



**THE CITY OF PALM BEACH GARDENS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023**

CITY OF PALM BEACH GARDENS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared By
Finance Department
City of Palm Beach Gardens, Florida

CITY OF PALM BEACH GARDENS, FLORIDA

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INTRODUCTORY SECTION



May 30, 2024

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Palm Beach Gardens, Florida

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Palm Beach Gardens, Florida for the fiscal year ended September 30, 2023.

This report consists of management’s representations concerning the finances of the City of Palm Beach Gardens. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Palm Beach Gardens has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Palm Beach Gardens’ financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Palm Beach Gardens’ comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Palm Beach Gardens’ financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Palm Beach Gardens for the year ended September 30, 2023, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of Palm Beach Gardens’ financial statements for the year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Palm Beach Gardens’ MD&A can be found immediately following the report of the independent auditors.

CITY OF PALM BEACH GARDENS

10500 N. Military Trail Palm Beach Gardens, FL 33410-4698

www.pbgfl.com

Profile of the Government

Established in 1959, Palm Beach Gardens is situated in the southeastern region of Florida, approximately 7 miles north of West Palm Beach and 70 miles north of Miami. With a vast land area spanning 56 square miles, it stands as one of the largest cities in Palm Beach County. The city's population is currently 60,675. The City is empowered to levy a property tax on real property located within its boundaries. The city also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City of Palm Beach Gardens has operated under the Council-Manager form of government from its inception. Policy-making and legislative authority are vested in the Governing Council, which consists of a Mayor and four Council Members. The Governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Governing Council, for overseeing the day-to-day operations of the City and for appointing the heads of the City's departments. The Council is elected on a non-partisan basis. Council Members are elected to three-year staggered terms, with two Council Members elected one year and three Council Members the following year. The Council Members are elected at large; the Mayor is selected annually from among the Council Members by the Council Members themselves.

The City of Palm Beach Gardens provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Water and sewer services are provided through Seacoast Utilities, a legally separate Water and Sewer Authority, which functions totally independent of the City of Palm Beach Gardens, and therefore has not been included as an integral part of the City of Palm Beach Gardens' financial statements. There are no component units of the City of Palm Beach Gardens at this time.

The annual budget serves as the foundation for the City of Palm Beach Gardens' financial planning and control. All departments of the City of Palm Beach Gardens are required to submit requests for appropriation to the City Manager in March each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to July 31. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Palm Beach Gardens' fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The budget may be amended in several ways. An intradepartmental or interdepartmental transfer within the same fund may be authorized by the City Manager. A transfer between different funds may be authorized initially by the City Manager, subject to approval within 30 days by resolution adopted by the City Council. A third way is a transfer from the contingency account of the City Council, which may be authorized only by resolution adopted by the Council; except that, in the event of an emergency declared by the Manager, such a transfer may be made initially upon authorization of the Manager, subject to approval within 30 days by resolution adopted by the Council. Any increase in the total appropriations for a fund must be approved by ordinance of the Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 95-96.

Local Economy. The City of Palm Beach Gardens has transformed into an affluent community boasting a diversified economic foundation, encompassing sectors such as healthcare, technology, tourism, leisure, engineering, and education. The city's economic landscape is further enriched by the presence of the Scripps Florida Research Institute and the Max Planck Society in Northern Palm Beach County. With a robust tax base, around 80% of ad valorem taxes are derived from the residential sector.

The City of Palm Beach Gardens adopts a unique approach to revenue generation, deviating from traditional municipal taxation methods. Unlike many other municipalities, the city refrains from imposing additional taxes on residents for utilities, solid waste, stormwater, or fire rescue. Moreover, residents incur only minimal charges in communication services taxes. Instead, the city predominantly relies on ad valorem taxes to fund essential services, illustrating a strategic and distinctive financial model that prioritizes the well-being of its residents.

The City of Palm Beach Gardens has been fortunate to have land mass that has been available for future development, which will only further enhance the City's economic base and allow the City to continue to prosper with additional employment opportunities and increases in property valuations and revenues. There is a significant amount of development within the City and multiple developments that could potentially increase employment.

The following are some of the significant projects that have been taking place in the City of Palm Beach Gardens:

Florida Power & Light (fka PGA Office Center)

This project was approved on June 11, 2019, via Resolution 46, 2019, and consists of a 270,000 square foot office building and three-story parking facility on Parcel A. Construction began in 2020 and has been in use since January 2023. The building had obtained its final Certificate of Occupancy before January 1 and contributed approximately \$100 million or 19% of the total new construction taxable value.

Florida Power & Light – Phase II

Phase II consists of a second 249,130 SF Office Building along with a three-story 701-space parking garage. Phase II connects to the Phase 1 office building by two connecting corridors and a central courtyard. The project was approved in December of 2022.

Artistry Neighborhood (fka Alton Parcel G)

This development on 206 acre of the Alton parcel was approved on February 9, 2017, and consists of 469 single-family units, a 3,290 square foot clubhouse, and 61 acres of upland preserve. Construction remains underway and robust.

PGA Station

This project consists of the construction of an 8-story multi-use building with 200,000 square feet of office space, 7,049 square feet of retail space, and 396 multi-family units. This project was approved via Resolution 62, 2021, on November 4, 2021. The 396 multifamily apartment building is currently under construction.

Downtown Palm Beach Gardens

This project consists of realigning the entry drive aisle from Alternate A1A, modifying building elevations, hardscape and landscape plans, relocating the carousel to the lakeside, providing a master signage plan, and updating building square footage and use allocations. This project was approved via Resolution 43, 2020, on June 25, 2020.

Alton Medical Center

The project consists of a 7-story 300 bed hospital along with two 80,000 square foot medical office buildings. This project was approved in January 2023 and construction is anticipated to start in the 4th quarter of 2023.

PGA Waterfront- Ritz Carlton Residences

The project was annexed into the City in February of 2023 and is approved for 106 luxury condo units and 29 boat slips. The 3 condo buildings have been branded as the Ritz-Carlton Residences. Construction has begun on the project.

PGA National Commerce Park

The project was approved for a 2-story 36,000 SF office building and a 1-story 50,000 SF Warehouse/Industrial/Office building. It was approved in August of 2022 and anticipated to begin construction in 4th quarter of 2023.

Avenir

Construction and sales continue at the Avenir development on the western fringes of the City. This project will consist of 3,250 homes, 2 million square feet of office space, 400,000 square feet of retail space, and 300 hotel rooms. Two of the most recent neighborhoods approved are Pods 13 and 14 in the 391-acre Panther National development. This area consists of 27 single-family lots on 26.82 acres in Pod 13 and 52-single family lots on 41.68 acres in Pod 14. The lots will be luxury homes ranging in price from \$3 million to \$12 million.

Avenir Town Center

The project was approved for a two phase 376,739 SF town center. The mix of uses includes grocery store, pharmacy, retail, restaurants, gym, hotel, and professional and medical office. It was approved in August of 2022 and phase I is currently under construction.

Avenir Town Center –Townhomes

Immediately north of the Avenir Town Center are the recently approved Avenir Townhomes. Designed to be integrated into the Town Center, the site is approved for 250 townhome units across 33-acres. The project was approved in November of 2022.

Avenir Pod 15

Approved in May of 2022, this is an expansive residential subdivision that contains 562 single family lots that are divided into 4 different neighborhoods covering a total of 256-acres. Construction has commenced.

The future property valuation of the City looks promising due to the aforementioned development projects. However, it is important to address the increased demand for services that will arise as a result. One area that will require particular attention is the western boundary of the city, where the Avenir development is currently taking place.

To diversify its economic base, the City of Palm Beach Gardens realized the need to attract and maintain industries and employers. The city adopted an Economic Development Element in the City's Comprehensive Plan in January 2005. Its adoption indicated the City's commitment to its economic goal to achieve a balanced and diversified economy which is compatible with the City's quality-built environment and protects important natural resources. The City adopted policies to attain the objectives of a balanced and diversified economy, moderate seasonality in employment, increase opportunity for small business enterprises, improve the availability of education and training opportunities, and maintain the balance between man-made and natural environments. Based on the skill set of its citizenry (available work force) and demographic data collected, growth in targeted cluster industries such as biotechnology, communications, information technology, medical products, marine biology, aerospace research and associated ancillary businesses would be encouraged. In furtherance of the Economic Development Element of the Comprehensive Plan, the city has actively pursued companies interested in coming to the city. The City has committed a portion of fund balance that will be used to provide future economic incentives as a way to attract companies in these industries.

The City has currently earmarked funds for three companies that have already or plan to expand and establish headquarters within the City of Palm Beach Gardens. Virtu Financial— a financial services, trading products and market making services company, Aeroclean— pathogen elimination technology company, and Carrier Corp. – a manufacturing company that focuses on HVAC, refrigeration and fire and security solutions.

Carrier Corporation was granted an ad valorem property tax exemption as part of a tax abatement agreement. In return, Carrier Corporation will retain and create 450 local jobs and commit to a capital investment of \$140 million. According to the regional economic model estimates, the agreement will have a five-year local economic impact of \$662.4 million.

