	(9,506,963)	129,747,385	7,590,000	122,157,385
Line of credit	-	385,031	-	385,031	-	385,031
Compensated absences payable	102,966	-	(36,418)	66,548	30,611	35,937
Total Governmental Activities	<u>\$139,357,314</u>	<u>\$ 385,031</u>	<u>\$(9,506,963)</u>	<u>\$130,198,964</u>	<u>\$ 7,620,611</u>	<u>\$ 122,578,353</u>

Bonds outstanding at September 30, 2024 payable from governmental activities are comprised of tax increment revenue bonds. These bonds mature in varying amounts during succeeding fiscal years through 2036. Interest rates on these long-term obligations range from 2.25% to 5.25%.

**Tax Increment Revenue Bonds:**

The \$77,175,000 City Center Community Redevelopment Area (CCCRA) Tax Increment Revenue Bonds, Series 2006A, were issued on November 30, 2006. Interest rates on remaining annual principal amounts payable is 4.45%. Proceeds of the bond are used to finance the costs of the CCCRA Redevelopment Project and mature on March 1, 2036. The Bonds will be payable solely from and are secured by Pledged Funds derived by the CRA from: (i) CCCRA Tax Increment Revenues; and (ii) all moneys, securities and instruments held in the accounts and subaccounts created under the Bond Resolution, except the CCCRA Rebate Account. On August 11, 2015, \$46,925,000 of the outstanding principal was refunded through the issuance of 2015 CCCRA Refunding Bond. The outstanding balance of Series 2006A CCCRA Tax Increment Revenue Bonds after this refunding was \$26,365,000 and the maturity date was unchanged and principal payments resume on March 1, 2032. At September 30, 2024 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 3.87% 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, 2024 the principal balance was \$14,635,000.

**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**  
**(A Component Unit of the City of West Palm Beach)**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE F. LONG-TERM OBLIGATIONS (CONTINUED)**

**Tax Increment Revenue Bonds: (Continued)**

The \$44,060,000 CCCRA Tax Increment Revenue Refunding Bonds, Series 2015 were issued September 10, 2015 and advance refunded a portion of the outstanding Series 2006A bonds of like title. Interest rates on remaining annual principal amounts payable, vary from 4.71% 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, 2024 the principal balance was \$24,545,000.

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

The Bonds will be payable solely from and are secured by pledged funds derived by the CCCRA from: (i) tax increment revenues; and (ii) all moneys, securities and instruments held in the accounts and subaccounts created under the Board Resolution, except the CCCRA Rebate Account. At September 30, 2024 the principal balance was \$78,955,000.

The annual requirements to pay Governmental Activities principal and interest on the bonds outstanding at September 30, 2024 are as follows:

Fiscal Years Ending September 30	GOVERNMENTAL ACTIVITIES					
	CCCRA Bonds			NPCCRA Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2025	\$ 6,500,000	\$ 4,941,623	\$ 11,441,623	\$ 1,090,000	\$ 559,444	\$ 1,649,444
2026	6,835,000	4,608,248	11,443,248	1,130,000	524,731	1,651,694
2027	7,185,000	4,257,748	11,442,748	1,165,000	482,341	1,649,444
2028	7,535,000	3,907,729	11,442,729	1,215,000	433,878	1,654,731
2029	7,875,000	3,567,798	11,442,798	1,265,000	384,291	1,649,291
2030 - 2034	45,790,000	11,419,906	57,209,906	7,155,000	1,093,566	8,248,566
2035 - 2039	21,785,000	1,102,834	22,887,834	1,615,000	33,309	1,648,309
Total	<u>\$ 103,505,000</u>	<u>\$ 33,805,886</u>	<u>\$ 137,310,886</u>	<u>\$ 14,635,000</u>	<u>\$ 3,511,560</u>	<u>\$ 18,151,479</u>
Current Portion	(6,500,000)			(1,090,000)		
Premium (Discount)	11,779,225			(323,925)		
Long-term Portion	<u>\$ 108,784,225</u>			<u>\$ 13,221,075</u>		

**Pledged Revenue:**

Tax Increment Revenue Bonds are those secured by a pledge of and first lien on the Pledged Funds derived from the CRA. There are two types of Tax Increment Revenue Bonds: the Northwood/Pleasant City Community Redevelopment Area (NPCCRA), 2015 and the City Center Community Redevelopment Area (CCCRA) Tax increment Revenue Bonds, 2006A, 2015 and 2019. Revenue received from the CCCRA and NPCCRA in fiscal year 2024 was \$34,891,998 and \$3,979,222 respectively.

