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

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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

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INDEPENDENT AUDITORS' REPORT

CBIZ CPAs

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2025, and the respective changes in financial position, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, and the Budgetary Comparison Schedule and related notes on pages 23 through 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

- The assets of the CRA exceeded its liabilities at September 30, 2025, by $2,183,806 (net position). Of this amount, $2,121,701 related to net investment in capital assets and the remaining balance was restricted for redevelopment purposes.
- As of September 30, 2025, the CRA's reported ending fund balances of $62,105. Fund balance saw a decrease of $1,104,496 when compared to the prior year. This is the fifth year of operations.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

These Financial Statements consists of four components:

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

Government-wide Financial Statements

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

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

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

Notes to the Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

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

SUMMARY OF NET POSITION
SEPTEMBER 30, 2025 AND 2024

	Governmental Activities			
	2025	2024	($) Change	(%) Change
Assets				
Current and other assets	$ 2,052,866	$ 1,170,533	$ 882,333	75.4%
Capital assets, not being depreciated	2,121,701	--	2,121,701	100.0%
Total Assets	**4,174,567**	**1,170,533**	**3,004,034**	**256.6%**
Liabilities				
Current liabilities	553,693	3,932	549,761	13981.7%
Advance due to the Village	1,437,068	--	1,437,068	100.0%
Total Liabilities	**1,990,761**	**3,932**	**1,986,829**	**50529.7%**
Net Position				
Net investment in capital assets	2,121,701	--	2,121,701	100.0%
Restricted	62,105	1,166,601	(1,104,496)	-94.7%
Total Net Position	**$ 2,183,806**	**$ 1,166,601**	**$ 1,017,205**	**87.2%**

As noted above, capital assets increased by approximately $2.1 million and Advance due to the Village increased by approximately $1.4 million when comparing balances as of September 30, 2025 and 2024. This is due to the recording of a loan from the Village to the CRA for the purchase of property.

Statement of Activities

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

SUMMARY OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	Governmental Activities			
	2025	2024	($) Change	(%) Change
Revenues				
Program revenues:				
Operating grants and contributions	$ 146,351	$ 41,358	$ 104,993	253.9%
Capital grants and contributions	591,553	--	591,553	100.0%
General revenues:				
Tax increment revenue	1,109,529	825,193	284,336	34.5%
Interest income	47,306	41,048	6,258	15.2%
Total Revenues	**1,894,739**	**907,599**	**987,140**	**108.8%**
Expenses				
Economic environment	877,534	249,051	628,483	252.4%
Total Expenses	**877,534**	**249,051**	**628,483**	**252.4%**
Change in Net Position	1,017,205	658,548	358,657	54.5%
Net Position - Beginning	1,166,601	508,053	658,548	129.6%
Net Position - Ending	**$ 2,183,806**	**$ 1,166,601**	**$ 1,017,205**	**87.2%**

The increase in 2025 as compared to 2024 in tax increment revenue is a function of the increase in the assessed values of properties within the CRA boundaries above the base year valuation amounts.

The increase in the economic environment expense is due to an increase in contractual services for the Congress Ave Sanitary Sewer CIP project.

Financial Analysis of the Governmental Fund

The CRA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental fund. The CRA is comprised of two governmental funds, the Lake Worth Road CRA Fund and the Congress Avenue CRA Fund. The focus of these *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the CRA's financing requirements. In particular, *unassigned fund balance* and *restricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Lake Worth Road CRA Fund reported an ending unassigned fund balance deficit of $993,932, a decrease of $1,598,275 for the year. The Congress Ave CRA Fund reported an ending restricted balance of $1,056,037, an increase of $493,577 for the year. The total fund balance for both funds is $62,105 at fiscal year end. As the CRA is focused on reinvestment revenues into the CRA districts and does not have significant annual operational costs, the CRA does not maintain specific reserve levels for operations.

The $1,598,275 decrease in fund balance for the Lake Worth Road CRA Fund in fiscal year 2025 was primarily related to an increase in capital outlay expenditures for the purchase of property as discussed previously. The increase in fund balance for the Congress Ave CRA Fund was mostly due to an increase in grant revenue, tax increment revenues, and contributions from the Village.

Capital Assets

Capital assets. The CRA's investment in capital assets as of September 30, 2025, amounts to $2,121,701, which includes land and construction in progress. The net increase in capital assets for the current fiscal year was $2,121,701. The CRA did not have capital assets during the previous fiscal year. Major capital asset transactions during 2025 consisted of capital outlay expenditures of $2,121,701.