Major industries with headquarters or divisions located within the government's boundaries or in close proximity include bioscience, technology, medical manufacturing, education, health care, financial services, and leisure service industries. Major employers include Palm Beach County School Board, Palm Beach Gardens Medical Center, TBC Corp, PGA National Resort & Spa, Zimmer Biomet, Carrier Corporation, Belcan Engineering, and ZimVe Dental & Spine.

The City of Palm Beach Gardens had an unemployment rate of 3.3% as of September 2023. This rate compares favorably to the State of Florida rate of 2.8% and to the national unemployment rate of 3.7%. With the prospect of new development projects and the addition of a number of corporate headquarters, future employment within the city appears more than stable.

Long-term financial planning. As mentioned previously, there are major developments that present many opportunities for the future financial stability of the City. However, there are also many challenges that will need to be dealt with. There will be quality of life issues that the City must face, such as transportation, roads, education, recreation, public safety and general government levels of services that must not be compromised for either existing or future residents.

Palm Beach County voters approved a ballot issue to enact a one-cent infrastructure sales surtax to pay for the acquisition and improvements to public infrastructure. The additional tax went into effect January 1, 2017, and will be in place for up to ten years with the City's share of the proceeds estimated to be approximately \$30 million. The city reviewed current and long-term infrastructure needs and formulated a plan for the expenditure of the one-cent sales surtax to

address current and projected shortages of office and meeting space, current and future parks, recreation amenities, as well as the long-term maintenance needs associated with the expansion of the parks and facilities. The City earmarked funds for certain projects that will address the demands caused by growth occurring within the City.

Each year, staff prepares a long-term financial projection for the General Fund, which is the only major fund of the City, concurrently with the preparation of the annual operating and capital improvement budget. With the substantial amount of growth expected over the next 10-15 years, our current long-term financial projection becomes even more critical as additional costs and demands for services from development at Avenir, recently annexed western developments, and new City facilities must be factored into the equation.

Unassigned fund balance in the general fund (44.5% of total general fund expenditures) exceeds the policy guideline of a minimum of 17%. Due to the potential risk of future uncertainties relating to natural disasters, an economic downturn, or legislative changes that could have an impact on local government revenue, the City is dedicated to maintaining a strong fund balance position throughout the coming fiscal years.

Major Initiatives. During 2023, there were several projects completed or started that will further enhance the City's roads, parks and facilities. Major projects included Lilac Park Dog Improvements, Sandhill Crane Par 3 Course and Clubhouse, as well as the Aquatic Complex Renovation.

The following projects were completed during the fiscal year ended September 30, 2023:

The Lilac Park Dog Improvements project was completed as of September 30, 2023. The Parks & Grounds Division allocates funds in the annual budget for the replacement of sod at Lilac Dog Park. During this process, the park experienced closures lasting 2-3 weeks each year for necessary renovations. Transitioning to K9 synthetic turf offers the opportunity to keep the park open more consistently, while also enhancing drainage, sanitation, and reducing the workload associated with mowing and landscaping. The K9 synthetic turf boasts a lifespan of 10-15 years, providing a durable and long-term solution for the park's surfacing needs.

The Sandhill Crane Par 3 Course and Clubhouse project was 90% complete as of September 30, 2023. The City acquired approximately 115 acres of land adjacent to the Sandhill Crane Golf Course from the Avenir development for recreational use. In an effort to expand the City's golf course, a capital improvement project was approved for the design and construction of an 18-hole Par-3 golf course with a 14,000 square foot clubhouse. The cost of improvements were covered by the issuance of a Public Improvement Bond Series 2021.

The Aquatic Complex Renovation project was completed as of September 30, 2023. The City's main community pool was built in 1980 with 40+years of year-round use and has taken its toll on the structure that has several operational and structural deficiencies. As part of an overall expansion plan of the Burns Road Community Center, the city has allocated funding for the demolition of the community pool and the design and construction of a new pool. The new pool will be updated with family-oriented features such as a beach entry for more accessibility, a sun shelf, a 16-foot slide, a dedicated plunge area, multipurpose area, diving well, and rock walls.

Awards and Acknowledgements. The Government Finance Officers Association (“GFOA”) recognized the City of Palm Beach Gardens as a triple crown winner for receiving awards for three different documents.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Beach Gardens for its annual comprehensive financial report (“ACFR”) for the year ended September 30, 2022. This was the 28th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

The GFOA awarded the Award for Distinguished Budget Presentation to the City of Palm Beach Gardens for its operating and capital improvements budget for the year ended September 30, 2023. This was the 26th consecutive year the government has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City’s budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

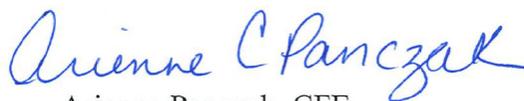
The GFOA awarded the Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Palm Beach Gardens for the year ended September 30, 2022. This was the 4th consecutive year that the government has received the award for providing the public and other interested parties an easy to understand and concise overview of the information extracted from the ACFR.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Governing Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Palm Beach Gardens’ finances.

Respectfully submitted,



Ron Ferris
City Manager



Arienne Panczak, CFE
Finance Administrator

CITY OF PALM BEACH GARDENS, FLORIDA

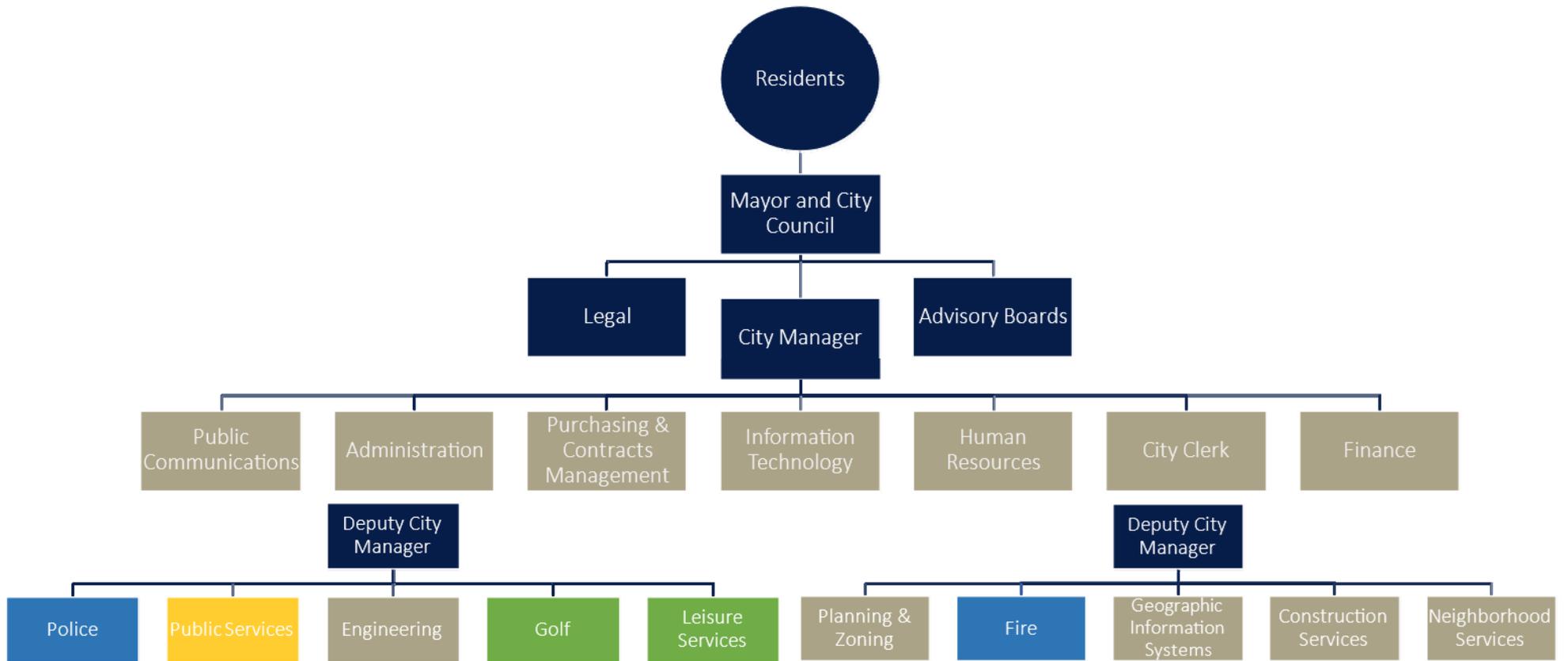
LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2023

| TITLE | NAME |
|--------------------------------------|------------------------|
| Mayor | Chelsea Reed |
| Vice-Mayor | Carl Wood |
| Council Member | Marcie Tinsley |
| Council Member | Robert Permuroso |
| Council Member | Dana Middleton |
| City Manager | Ronald M. Ferris |
| Deputy City Manager | Stephen Stepp |
| Deputy City Manager | Lori Laverriere |
| City Attorney | Lohman Law Group, P.A. |
| City Clerk | Patricia Snider |
| Finance Administrator | Arienne Panczak |
| Human Resources Administrator | Sheryl Stewart |
| City Engineer | Todd Engle |
| Information Technology Administrator | Eric Holdt |
| Chief of Police | Clinton Shannon |
| Fire Chief | Keith Bryer |

CITY OF PALM BEACH GARDENS, FLORIDA

ORGANIZATION CHART



- General Government
- Public Safety
- Physical Environment
- Culture & Recreation



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Palm Beach Gardens
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, which represent 84%, 87%, and 49%, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, is based solely on the reports of the other auditors.