**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTE F. LONG-TERM OBLIGATIONS (CONTINUED)**

**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, 2024, the principal balance outstanding was \$385,031.

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

	<b>Purpose of Issue</b>	<b>Amount Issued</b>	<b>Principal Amount Outstanding</b>	<b>Stated Interest Rate</b>	<b>Maximum Annual Debt Service</b>
<b>GOVERNMENTAL ACTIVITIES:</b>					
<b>Bonds:</b>					
CCCRA Revenue Bonds					
	Redevelopment	\$ 77,175,000	\$ 5,000	4.45%	\$ 5,111
	Refunding	44,060,000	24,545,000	4.71 - 5.25%	4,119,150
	Refunding	91,285,000	78,955,000	5.00%	11,443,500
	Total CCCRA Bonds	<u>212,520,000</u>	<u>103,505,000</u>		<u>15,567,761</u>
NPCCRA Revenue Bonds					
	Refunding	18,870,000	14,635,000	3.87 - 4.00%	1,654,731
	Total Bonds	<u>231,390,000</u>	<u>118,140,000</u>		<u>17,222,492</u>
<b>Notes Payable:</b>					
NPCCRA:					
	Redevelopment	385,031	385,031	8.00%	385,031
<b>Total Governmental Activities</b>		<u>\$ 231,775,031</u>	<u>\$ 118,525,031</u>		<u>\$ 17,607,523</u>

**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024**

**NOTE F. LONG-TERM OBLIGATIONS (CONTINUED)**

The CRA had the following pledged debt as of September 30, 2024 in its governmental activities:

Description of Issue	Purpose	Pledged Revenue	Revenue Received in FY 2024	Principal and Interest Paid in FY 2024	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	\$ 34,891,998	\$ 11,443,748	32.8%	\$ 137,310,886	Fiscal years through 2036
Northwood / Pleasant City CRA Tax Increment Revenue Bonds Series: 2015A	To pay for the cost of acquiring and clearing real property for redevelopment purposes and loan repayment made to the City	Northwood / Pleasant City CRA Tax Increment Revenue	\$ 3,979,222	\$ 1,651,694	41.5%	\$ 18,151,479	Fiscal years through 2035

**NOTE 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	\$ 7,317,500	\$ 7,317,500
Series 2019 CCCRA Capital Bond Fund	<u>1,500,000</u>	<u>1,500,000</u>
Total Transfers	<u>\$ 8,817,500</u>	<u>\$ 8,817,500</u>

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

**NOTE H. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budget**

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

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

**NOTE H. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**Budget (Continued)**

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.

**NOTE I. COMMITMENTS AND CONTINGENCIES**

**Construction and Equipment Contracts**

As of the fiscal year ended September 30, 2024, the CRA had the following significant commitments related to uncompleted contracts for construction and equipment:

**Governmental activities:**

City Center Community Redevelopment Agency Fund	\$	6,531,659
Northwood/Pleasant City Community Redevelopment Agency Fund		1,272,433
Series 2019 CCCRA Capital Bond Fund		6,879,117
	\$	<u>14,683,209</u>

**State and Federal Grants**

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

**City Place Community Development City Debt**

On April 20, 2012, the Community Development 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, 2024, neither the City nor the CRA has an outstanding liability to the CDD.

**NOTE I. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Development Agreements**

On March 30, 2018, the City and the CCCRA entered into a ground lease and development agreement (the "Agreement") with a developer to lease property. In accordance with the Agreement, the lessee will construct and develop commercial and residential buildings for the benefit of the public. The initial term of the lease is 50 years with an option to renew for an additional 25 years. No rent is payable by the buyer within the initial term. If the buyer elects to exercise the renewal option, the annual rent shall be the fair rental value of the leased property at renewal. Upon expiration of the lease, the ownership of improvements to the leased property will automatically revert to the City or the CCCRA. This agreement does not qualify for the accounting treatment in accordance with GASB Statement No. 87 or 94. No amounts are included in the basic financial statements related to this Agreement.