CRA BUGETARY HIGHLIGHTS

The original budget of $3,337,381 was amended to appropriate the overutilization in the amount of $1,391,982 to produce a final budget of $4,729,363.

Actual expenditures in the CRA were $1,730,128 less than final budget amounts. The primary contributor to the unexpended funds is that Congress Ave CRA district budgeted $2.8 million in contractual services for the CRA's portion of a new wastewater main to be installed along Congress Ave in the Palm Beach County Utility Service Area, but this project has not progressed at the pace anticipated at the time the budget was adopted and only $2.1 was actually expended as of fiscal year end. Once the project is completed, Palm Beach County will hold the title to the asset.

A budgetary comparison between the final budget and actual results can be found on pages 23-24 of this report.

ECONOMIC FACTORY AND NEXT YEAR'S BUDGET

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

The Village Council maintained the 2024 operating millage rate of 3.50 mills for 2025. For fiscal year 2025, the CRA has budgeted expenditures of $4,729,363.

REQUESTS FOR INFORMATION

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

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

FINANCIAL STATEMENTS

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPOMENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
Assets	
Cash	$ 1,571,145
Capital assets, not being depreciated	2,121,701
Grants receivable	481,721
Total Assets	**4,174,567**
Liabilities	
Accounts payable and accrued liabilities	553,693
Advance due to the Village of Palm Springs	1,437,068
Total Liabilities	**1,990,761**
Net Position	
Net investment in capital assets	2,121,701
Restricted for:	
Community Redevelopment	62,105
Total Net Position	**$ 2,183,806**

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPOMENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues		Net Revenue (Expense) and Changes in Net Position
Functions/Programs	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities				
Economic environment	$ 877,534	$ 146,351	$ 591,553	$ (139,630)
Total Governmental Activities	**$ 877,534**	**$ 146,351**	**$ 591,553**	**(139,630)**

General Revenues	
Tax increment revenues	1,109,529
Interest income	47,306
Total General Revenues	**1,156,835**
Change in Net Position	1,017,205
Net Position - Beginning of Year	1,166,601
Net Position - End of Year	**$ 2,183,806**

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPOMENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
BALANCE SHEET
SEPTEMBER 30, 2025

	Lake Worth Road CRA	Congress Ave CRA	Total Governmental Funds
Assets			
Cash	$ 515,429	$ 1,055,716	$ 1,571,145
Grants receivable	--	481,721	481,721
Total Assets	**$ 515,429**	**$ 1,537,437**	**$ 2,052,866**
Liabilities			
Accounts payable and accrued liabilities	$ 72,293	$ 481,400	$ 553,693
Advance due to the Village of Palm Springs	1,437,068	-	1,437,068
Total Liabilities	**1,509,361**	**481,400**	**1,990,761**
Fund Balances			
Restricted for:			
Congress Ave CRA	--	1,056,037	1,056,037
Unassigned (deficit)	(993,932)	--	(993,932)
Total Fund Balances	**(993,932)**	**1,056,037**	**62,105**
Total Liabilities and Fund Balances	**$ 515,429**	**$ 1,537,437**	**$ 2,052,866**

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPOMENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Governmental Fund Balances	$	62,105
Amounts reported for governmental activities in the statement of net position are different as a result of:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds:		
Cost of assets		2,121,701
Total Net Position	**$**	**2,183,806**

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPOMENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Lake Worth Road CRA	Congress Ave CRA	Total Governmental Funds
Revenues			
Tax increment revenues	$ 613,366	$ 496,163	$ 1,109,529
Interest income	18,862	28,444	47,306
Other revenues	--	591,553	591,553
Total Revenues	**632,228**	**1,116,160**	**1,748,388**
Expenditures			
Current:			
Economic environment	108,802	768,732	877,534
Capital outlay	2,121,701	-	2,121,701
Total Expenditures	**2,230,503**	**768,732**	**2,999,235**
Excess (deficiency) of revenues over expenditures	(1,598,275)	347,428	(1,250,847)
Other Financing Sources			
Contributions from the Village (See Note 7)	**--**	146,351	146,351
Total Other Financing Sources	**--**	**146,351**	**146,351**
Change in Fund Balances	(1,598,275)	493,779	(1,104,496)
Fund Balances - Beginning of Year	604,343	562,258	1,166,601
Fund Balances - End of Year	**$ (993,932)**	**$ 1,056,037**	**$ 62,105**

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

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPOMENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (1,104,496)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is depreciated/amortized over their estimated useful lives:	
Capital outlays for capital assets	2,121,701
Change in Net Position of Governmental Activities	**$ 1,017,205**

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activity is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenue includes two categories of transactions: (1) operating grants and contributions; and, (2) capital grants and contributions. Tax increment revenues and other items not meeting the definition of program revenue are reported as general revenue. The CRA does not allocate indirect expenses.