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 City 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 City'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 auditor's 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 City'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 City'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 5 through 17 and the budgetary comparison schedule and notes, schedule of total OPEB liability and related ratios, the schedules of the City's net pension liability and related ratios, schedules of proportionate share of net pension liability, schedules of City contributions and the schedules of investment returns - pensions, on pages 95 through 110 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2024 on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, FL
May 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

Management's Discussion and Analysis

As management of the City of Palm Beach Gardens, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to vii of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Palm Beach Gardens exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$195.1 million (*net position*).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$139.1 million, an increase of approximately \$32 million in comparison with the prior year. 40.5% of this total amount is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance of the general fund was \$56.3 million, or 44.8% of total general fund expenditures for financial reporting purposes. This amount includes the \$16.3 million budget stabilization fund.
- The City's total governmental activities debt increased by \$20.8 million (54%) during the current fiscal year due to the issuance of a \$20.1 million capital improvement revenue bond to finance the cost of Burns Road Recreational Facilities, priority improvements within the transit-oriented development district, and the construction of a new pickleball facility.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Palm Beach Gardens' basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to these basic financial statements, this report contains other supplementary information.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City'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 City is improving or deteriorating.

The statement of activities presents information showing how the City'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). Both the government-wide and fund financial statements distinguish functions of the City that are principally supported by

taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include public safety, physical environment, transportation, culture and recreation, and general government services. The City does not operate any business-type activities.

The government-wide financial statements can be found on pages 18 – 19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Road Impact Fund and the Recreation Impact Fund, of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 111 – 128 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget (pages 95 – 96).

The basic governmental fund financial statements can be found on pages 20 – 23 of this report.

Proprietary Funds. The City maintains only one type of proprietary fund. Internal service funds are used to account for the City's fleet maintenance and self-insurance provided to all departments on a cost reimbursement basis.

The basic proprietary fund financial statements can be found on pages 24 – 26 of this report. Combining and individual fund statements for the internal service funds can be found on pages 125 – 127 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 – 28 of this report. Combining and individual fund statements for the fiduciary funds can be found on pages 132 – 133 of this report.

Notes to the Basic 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.

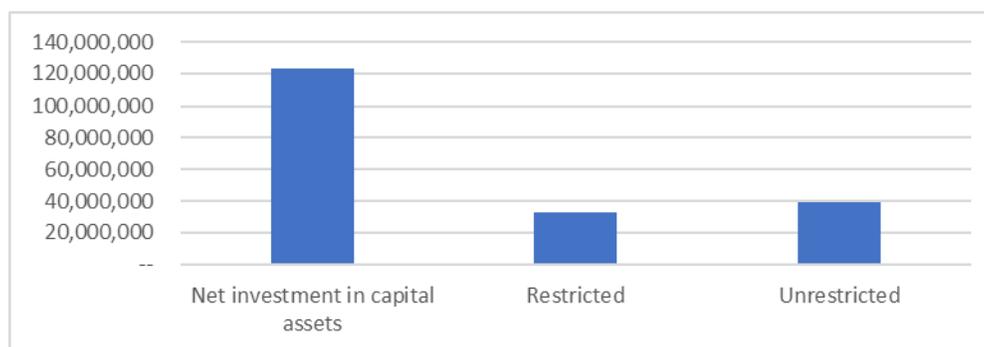
The notes to the basic financial statements can be found on pages 29 – 94 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the budgetary comparison schedule of the General Fund and information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

Required supplementary information can be found on pages 95 – 110 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Palm Beach Gardens, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$195.1 million at the close of the most recent fiscal year. The largest portion of the City's net position (63.1%) represents investment in capital assets (e.g., land, buildings and improvements, roadways, machinery and equipment), less any related outstanding debt and related deferred outflows used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.



As the chart shown below illustrates, an additional portion of the City's net position, \$33.1 million (16.9%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$38.9 million (19.9%) may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Palm Beach Gardens
Summary of Net Position
September 30, 2023 and 2022**

| | Governmental Activities | |
|--------------------------------------|--------------------------------|----------------|
| | 2023 | 2022 |
| Current and other assets | \$ 171,270,780 | \$ 133,934,528 |
| Capital assets, net | 162,643,688 | 152,012,145 |
| Total assets | 333,914,468 | 285,946,673 |
| | | |
| Total deferred outflows of resources | 62,818,011 | 32,046,081 |
| Long-term liabilities | 178,055,485 | 96,347,567 |
| Other liabilities | 18,285,005 | 13,496,928 |
| Total liabilities | 196,340,490 | 109,844,495 |
| | | |
| Total deferred inflows of resources | 5,245,273 | 27,974,333 |
| | | |
| Net investment in capital assets | 123,207,020 | 118,285,524 |
| Restricted | 33,058,360 | 26,611,611 |
| Unrestricted | 38,881,336 | 35,276,791 |
| Total net position | \$ 195,146,716 | \$ 180,173,926 |

The following table illustrates a summary of net position for Governmental activities:

At the end of the current fiscal year, the City is able to report positive balances in net position for all governmental type activities.

There was an overall increase in the City's assets of \$48.0 million or 16.78% during the current fiscal year. This was mostly due to increases in cash, investment and restricted investment.

The City's deferred inflows and outflows of resources significantly changed due to the posting of activity to record changes in the net pension and total OPEB liabilities as well as deferred inflows and outflows relating to the City's pension plans. Long-term liabilities increased due to the Series 2023 Capital Improvement Revenue Bond issuance of \$20.1 million as well as increases to the net pension liability. The current year's changes resulted in an increase in deferred outflows of resources of \$30.8 million, an increase in liabilities of \$86.5 million, and a decrease in deferred inflows of resources of \$22.7 million.

The following table summarizes changes in net position for governmental activities:

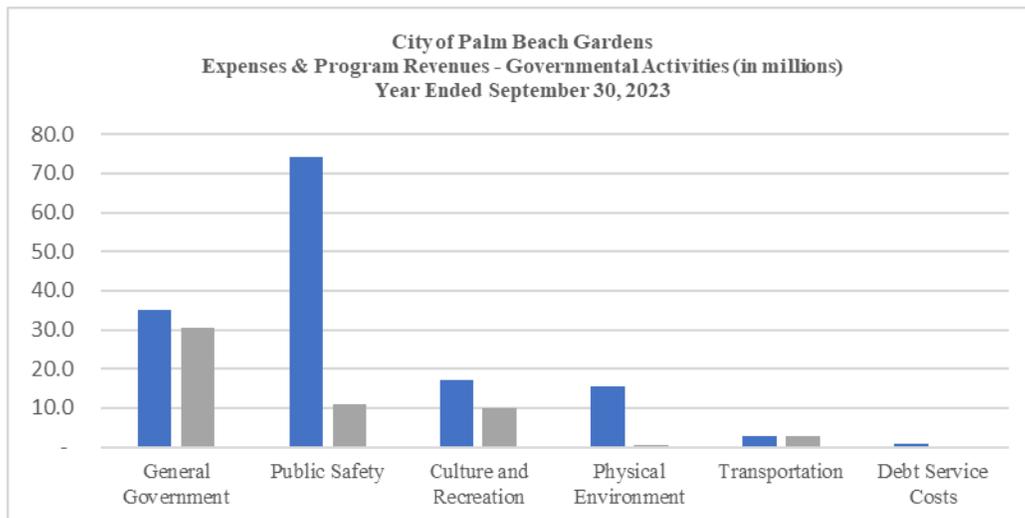
**City of Palm Beach Gardens
Summary of Changes in Net Position
Years Ended September 30, 2023 and 2022**

| | Governmental Activities | |
|---|------------------------------------|-----------------------|
| | 2023 | 2022 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 44,454,858 | \$ 43,664,554 |
| Operating grants and contributions | 8,228,824 | 8,179,973 |
| Capital grants and contributions | 1,020,688 | 2,999,410 |
| General Revenues: | | |
| Taxes: | | |
| Property taxes | 79,555,916 | 72,330,588 |
| Local business tax | 1,583,926 | 1,577,931 |
| Public service taxes | 2,026,243 | 2,004,552 |
| Unrestricted intergovernmental: | | |
| Sales tax and local option gas tax | 12,888,000 | 12,019,081 |
| State shared revenue | 2,621,204 | 2,614,350 |
| Local shared revenue | - | 40,484 |
| Unrestricted investment earnings (losses) | 5,491,255 | (968,919) |
| Gain on disposal of capital assets | 147,407 | 111,193 |
| Miscellaneous | 2,809,689 | 2,972,383 |
| Total revenues | 160,828,010 | 147,545,580 |
| Expenses: | | |
| General government | 34,988,995 | 30,288,661 |
| Public safety | 74,270,154 | 57,160,045 |
| Culture/recreation | 17,269,984 | 13,911,022 |
| Physical environment | 15,562,270 | 14,415,604 |
| Transportation | 2,757,831 | 1,916,721 |
| Interest on long-term debt | 941,236 | 863,633 |
| Other debt service costs | 64,750 | - |
| Total expenses | 145,855,220 | 118,555,686 |
| Change in net position | 14,972,790 | 28,989,894 |
| Net position – beginning | 180,173,926 | 151,184,032 |
| Net position – ending | \$ 195,146,716 | \$ 180,173,926 |