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.

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.

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, 2024, developer has not satisfied all pre construction requirements to obtain full access to the Anchor 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.

**NOTE I. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Development Agreements (Continued)**

On May 03, 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, 2024, the CRA had disbursed \$8,500,000 to the developer. The remaining \$12,332,235 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 years 2025 through 2027.

**NOTE J. LEASES**

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

During the fiscal year ended September 30, 2024, the CRA recognized the following, related to its lessor agreements:

Lease revenue	\$	129,680
Interest income related to leases	\$	16,411

**NOTE K. SUBSEQUENT EVENT**

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 as follows:

Fiscal year 2025	\$1,869,114
Fiscal year 2026	\$1,510,925
Fiscal year 2027	\$1,510,925
Fiscal year 2028	\$5,110,296

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.



Photo by CWPB

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION (Unaudited)**



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, 2024

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 35,011,951	\$ 35,011,951	\$ 34,891,998	\$ (119,953)
Licenses and permits	-	-	307,669	307,669
Intergovernmental	23,347,927	23,347,927	22,819,584	(528,343)
Charges for services	103,284	103,284	75,684	(27,600)
Rents and royalties	58,310	58,310	255,949	197,639
Investment income	400,000	400,000	3,393,299	2,993,299
Miscellaneous	-	-	48,230	48,230
<b>Total revenues</b>	<b>58,921,472</b>	<b>58,921,472</b>	<b>61,792,413</b>	<b>2,870,941</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	211,635	211,138	497
Economic environment	41,439,497	42,592,997	29,219,228	13,373,769
Capital outlay	37,154,793	39,133,158	3,957,818	35,175,340
Debt service:				
Principal	2,885,000	2,885,000	2,885,000	-
Interest and fiscal charges	1,219,225	1,219,225	1,217,630	1,595
<b>Total expenditures</b>	<b>82,698,515</b>	<b>86,042,015</b>	<b>37,490,814</b>	<b>48,551,201</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(23,777,043)</b>	<b>(27,120,543)</b>	<b>24,301,599</b>	<b>51,422,142</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Disposal of capital assets	373,000	373,000	326,736	(46,264)
Transfers out	(7,317,500)	(7,317,500)	(7,317,500)	-
Budgeted use of fund balance	30,721,543	34,065,043	-	(34,065,043)
<b>Total other financing sources (uses)</b>	<b>23,777,043</b>	<b>27,120,543</b>	<b>(6,990,764)</b>	<b>(34,111,307)</b>
<b>Net changes in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>17,310,835</b>	<b>\$ 17,310,835</b>
<b>Fund balances - beginning of year</b>			<b>38,007,996</b>	
<b>Fund balances - ending of year</b>			<b>\$ 55,318,831</b>	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY  
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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, 2024

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 3,985,325	\$ 3,985,325	\$ 3,979,222	\$ (6,103)
Intergovernmental	2,292,540	2,292,540	2,569,976	277,436
Charges for services	51,000	51,000	59,168	8,168
Investment income	55,000	55,000	463,452	408,452
<b>Total revenues</b>	<u>6,383,865</u>	<u>6,383,865</u>	<u>7,071,818</u>	<u>687,953</u>
<b>EXPENDITURES:</b>				
Current:				
Economic environment	7,124,561	8,165,561	5,341,576	2,823,985
Capital outlay	2,124,070	1,524,070	415,009	1,109,061
Debt service:				
Principal	1,060,000	1,060,000	1,060,000	-
Interest and fiscal charges	777,289	777,289	541,249	236,040
<b>Total expenditures</b>	<u>11,085,920</u>	<u>11,526,920</u>	<u>7,357,834</u>	<u>4,169,086</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Budgeted use of fund balance	4,702,055	5,143,055	-	(5,143,055)
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(286,016)</u>	<u>\$ 4,857,039</u>
<b>Fund balances - beginning of year</b>			<u>5,845,789</u>	
<b>Fund balances - end of year</b>			<u>\$ 5,559,773</u>	