FUND FINANCIAL STATEMENTS

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

CASH

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

GRANTS RECEIVABLE

Grants receivable consist principally of amounts due from grantor agencies pursuant to the terms of the respective grant agreements. Grants receivable are stated at net realizable value. Allowances are provided for amounts estimated to be uncollectible based on historical experience and any specific collection issues that the CRA has identified. The CRA determined that an allowance for doubtful accounts was not necessary as of September 30, 2025.

CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the statement of net position. Capital assets are defined by the CRA as assets with an initial individual cost of $5,000 or more and an estimated life in excess of one year.

Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. 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.

Capital assets of the CRA consist of purchased land and construction in progress, both of which are not depreciated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE AND RELATED BENEFIT COSTS

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

NET POSITION/FUND BALANCE

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

Net Position
Net position of the government-wide financial statements is categorized as investment in capital assets, restricted or unrestricted. Investment in capital assets is that portion of net position that relates to the CRA's net capital assets. The CRA had investment in capital assets as of September 30, 2025 that totaled $2,121,701. Restricted net position is that portion of net position that has constraints placed on its use by external restrictions imposed by creditors (such as through debt covenants, if applicable), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of investment in capital assets or restricted net position.

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

Nonspendable - Nonspendable fund balance includes amounts that cannot be spent because they are either 1) not in spendable form; or, 2) legally or contractually required to be maintained intact. The CRA had no nonspendable fund balance as of September 30, 2025.

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

Committed - Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the CRA's Board through a Board resolution. The CRA had no committed fund balance as of September 30, 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION/FUND BALANCE (CONTINUED)

Fund Balance (continued)

Assigned - Assigned fund balance includes amounts that are constrained by the CRA's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance are made by the CRA's Executive Director based upon direction by the CRA's Board or in the CRA's annual budget. The CRA had no assigned fund balance as of September 30, 2025.

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

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

DEFICIT FUND BALANCE

The CRA reported a deficit fund balance in the Lake Worth Road CRA Fund of $993,932. The deficit balance is expected to be rectified following a revision of the budget in fiscal year 2026.

RISK MANAGEMENT

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

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

IMPLEMENTATION OF NEW GASB STATEMENTS

The GASB issued Statement No. 102, *Certain Risk Disclosures*, which the CRA implemented for the fiscal year ended September 30, 2025. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months on the date the financial statements are issued. This standard did not have an impact of the CRA's financial statements.

NOTE 3 – CASH

The CRA participates in the Village's pooled cash system. Cash as of September 30, 2025, consists of deposits with a financial institution. The bank deposits were entirely covered by federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a Qualified Public Depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, the amount of public funds would be covered by the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, the CRA's deposits are considered fully insured or collateralized in accordance with the provisions of GASB Statements.

NOTE 4 – ADVANCE DUE TO THE VILLAGE OF PALM SPRINGS

The Village's General Fund has advanced $1,437,068 to the CRA for the purchase of property within the boundaries of the CRA. The Village and the CRA have entered into an interlocal agreement for the repayment of these advances, with no interest, through the fiscal year ending September 30, 2045. Annual repayments to the Village total $71,853 commencing in fiscal year 2026.

Future principal payments on this advance are expected to be as follows:

Fiscal Year Ending September 30	Principal	Total
2026	$ 71,853	$ 71,853
2027	71,853	71,853
2028	71,853	71,853
2029	71,853	71,853
2030	71,853	71,853
2031-2035	359,265	359,265
2036-2040	359,265	359,265
2041-2045	359,273	359,273
Total	$ 1,437,068	$ 1,437,068

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balances	Additions	Deletions	Ending Balances
CRA Capital Assets				
Capital Assets Not Being Depreciated				
Land	$ --	$ 1,890,596	$ --	$ 1,890,596
Construction in progress	--	231,105	--	231,105
Total Capital Assets Not Being Depreciated	**$ --**	**$ 2,121,701**	**--**	**$ 2,121,701**

There was no depreciation expense for the fiscal year ended September 30, 2025.