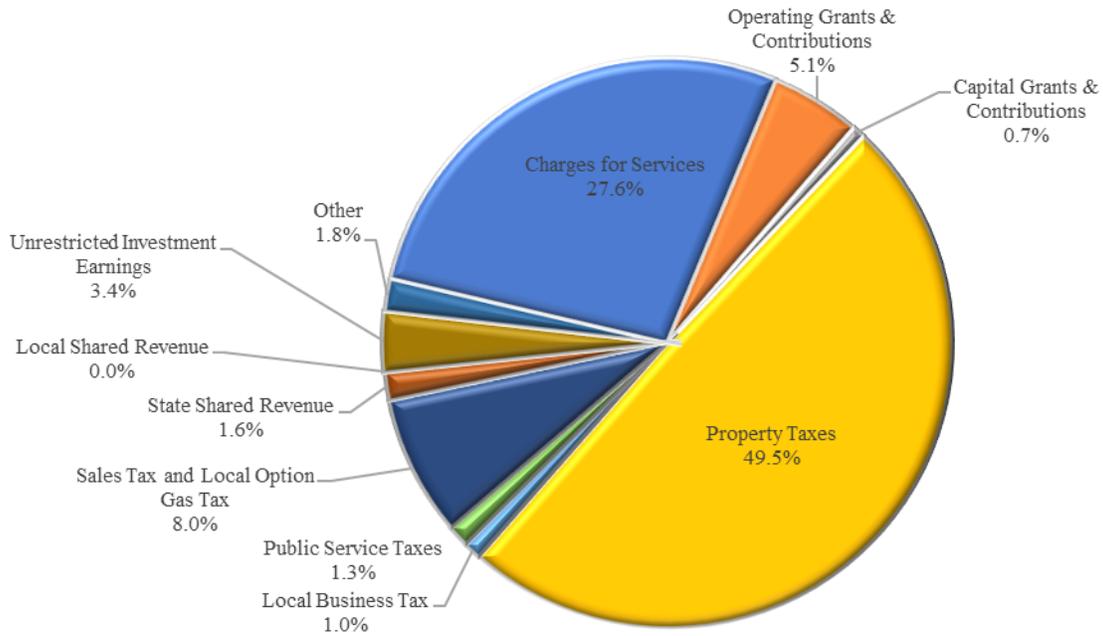
Governmental Activities. As illustrated in the table on the previous page, net position of the City's governmental activities increased by approximately \$15.0 million or 8.31% from \$180.2 million in last fiscal year to \$195.2 million in the current fiscal year. Key elements of this increase are:

- Total revenues exceeded expenses by \$14.8 million, mostly due to investment income as well as an increase in property taxes due to rising property values.
- Total revenues increased by \$13.3 million as a net result of increases in property taxes of \$7.2 million (10%), increases in sales tax collections of \$869 thousand (7.2%), increases in charges for services of \$790 thousand (1.8%) due to an increase in building permit activity. Interest earnings had the highest increase compared to the last fiscal year, of \$6.5 million due to the increase in interest rates throughout the fiscal year.
- Total expenses increased \$27.3 million (23%), mainly due to personnel increases and the rising cost of day-to-day operations.

The chart below depicts expenses and program revenues by function for all governmental activities. The graph illustrates the relatively minor amount of support for governmental operations that is derived from program revenues.



**City of Palm Beach Gardens
Revenues by Source - Governmental Activities
Year Ended September 30, 2023**



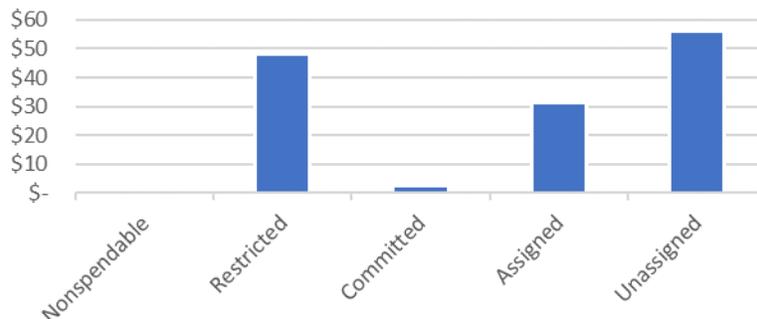
As illustrated in the chart above, property taxes comprise 49.5% of total governmental activity revenues.

Financial Analysis of the City's Funds

As noted earlier, the City of Palm Beach Gardens uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

**City of Palm Beach Gardens
Governmental Fund Balances (in millions)
September 30, 2023**



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$139.1 million, an increase of \$32.0 million in comparison with the prior year.

Approximately 40.5% of this total amount (\$56.3 million) represents unassigned fund balance, which includes the budget stabilization fund and amounts available for spending at the City's discretion. The remainder of fund balance was restricted, committed, assigned, or nonspendable for a variety of purposes, such as construction projects, infrastructure improvements, economic development, and law enforcement.

The General Fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from this fund.

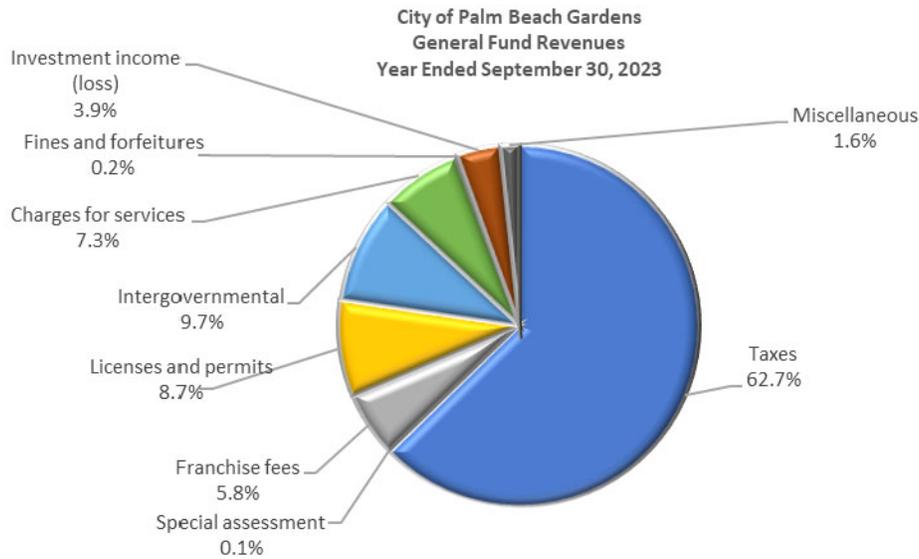
At the end of the current fiscal year, unassigned fund balance of the General Fund was \$56.3 million, nonspendable fund balance was approximately \$585 thousand, restricted fund balance was approximately 6.8 million, committed fund balance was approximately \$2.5 million, and assigned fund balance was \$23.3 million for a total fund balance of \$89.5 million.

The amount of General Fund revenues by type, their percent of the total and the amount of change compared to last fiscal year are shown in the following schedule:

| Revenue Sources | Percent | | Percent | | Increase (Decrease) From 2022 | Percentage of Increase (Decrease) |
|--------------------------|----------------|-------------|----------------|-------------|-------------------------------------|---|
| | 2023 Amount | of Total | 2022 Amount | of Total | | |
| Taxes | \$ 83,166,085 | 62.7% | \$ 75,913,071 | 63.5% | \$ 7,253,014 | 9.6% |
| Special assessment | 131,359 | 0.1% | 112,402 | 0.1% | 18,957 | 100.0% |
| Franchise fees | 7,721,199 | 5.8% | 6,777,359 | 5.7% | 943,840 | 13.9% |
| Licenses and permits | 11,488,408 | 8.7% | 12,194,137 | 10.2% | (705,729) | (5.8)% |
| Intergovernmental | 12,810,208 | 9.7% | 14,246,821 | 11.9% | (1,436,613) | (10.1)% |
| Charges for services | 9,648,684 | 7.3% | 8,607,838 | 7.2% | 1,040,846 | 12.1% |
| Fines and forfeitures | 318,257 | 0.2% | 423,133 | 0.4% | (104,876) | (24.8)% |
| Investment income (loss) | 5,160,098 | 3.9% | (1,006,918) | -0.8% | 6,167,016 | (612.5)% |
| Miscellaneous | 2,169,539 | 1.6% | 2,231,412 | 1.9% | (61,873) | (2.8)% |
| Total revenues | \$ 132,613,837 | 100.0% | \$ 119,499,255 | 100.0% | \$ 13,114,582 | 11.0% |

As illustrated above, General Fund revenues increased by approximately \$13.1 million, or 11%, in fiscal year 2023.