WEST PALM BEACH

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Finance Department

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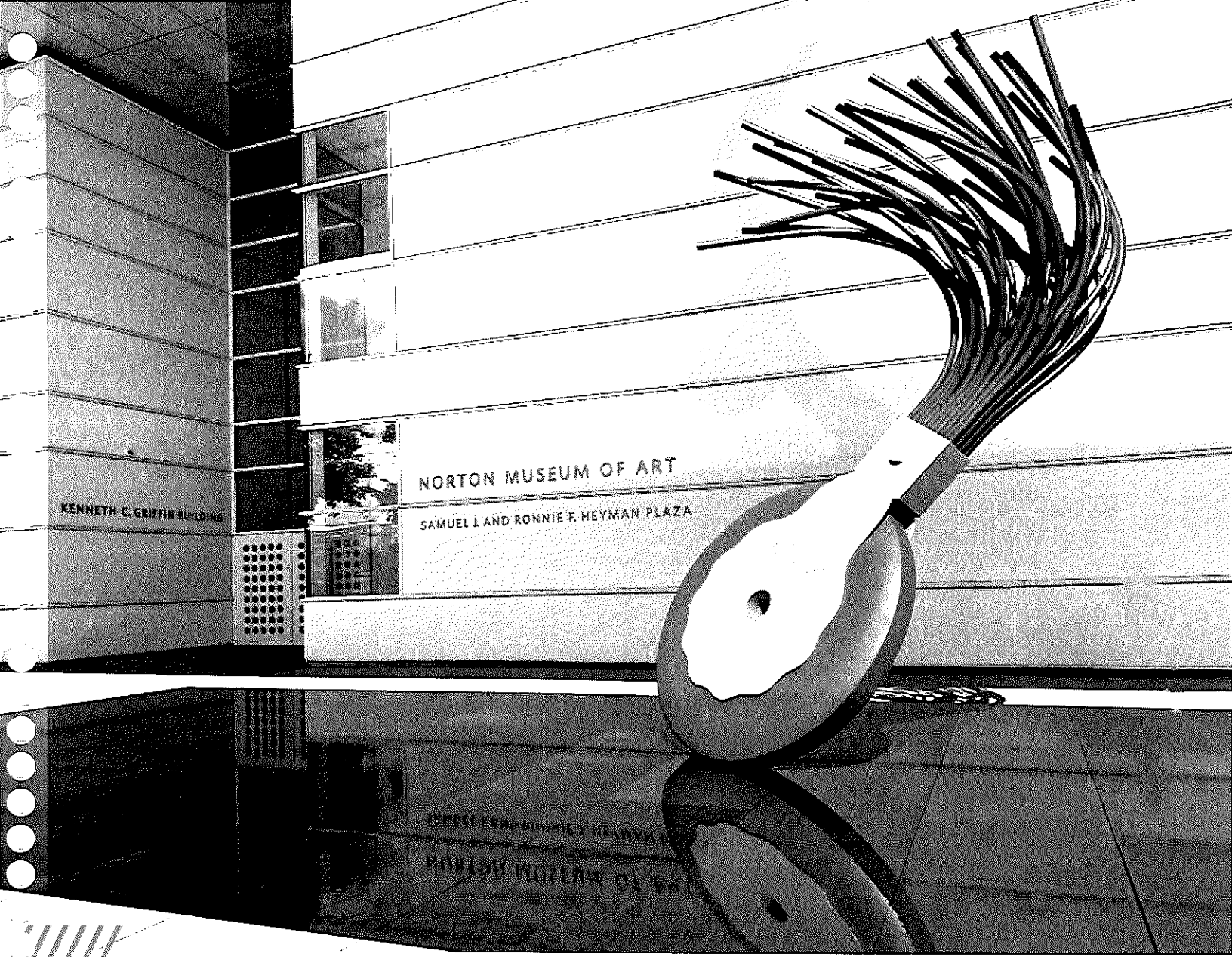