NOTE 6 – TAX INCREMENT REVENUES

Tax increment revenues are the primary source of revenue for the CRA. Tax increment revenue is collected from the two governmental entities that levy property taxes within the legally defined redevelopment area of the CRA, the Village and Palm Beach County (the "County"). The tax increment revenue is calculated by applying the adopted millage rate of the Village to the increase in current year taxable assessed valuations over the base year assessed valuations for all properties located within the CRA boundaries. The Village used a millage rate of 3.500 for fiscal year 2025. The County then contributes the same amount of taxes to the CRA as the Village for the fiscal year.

NOTE 7 – RELATED PARTY TRANSACTIONS

The CRA received tax increment revenues from the Village's General Fund totaling $554,388 for the fiscal year ended September 30, 2025, which are reflected as tax increment revenues in the accompanying financial statements.

The CRA received American Rescue Plan Fund contributions from the Village totaling $146,351 for the fiscal year ended September 30, 2025, which are reflected as other financing sources in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY
(A COMPOMENT UNIT OF THE VILLAGE OF PALM SPRINGS, FLORIDA)
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Ad valorem taxes	$ 555,141	$ 555,141	$ 554,388	$ (753)
Interest income	19,500	19,500	47,306	27,806
Other revenues	1,000,000	1,000,000	591,553	(408,447)
Total Revenues	**1,574,641**	**1,574,641**	**1,193,247**	**(381,394)**
Expenditures				
Economic environment				
Operating	1,661,772	1,705,567	871,044	834,523
Capital outlay	1,375,609	2,867,677	2,121,701	745,976
Non-operating	300,000	156,119	6,490	149,629
Total Expenditures	**3,337,381**	**4,729,363**	**2,999,235**	**1,730,128**
Excess (Deficiency) of Revenues over Expenditures	**(1,762,740)**	**(3,154,722)**	**(1,805,988)**	**1,348,734**
Other Financing Sources				
Transfers in	975,411	2,412,479	701,492	(1,710,987)
Appropriations of prior year's fund balance	787,329	742,243	--	(742,243)
Total Other Financing Sources	**1,762,740**	**3,154,722**	**701,492**	**(2,453,230)**
Net Change in Fund Balance	$ --	$ --	(1,104,496)	**$ (1,104,496)**
Fund Balance - Beginning of Year			1,166,601	
Fund Balance - End of Year			**$ 62,105**	

NOTE 1 – BUDGETARY ACCOUNTING

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is utilized by the CRA during the year. However, all encumbrances outstanding at year end lapse. There were supplementary appropriations in the amount of $742,243 adopted for the year ended September 30, 2025.

NOTE 2 – BUDGET AND ACTUAL COMPARISONS

The budgetary comparison schedule is prepared on the basis of accounting used in preparing the appropriated budget. As a result, the revenue and expenditures reported in the budgetary comparison schedule for the CRA agree with that reported on the GAAP basis. As required by GAAP, for financial statement reporting, a portion of the transfer in on page 22 (budgetary basis), represents transfers in from the Village in the amount of $555,141 which are reported as Ad Valorem taxes revenue on page 13.

REPORTING SECTION

CBIZ CPAs P.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *("Government Auditing Standards")*, the financial statements of the governmental activities and each major fund of the Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, as of September 30, 2025, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements, and have issued our report thereon dated March 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CRA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026

CBIZ CPAs P.C.

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

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

Report on the Financial Statements

We have audited the financial statements of the Palm Springs Community Redevelopment Agency (the "CRA"), a component unit of the Village of Palm Springs, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 27, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 27, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 2 of the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Program

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

Special District Component Units

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

Specific Information

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

a. The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 0.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 0.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $0.

e. Each construction project with a total cost of at least $65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as follows:
    a. Sanitary Sewer Force Main Installation with Palm Beach County Utilities: Budget of $3,000,000; Expenditures of $687,506.
    b. 3401 2nd Ave N: Budget of $2,300,000; Expenditures of $1,890,596.

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, if any, would be reported on page 23.

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

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026

CBIZ CPAs P.C.

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Independent Accountant's Report on Compliance with Florida Statutes

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

We have examined the Palm Springs Community Redevelopment Agency's (the "CRA"), a component unit of the Village of Palm Springs, Florida, compliance with Sections 163.387(6) and 163.387(7), Florida Statutes for the fiscal year ended September 30, 2025. Management of the CRA is responsible for the CRA's compliance with the specified requirements. Our responsibility is to express an opinion on the CRA's compliance based on our examination.

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

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

Our examination does not provide a legal determination on the CRA's compliance with the specified requirements.

In our opinion, the CRA complied, in all material respects, with Sections 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2025.

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

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026