Taxes increased by \$7.3 million or 9.6% as a result of an increase in property values and new construction. Licenses and permits decreased by \$705 thousand or (5.8) % due to a decrease in building permit activity. Intergovernmental revenue decreased by \$1.4 or (10.1) %, as the prior fiscal year the City received \$2.9 in American Rescue Funds that were no longer being disbursed. Investment income increased by \$6.1 million or 612% due to favorable interest rates and recognized earnings.



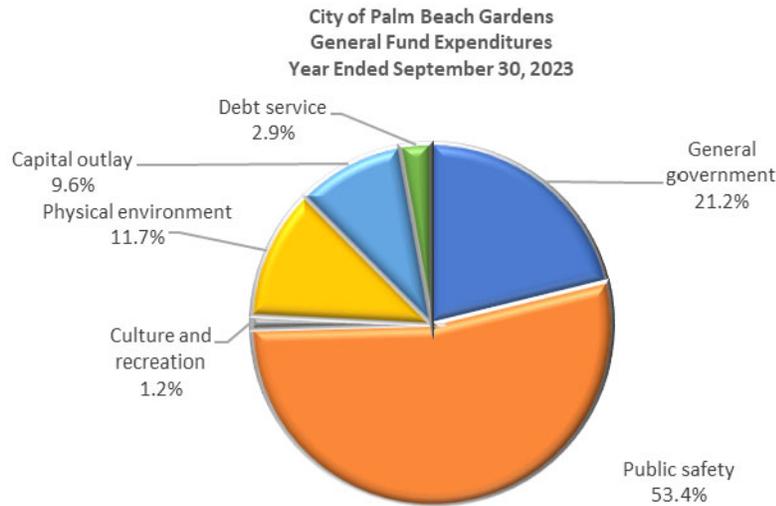
The graph above illustrates the percentage composition of General Fund revenues by type. As can be seen, taxes comprise the majority of General Fund revenues, with the next largest sources of revenues being licenses and permits and intergovernmental revenues.

Expenditures in the General Fund are shown in the following schedule:

| Expenditures | 2023 | | 2022 | | Increase (Decrease) From 2022 | Percentage of Increase (Decrease) |
|---------------------------|-----------------------|---------------------------------|-----------------------|---------------------------------|--|--|
| | Amount | Percent of Total | Amount | Percent of Total | | |
| General government | \$ 26,583,656 | 21.1% | \$ 26,737,073 | 22.0% | \$ (153,417) | (0.6)% |
| Public safety | 67,013,035 | 53.4% | 59,931,034 | 49.3% | 7,082,001 | 11.8% |
| Culture and recreation | 1,509,653 | 1.2% | 1,121,932 | 0.9% | 387,721 | 34.6% |
| Physical environment | 14,720,431 | 11.7% | 13,469,681 | 11.1% | 1,250,750 | 9.3% |
| Capital outlay | 12,066,177 | 9.6% | 17,087,742 | 14.1% | (5,021,565) | (29.4)% |
| Debt service | 3,600,400 | 2.9% | 3,247,863 | 2.7% | 352,537 | 10.9% |
| Total expenditures | \$ 125,493,352 | 100.0% | \$ 121,595,325 | 100.0% | \$ 3,898,027 | 3.2% |

In fiscal year 2023, total General Fund expenditures increased \$3.9 million or 3.2% compared to the prior year. The increase is due to public safety personnel and capital equipment cost.

As illustrated in the graph below, Public Safety expenditures account for 53.4% of total General Fund expenditures.



Road Impact Fund. The City’s Road Impact Fund is a capital project fund established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing increased traffic service levels. Revenues consisted of approximately \$467 thousand from impact fees and \$11.8 thousand from investment income. Capital outlay expenditures of \$2.0 million were related to road improvements within the City. At the end of the current fiscal year, fund balance was \$1.3 million.

Recreation Impact Fund. The City’s Recreation Impact Fund is a capital project fund established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose enhancing the recreational facilities within the City. Revenues consisted of approximately \$387 thousand from impact fees, \$22.6 thousand from investment income and \$5 million in miscellaneous contributions. Capital outlay expenditures of \$2.2 million were related to recreation capital projects within the City. Net transfers totaled \$4.4 million and the issuance of bonds of \$10 million. At the end of the current fiscal year, fund balance was \$23.1 million.

General Fund Budgetary Highlights

During the past year, the budget was amended twice. The Council authorized the budget amendment principally to:

- Adjust the carryover of funds by the amounts restricted, committed, or assigned for purchase orders and projects from the previous fiscal year.
- Adjust fund balance carryovers to actual amounts per the fiscal year 2022 audit.
- Record the issuance of the Series 2023 Public Improvement Bond and establish the initial capital improvement budget for infrastructure projects.

Actual revenue exceeded final budgeted revenue by approximately \$16.4 million mostly due to favorable variances in investment earnings and licenses and permits.

Expenditures were \$23.7 million less than the final budget. The variance is mostly attributed to unspent bond proceeds and capital projects and purchase orders that will be included in the next fiscal year's budget amendment to carryover funds.

Capital Assets and Debt Administration

Capital Assets. The following table illustrates the City's capital assets for its governmental activities as of September 30, 2023, which amount to \$162.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, roadways, drainage and structures, improvements other than buildings and machinery and equipment. The total increase in the City's capital assets for the current fiscal year was 7%.

| | Governmental Activities | |
|-----------------------------------|------------------------------------|-----------------------|
| | 2023 | 2022 |
| Land | \$ 19,779,365 | \$ 19,779,365 |
| Construction in progress | 13,758,333 | 22,843,096 |
| Buildings | 43,889,710 | 38,328,347 |
| Roadways | 26,435,198 | 23,322,288 |
| Drainage and structures | 12,107,238 | 12,278,999 |
| Machinery and equipment | 11,552,277 | 11,054,317 |
| Improvements other than buildings | 30,331,004 | 21,191,666 |
| Lease (Right-of-use asset)* | 4,790,563 | 3,214,067 |
| Total | \$ 162,643,688 | \$ 152,012,145 |

Major capital asset additions during the current fiscal year included the following:

- Golf Course expansion project totaling \$5.5 million.
- New Aquatics Facilities project totaling \$2.3 million.
- Sandhill Crane Drive Extension totaling \$2.08 million.
- Burns Road Community Center Renovation totaling \$1.3 million.

Additional information on the City's capital assets can be found in Note 5 starting on page 53 of this report.

Long-term Debt. The following table illustrates the City's governmental activities long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$59.2 million. All of the City's outstanding debt is secured by specified revenue sources.

All of the City’s general obligation debt is rated AAA by Standard & Poor’s and Aaa by Moody’s. The City’s non-ad valorem debt is rated AAA by Standard & Poor’s, AA+ by Fitch and Aa1 by Moody’s. The City’s comprehensive plan provides that debt expenditures shall not exceed 20% of total annual revenues and total outstanding debt is limited to no more than 10% of the City’s property tax base.

| | Governmental Activities | |
|------------------------------|------------------------------------|---------------|
| | 2023 | 2022 |
| Debt payable: | | |
| Non ad valorem bonds payable | \$ 45,895,000 | \$ 29,995,403 |
| Capital leases payable | 8,638,391 | 5,507,867 |
| Lease (Right-of-use assets) | 4,693,182 | 2,959,195 |
| Total | \$ 59,226,573 | \$ 38,462,465 |

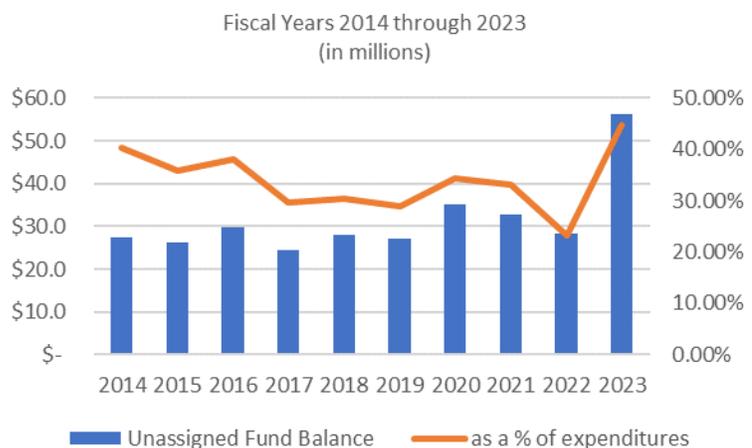
Additional information on the City's long-term debt can be found in Note 6 starting on page 54 of this report.