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# SUPPLEMENTARY INFORMATION

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, 2024

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment income	\$ -	\$ -	\$ 608,661	\$ 608,661
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>608,661</u>	<u>608,661</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	3,300,000	3,300,000	3,300,000	-
Interest and fiscal charges	4,017,500	4,017,500	4,017,484	16
<b>Total expenditures</b>	<u>7,317,500</u>	<u>7,317,500</u>	<u>7,317,484</u>	<u>16</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(7,317,500)</u>	<u>(7,317,500)</u>	<u>(6,708,823)</u>	<u>608,677</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Other issuance and debt costs	-	(1,500,000)	(1,250,788)	249,212
Transfers in	7,317,500	8,817,500	8,817,500	-
<b>Total other financing sources (uses)</b>	<u>7,317,500</u>	<u>7,317,500</u>	<u>7,566,712</u>	<u>249,212</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>857,889</u>	<u>\$ 857,889</u>
<b>Fund balances - beginning of year</b>			<u>7,377,896</u>	
<b>Fund balances - end of year</b>			<u>\$ 8,235,785</u>	

WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY  
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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, 2024

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Investment income	\$ 400,000	\$ 400,000	\$ 1,329,672	\$ 929,672
<b>Total revenues</b>	<u>400,000</u>	<u>400,000</u>	<u>1,329,672</u>	<u>929,672</u>
<b>EXPENDITURES:</b>				
Current:				
Economic environment	136,965	136,965	-	136,965
Capital outlay	24,151,603	24,151,603	3,640,565	20,511,038
<b>Total expenditures</b>	<u>24,288,568</u>	<u>24,288,568</u>	<u>3,640,565</u>	<u>20,648,003</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(23,888,568)</u>	<u>(23,888,568)</u>	<u>(2,310,893)</u>	<u>21,577,675</u>
Transfers out	-	(1,500,000)	(1,500,000)	-
Budgeted use of fund balance	23,888,568	25,388,568	-	(25,388,568)
<b>Total other financing sources (uses)</b>	<u>23,888,568</u>	<u>23,888,568</u>	<u>(1,500,000)</u>	<u>(25,388,568)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,810,893)</u>	<u>\$ 21,577,675</u>
<b>Fund balances - beginning of year</b>			<u>24,385,577</u>	
<b>Fund balances - end of year</b>			<u>\$ 20,574,684</u>	



WEST PALM BEACH

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Finance Department

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# COMPLIANCE REPORT AND MANAGEMENT LETTER



**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, 2024, 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, 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  
April 28, 2025

**WEST PALM BEACH COMMUNITY REDEVELOPMENT AGENCY**

**SCHEDULE OF FINDINGS AND RESPONSES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**SECTION I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None

**SECTION II – CURRENT YEAR FINANCIAL STATEMENT FINDINGS**

None

**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, 2024, and have issued our report thereon dated April 28, 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 April 28, 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 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, 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 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 87.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$440,270.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$8,916,002.

- 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- \$4,128,432
  - Chase Road Streetscape- \$8,510,000
  - Acquisition & Rehabilitation of 622 7th Street- \$540,081
  - Rehabilitation of 1031 N Sapodilla Avenue- \$1,055,818
  - Rehabilitation of 822 N Tamarind Avenue- \$151,790
  - Acquisition & Rehabilitation of 719 N Sapodilla Avenue- \$3,761,648
  - Rehabilitation of 311 N Sapodilla Avenue- \$720,140
  - Rehabilitation of Shotgun Houses- \$586,051
  - Rehabilitation of 800 N Tamarind Avenue- \$1,200,000
  - Currie Commons Infrastructure & Streetscape- \$532,987
  - Tamarind Avenue Infrastructure & Streetscape- \$11,999,282
  - Banyan Blvd. Streetscape- \$4,409,029
  - Acquisition of 5701 Broadway- \$491,083
- 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 42 through 45.

***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.*

West Palm Beach, FL  
April 28, 2025

**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, 2024. 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, 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 218.415, 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  
April 28, 2025