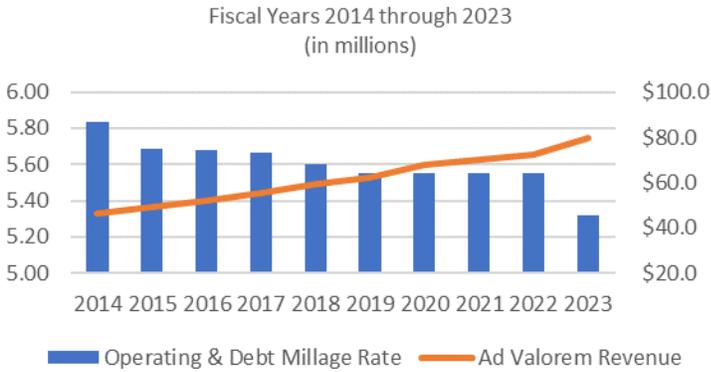
Economic Factors and Next Year's Budgets and Rates

The City's local economy is primarily based upon construction, retail and service activities. The unemployment rate for the City is currently 3.3%. The City’s current economic condition continues to expand as new construction continues to grow

These factors were considered in preparing the City of Palm Beach Gardens’ budget for the year ending September 30, 2024.

During the current fiscal year, unassigned fund balance in the General Fund was \$56 million. It is approximately equal to five months of the General Fund expenditures. The current year balance includes approximately \$21.7 million as part of the budget stabilization fund. Over the last ten years, the City has been able to maintain its unassigned fund balance, not only in dollar value but as a percentage of expenditures, within the fund balance policy target of 17% as shown in the graph to the right.





In 1995, the State of Florida limited increases in home-steaded property taxable values in any given year to 3% or cost of living, whichever is lower. The graph to the left indicates the property tax revenue collected and millage rate trends over the last ten years. The left axis refers to the millage rate and the right axis refers to the dollar value (millions) of revenue collected. The millage rate has decreased in the last two fiscal years demonstrating a strong commitment to fiscal responsibility.

Requests for Information

This financial report is designed to provide a general overview of the City of Palm Beach Gardens’ finances for all those with an interest in the City's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Arienne Panczak, Finance Administrator, Finance Department, City of Palm Beach Gardens, 10500 North Military Trail, Palm Beach Gardens, Florida 33410.



BASIC FINANCIAL STATEMENTS

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

| | Governmental Activities |
|---|----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 106,307,508 |
| Investments | 48,209,641 |
| Receivables (net) | 4,784,107 |
| Due from other governments | 2,543,356 |
| Inventory | 688,167 |
| Prepaid items | 647,591 |
| Investment in joint venture | 2,543,154 |
| Cash and cash equivalents - restricted | 3,427,715 |
| Investments - restricted | 2,119,541 |
| Capital assets not being depreciated | 33,537,698 |
| Capital assets net of accumulated depreciation/amortization | <u>129,105,990</u> |
| Total Assets | <u>333,914,468</u> |
| Deferred Outflows of Resources | |
| Deferred outflows relating to pensions | 59,189,421 |
| Deferred outflows relating to OPEB | <u>3,628,590</u> |
| Total Deferred Outflows of Resources | <u>62,818,011</u> |
| Liabilities | |
| Accounts payable | 7,540,467 |
| Contracts and retainage payable | 951,978 |
| Accrued liabilities | 4,080,431 |
| Claims payable | 493,432 |
| Unearned revenue | 4,883,359 |
| Accrued interest payable | 335,338 |
| Noncurrent liabilities: | |
| Due within one year | 6,937,986 |
| Due in more than one year | 57,572,955 |
| Net pension liability | 102,133,436 |
| Total OPEB liability | <u>11,411,108</u> |
| Total Liabilities | <u>196,340,490</u> |
| Deferred Inflows of Resources | |
| Deferred inflows relating to leases | 1,368,405 |
| Deferred inflows relating to pensions | 1,399,010 |
| Deferred inflows relating to OPEB | <u>2,477,858</u> |
| Total Deferred Inflows of Resources | <u>5,245,273</u> |
| Net Position | |
| Net investment in capital assets | 123,207,020 |
| Restricted for: | |
| Capital improvements | 24,866,898 |
| Road improvements | 5,874,636 |
| Other purposes | 2,316,826 |
| Unrestricted | <u>38,881,336</u> |
| Total Net Position | <u>\$ 195,146,716</u> |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2023

| | General Fund | Road Impact Fund | Recreation Impact Fund | Other Governmental Funds | Total Governmental Funds |
|--|-----------------------|------------------------|------------------------------|--------------------------------|--------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 41,464,389 | \$ 3,626,218 | \$ 23,996,585 | \$ 26,505,416 | \$ 95,592,608 |
| Investments | 48,209,641 | -- | -- | -- | 48,209,641 |
| Receivables: | | | | | |
| Accounts (net of allowance for doubtful accounts of \$1,605,738) | 510,880 | -- | -- | 94,211 | 605,091 |
| Special assessment | 663,812 | -- | -- | -- | 663,812 |
| Franchise fees | 1,603,184 | -- | -- | -- | 1,603,184 |
| Utility taxes | 167,233 | -- | -- | -- | 167,233 |
| Interest | 267,401 | -- | -- | -- | 267,401 |
| Lease | 1,256,477 | -- | -- | 220,909 | 1,477,386 |
| Due from other governments | 2,098,561 | -- | -- | 444,795 | 2,543,356 |
| Inventory | -- | -- | -- | 309,306 | 309,306 |
| Prepaid items | 584,766 | -- | -- | 10,325 | 595,091 |
| Restricted cash | 3,427,715 | -- | -- | -- | 3,427,715 |
| Restricted investments | 1,779,848 | -- | -- | -- | 1,779,848 |
| Total Assets | <u>\$ 102,033,907</u> | <u>\$ 3,626,218</u> | <u>\$ 23,996,585</u> | <u>\$ 27,584,962</u> | <u>\$ 157,241,672</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 4,404,881 | \$ -- | 900,248 | \$ 884,284 | \$ 6,189,413 |
| Contracts and retainage payable | 930,910 | 1,514 | -- | 19,554 | 951,978 |
| Accrued liabilities | 4,026,747 | -- | -- | 43,937 | 4,070,684 |
| Unearned revenue | 1,347,487 | 2,343,278 | -- | 1,202,341 | 4,893,106 |
| Total Liabilities | <u>10,710,025</u> | <u>2,344,792</u> | <u>900,248</u> | <u>2,150,116</u> | <u>16,105,181</u> |
| Deferred Inflows of Resources | | | | | |
| Leases | 1,195,237 | -- | -- | 173,168 | 1,368,405 |
| Unavailable revenue - special assessment | 663,812 | -- | -- | -- | 663,812 |
| Total Deferred Inflow of Resources | <u>1,859,049</u> | <u>--</u> | <u>--</u> | <u>173,168</u> | <u>2,032,217</u> |
| Fund Balances | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | 584,766 | -- | -- | 10,325 | 595,091 |
| Inventory | -- | -- | -- | 309,306 | 309,306 |
| Restricted for: | | | | | |
| Debt service | 4,824,488 | -- | -- | -- | 4,824,488 |
| Capital improvements | -- | -- | 23,096,337 | 11,070,542 | 34,166,879 |
| Road improvements | -- | 1,281,426 | -- | 4,593,210 | 5,874,636 |
| Law enforcement | 1,936,373 | -- | -- | 380,453 | 2,316,826 |
| Art improvements | -- | -- | -- | 1,070,158 | 1,070,158 |
| Committed to: | | | | | |
| Economic development | 2,518,042 | -- | -- | -- | 2,518,042 |
| Assigned to: | | | | | |
| Capital improvement and replacement | 21,057,813 | -- | -- | -- | 21,057,813 |
| Special projects | 1,277,091 | -- | -- | -- | 1,277,091 |
| Other purposes | 989,854 | -- | -- | 7,827,684 | 8,817,538 |
| Unassigned | 56,276,406 | -- | -- | -- | 56,276,406 |
| Total Fund Balances | <u>89,464,833</u> | <u>1,281,426</u> | <u>23,096,337</u> | <u>25,261,678</u> | <u>139,104,274</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 102,033,907</u> | <u>\$ 3,626,218</u> | <u>\$ 23,996,585</u> | <u>\$ 27,584,962</u> | <u>\$ 157,241,672</u> |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

| | | |
|--|--------------------|------------------------------|
| Total fund balances - governmental funds (page 20) | | \$ 139,104,274 |
| 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 therefore are not reported in the governmental funds. (Excludes internal service fund capital assets.) | | 157,332,679 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (Excludes internal service fund liabilities.) | | |
| Long-term liabilities at year-end consist of: | | |
| Bonds payable | \$ (45,895,000) | |
| Net pension liability | (101,082,531) | |
| Capital leases payable | (8,282,019) | |
| Lease liability | (21,132) | |
| Total OPEB liability | (11,136,587) | |
| Accrued interest payable | (332,025) | |
| Compensated absences | <u>(5,238,423)</u> | |
| | | (171,987,717) |
| Certain deferred inflows and outflows are not required to be reported in the governmental funds but are required to be reported at the government-wide level. | | |
| Deferred outflows relating to pension activity | 58,852,704 | |
| Deferred outflows relating to OPEB activity | 3,552,041 | |
| Deferred inflows relating to pension activity | (1,261,645) | |
| Deferred inflows relating to OPEB activity | <u>(2,423,664)</u> | |
| | | 58,719,436 |
| The internal service funds are used by management to charge the cost of fleet maintenance activities and insurance to individual funds. The assets, deferred outflows and liabilities and deferred inflows of the internal service funds are included in governmental activities in the statement of net position. | | |
| | | 8,771,078 |
| Other long-term assets/deferred outflows and liabilities/deferred inflows are not available to pay for current period revenues or expenditures, and therefore, are not recognized in the funds. | | |
| Investment in joint venture | | 2,543,154 |
| Special assessment | | <u>663,812</u> |
| Total Net Position of Governmental Activities (page 18) | | \$ <u>195,146,716</u> |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2023

| | General Fund | Road Impact Fund | Recreation Impact Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|------------------------|------------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | |
| Taxes: | | | | | |
| Ad valorem taxes | \$ 79,555,916 | \$ -- | \$ -- | \$ -- | \$ 79,555,916 |
| Local business taxes | 1,583,926 | -- | -- | -- | 1,583,926 |
| Utility taxes | 2,026,243 | -- | -- | -- | 2,026,243 |
| Special assessment | 131,359 | -- | -- | -- | 131,359 |
| Franchise fees | 7,721,199 | -- | -- | -- | 7,721,199 |
| Licenses and permits | 11,488,408 | -- | -- | -- | 11,488,408 |
| Intergovernmental | 12,810,208 | -- | -- | 6,712,970 | 19,523,178 |
| Impact fees | -- | 466,675 | 386,649 | 2,022,679 | 2,876,003 |
| Charges for services | 9,648,684 | -- | -- | 9,323,668 | 18,972,352 |
| Fines and forfeitures | 318,257 | -- | -- | 10,644 | 328,901 |
| Investment earnings | 5,160,098 | 11,781 | 22,616 | 147,734 | 5,342,229 |
| Miscellaneous | 2,169,539 | -- | 5,000,000 | 979,432 | 8,148,971 |
| Total Revenues | <u>132,613,837</u> | <u>478,456</u> | <u>5,409,265</u> | <u>19,197,127</u> | <u>157,698,685</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 26,583,656 | -- | -- | -- | 26,583,656 |
| Public safety | 67,013,035 | -- | -- | 545,596 | 67,558,631 |
| Culture and recreation | 1,509,653 | -- | -- | 11,295,697 | 12,805,350 |
| Physical environment | 14,720,431 | -- | -- | -- | 14,720,431 |
| Transportation | -- | -- | -- | 976,575 | 976,575 |
| Capital outlay | 12,066,177 | 1,989,287 | 2,248,941 | 4,506,193 | 20,810,598 |
| Debt service: | | | | | |
| Principal | 3,076,520 | -- | -- | 3,186,760 | 6,263,280 |
| Interest | 459,130 | -- | -- | 325,475 | 784,605 |
| Bond issuance costs | 64,750 | -- | -- | -- | 64,750 |
| Total Expenditures | <u>125,493,352</u> | <u>1,989,287</u> | <u>2,248,941</u> | <u>20,836,296</u> | <u>150,567,876</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>7,120,485</u> | <u>(1,510,831)</u> | <u>3,160,324</u> | <u>(1,639,169)</u> | <u>7,130,809</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 871,004 | 2,700,000 | 5,285,099 | 2,000,000 | 10,856,103 |
| Transfers out | (9,985,099) | -- | (871,004) | -- | (10,856,103) |
| Loan issuance | 4,353,208 | -- | -- | 427,146 | 4,780,354 |
| Bond issuance | 10,100,000 | -- | 10,000,000 | -- | 20,100,000 |
| Total Other Financing Sources (Uses) | <u>5,339,113</u> | <u>2,700,000</u> | <u>14,414,095</u> | <u>2,427,146</u> | <u>24,880,354</u> |
| Net Change in Fund Balances | 12,459,598 | 1,189,169 | 17,574,419 | 787,977 | 32,011,163 |
| Fund Balances - Beginning | <u>77,005,235</u> | <u>92,257</u> | <u>5,521,918</u> | <u>24,473,701</u> | <u>107,093,111</u> |
| Fund Balances - Ending | <u>\$ 89,464,833</u> | <u>\$ 1,281,426</u> | <u>\$ 23,096,337</u> | <u>\$ 25,261,678</u> | <u>\$ 139,104,274</u> |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED SEPTEMBER 30, 2023

| | | |
|--|---------------------|-----------------------------|
| Net change in fund balances - total governmental funds (page 22) | | \$ 32,011,163 |
| 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 capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. The amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold, and therefore, were not capitalized. | | |
| Expenditures for capital assets | \$ 19,728,116 | |
| Less: current year depreciation | <u>(10,562,293)</u> | 9,165,823 |
| Governmental funds report special assessments as revenue when collected, but the statement of activities recorded the full amount of the special assessment as revenue when there became an enforceable legal claim. | | |
| Special assessment | | (131,359) |
| In the statement of activities, the net effect of various miscellaneous transactions involving capital assets (disposals) is to increase net position, whereas in the governmental funds these items have no effect on current financial resources: | | |
| Loss on disposal of capital assets | | (103,964) |
| Debt proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the payment of premiums, discounts and similar items when debt is first issued. | | |
| Capital lease financing | (4,780,354) | |
| Principal payments on debt | 6,263,280 | |
| Bonds issued | <u>(20,100,000)</u> | (18,617,074) |
| 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: | | |
| Increase in accrued interest payable | (6,557) | |
| Increase in compensated absences | <u>(695,426)</u> | (701,983) |
| Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68. | | |
| Amount of pension expenses recognized at government-wide level | | (7,572,338) |
| Certain OPEB expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 75. | | |
| Amount of OPEB expenses recognized at government-wide level | | 307,447 |
| Governmental funds report the investment in joint venture as expenditures. However, the cost of the investment in joint venture is recorded as an asset in the statement of net position | | |
| | | 128,562 |
| Internal service funds are used by management to charge the cost of fleet maintenance and self-insurance activities to individual funds. The net revenues of the internal service funds are reported with governmental activities. | | |
| | | <u>486,513</u> |
| Change in Net Position of Governmental Activities (page 19) | | <u>\$ 14,972,790</u> |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

SEPTEMBER 30, 2023

| | Governmental Activities |
|---|------------------------------|
| | Internal Service Funds |
| Assets | |
| Current assets: | |
| Cash and cash equivalents | \$ 10,714,900 |
| Restricted investments | 339,693 |
| Inventory | 378,861 |
| Prepaid items | 52,500 |
| Total current assets | 11,485,954 |
| Noncurrent assets: | |
| Capital assets being depreciated and amortized, net | 5,311,009 |
| Total noncurrent assets | 5,311,009 |
| Total Assets | 16,796,963 |
| Deferred Outflows of Resources | |
| Deferred outflows relating to pensions | 336,717 |
| Deferred outflows relating to OPEB | 76,549 |
| Total Deferred Outflows of Resources | 413,266 |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 1,351,054 |
| Accrued liabilities | 3,313 |
| Lease liability | 1,209,538 |
| Capital lease payable, current portion | 21,138 |
| Total current liabilities | 2,585,043 |
| Noncurrent liabilities: | |
| Claims payable | 493,432 |
| Net pension liability | 1,050,905 |
| Total OPEB liability | 274,521 |
| Compensated absences payable | 45,945 |
| Lease liability | 3,462,512 |
| Capital lease payable, net of current portion | 335,234 |
| Total noncurrent liabilities | 5,662,549 |
| Total Liabilities | 8,247,592 |
| Deferred Inflows of Resources | |
| Deferred inflows relating to pensions | 137,365 |
| Deferred inflows relating to OPEB | 54,194 |
| Total Deferred Inflows of Resources | 191,559 |
| Net Position | |
| Net investment in capital assets | 622,280 |
| Unrestricted | 8,148,798 |
| Total Net Position | \$ 8,771,078 |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2023

| | Governmental Activities |
|---|------------------------------|
| | Internal Service Funds |
| Operating Revenues | |
| Charges for services | \$ 5,001,374 |
| Employer contributions | 10,380,105 |
| Employee contributions | 1,895,896 |
| Miscellaneous | 1,068,355 |
| Total Operating Revenues | 18,345,730 |
| Operating Expenses | |
| Personnel expenses | 1,396,237 |
| Claims expense | 10,886,678 |
| Insurance premiums | 733,900 |
| Repair and maintenance | 709,816 |
| Fuel and chemicals | 961,365 |
| Equipment rental | 153,412 |
| Operating supplies | 257,310 |
| Other professional and contractual | 1,244,769 |
| Other expenses | 19,594 |
| Depreciation and amortization | 1,746,459 |
| Total Operating Expenses | 18,109,540 |
| Operating Income | 236,190 |
| Nonoperating Revenues/(Expenses) | |
| Investment income | 149,026 |
| Gain on disposal of capital assets | 251,371 |
| Interest expense | (150,074) |
| Total Nonoperating Revenues/(Expenses) | 250,323 |
| Change in Net Position | 486,513 |
| Net Position - Beginning | 8,284,565 |
| Net Position - Ending | \$ 8,771,078 |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

YEAR ENDED SEPTEMBER 30, 2023

| | Governmental Activities |
|--|------------------------------|
| | Internal Service Funds |
| Cash Flows from Operating Activities | |
| Receipts for interfund services provided | \$ 17,277,375 |
| Payments to suppliers for goods and services | (3,095,305) |
| Payments to employees for services | (1,208,990) |
| Payments for claims | (11,758,469) |
| Other operating revenues | <u>1,068,355</u> |
| Net Cash Provided by Operating Activities | <u>2,282,966</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchases of capital assets | (186,550) |
| Proceeds from sale of capital assets | 251,371 |
| Issuance of debt | 334,117 |
| Principal paid on capital lease | (21,138) |
| Interest paid on capital lease | (2,241) |
| Principal paid on lease (right-of-use asset) | (1,295,537) |
| Interest paid on lease (right-of-use asset) | <u>(145,696)</u> |
| Net Cash Used in Capital and Related Financing Activities | <u>(1,065,674)</u> |
| Cash Flows from Investing Activities | |
| Purchases of investments | (339,693) |
| Interest earned | <u>149,026</u> |
| Net Cash Used in Investing Activities | <u>(190,667)</u> |
| Net increase in cash and cash equivalents | 1,026,625 |
| Cash and cash equivalents, beginning of year | <u>9,688,275</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 10,714,900</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | |
| Operating Income | \$ <u>236,190</u> |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation and amortization | 1,746,459 |
| Changes in operating assets/deferred outflows and liabilities/deferred inflows: | |
| Inventory | (99,941) |
| Deferred outflows relating to pensions | 32,030 |
| Deferred outflows relating to OPEB | (56,483) |
| Accounts payable | 1,087,139 |
| Claims payable | (871,791) |
| Net pension liability | 158,793 |
| Total OPEB liability | 22,693 |
| Compensated absences | 6,426 |
| Deferred inflows relating to pensions | (5,774) |
| Deferred inflows relating to OPEB | <u>27,225</u> |
| Total Adjustments | <u>2,046,776</u> |
| Net Cash Provided by Operating Activities | <u>\$ 2,282,966</u> |
| Noncash Activities | |
| Initiation of lease liability | <u>\$ 3,130,098</u> |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

SEPTEMBER 30, 2023

| | Pension Trust Funds |
|--|---------------------------|
| Assets | |
| Cash and cash equivalents | \$ 594,392 |
| Investments: | |
| Money market funds | 5,441,249 |
| U.S. Government obligations | 15,573,202 |
| Mortgage backed securities | 9,747,673 |
| Municipal obligations | 879,673 |
| Fixed income funds | 19,106,850 |
| Collateralized mortgage obligations | 529,061 |
| Corporate obligations | 10,704,045 |
| Equity securities | 87,286,620 |
| Equity funds | 7,797,466 |
| Foreign bonds | 681,637 |
| International funds | 9,234,334 |
| International bond funds | 62,086,437 |
| Real estate funds | 28,392,416 |
| Total investments | <u>257,460,663</u> |
| Receivables: | |
| Interest and dividends | 326,942 |
| State of Florida | 1,473,223 |
| Employees | 912 |
| Total receivables | <u>1,801,077</u> |
| Prepaid items | <u>378,681</u> |
| Total Assets | <u>260,234,813</u> |
| Liabilities | |
| Accounts payable | 345,423 |
| Pending trades payable | 374,508 |
| Total Liabilities | <u>719,931</u> |
| Net Position | |
| Net position restricted for pension benefits | <u>\$ 259,514,882</u> |

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

YEAR ENDED SEPTEMBER 30, 2023

| | <u>Pension Trust Funds</u> |
|--|------------------------------------|
| Additions | |
| Contributions: | |
| City | \$ 10,358,294 |
| Insurance premium taxes collected by the State of Florida on behalf of the City of Palm Beach Gardens | 2,355,378 |
| Employees | <u>1,486,959</u> |
| Total contributions | <u>14,200,631</u> |
| Investment earnings: | |
| Net appreciation in fair value of investments | 17,798,997 |
| Interest and dividends | 6,131,149 |
| Other | <u>1,585</u> |
| Total investment earnings (losses) | 23,931,731 |
| Less investment expenses | <u>(702,513)</u> |
| Net investment earnings (losses) | <u>23,229,218</u> |
| Total Additions | <u>37,429,849</u> |
| Deductions | |
| Pension benefits | 13,041,350 |
| Refund of participant contributions | 145,742 |
| Administrative expenses | <u>298,860</u> |
| Total Deductions | <u>13,485,952</u> |
| Change in Net Position | 23,943,897 |
| Net Position Restricted for Pension Benefits | |
| Beginning of year | <u>235,570,985</u> |
| End of year | <u>\$ 259,514,882</u> |

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Palm Beach Gardens, Florida (the “City”) was incorporated in 1959, pursuant to House Bill No. 2186, and is located in Northern Palm Beach County, Florida. The City is governed by an elected City Council (the “Council”), which appoints a City Manager. The City provides the following services to its residents: public safety, growth management, sanitation, streets and roads, parks, recreation and a golf course. The Council is responsible for legislative and fiscal control of the City. The City operates under a Council-Manager form of government.

Significant accounting and reporting policies and practices used by the City are described below:

A. FINANCIAL REPORTING ENTITY

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The financial statements were prepared in accordance with GASB Codification Section 2100, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization’s governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Based upon the application of these criteria, there were no organizations that met the criteria for component units described above.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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 services. The City reported no business-type activities during the current fiscal year.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. 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. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as other governmental funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits are recorded only when payment is due.

Property taxes when levied for, franchise taxes, licenses, charges for services, intergovernmental if eligibility requirements are met, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period if available. All other revenue items are considered to be measurable only when cash is received by the City.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

The City reports the following major governmental funds:

The *General Fund* – The general fund is the primary operating fund and is used to account for all financial resources applicable to the general operations of the City except those required to be accounted for in another fund.

The *Road Impact Fund* – This capital project fund was established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing increased traffic service levels.

The *Recreation Impact Fund* – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the recreational facilities within the City.

Additionally, the City reports the following fund types:

The *Internal Service Funds* – The City operates two internal service funds to account for fleet management services provided to other departments on a cost reimbursement basis and to account for self-insurance health benefits.

The *Pension Trust Funds* – The City's three defined benefit pension plans are accounted for in individual pension trust funds. The pension trust funds are the General Employees' Pension, the Police Pension and the Fire Pension.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of an internal service fund are charges to other funds for usage. Operating expenses for the internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as deposits with financial institutions, money market accounts, local government investment pools and highly liquid investments which are readily convertible to known amounts of cash and have a maturity when purchased of three months or less.

For purposes of the statement of cash flows, cash and cash equivalents also include each respective fund's equity in pooled cash and investments that are described above. Each fund is able to withdraw cash at any time without prior notice or penalty and there is sufficient liquidity to meet the daily cash needs of each fund.

INVESTMENTS

The City categorizes investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. Investments are reported at fair value based on quoted market prices in active markets on a trade date basis. Money market mutual funds and commercial paper that has a remaining life of one year or less upon acquisition are reported at amortized cost. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains and losses for securities which are sold. Interest and dividend income are recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade basis. Additional information regarding the fair value measurement of investments is disclosed in Note 2.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

INTERFUND RECEIVABLES AND PAYABLES

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

RECEIVABLES

Receivables include amounts due for a special assessment, franchise taxes, insurance claims, utility taxes, extra police services and emergency medical services. The City does not require collateral for accounts receivable. Receivables for emergency medical service billings are reported net of an allowance for doubtful accounts, which is determined based on the age of the individual receivable. Generally, the allowance includes accounts over 60 days past due. Receivables are written off on an individual basis in the year the City deems them to be uncollectible.

INVENTORY

Inventory is valued at cost for items not held for sale and at the lower of cost or net realizable value (only if held for sale) using the first-in, first-out basis and accounted for using the consumption method whereby inventories are charged against operations in the period when used. Inventory in the special revenue recreation programs and golf course funds consists of merchandise held for resale. Inventory in the internal service fund consists of vehicle engine parts and fuel held for consumption. The non-spendable portion of fund balance for inventory in governmental fund types equals the physical inventory to indicate that a portion of fund balance is not available for appropriation.

PREPAID ITEMS

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. These items are accounted for using the purchasing method. Reported amounts in governmental funds are equally offset by a non-spendable category of fund balance to indicate that these amounts are not available for appropriation.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure (e.g., streets, sidewalks, drainage or similar items) are reported in governmental activities in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. Lease agreements that qualify as capital financing are recorded at the present value of their future minimum lease payments as of the inception date. The City did not retroactively record their intangible assets with the implementation of GASB Statement No. 51. For fiscal year 2023, no separately identifiable assets met the threshold for recording.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, buildings, equipment and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

| | Years |
|-----------------------------------|---------|
| Buildings | 15 – 25 |
| Roadways | 3 – 40 |
| Drainage and structures | 35 – 75 |
| Machinery and equipment | 3 – 7 |
| Improvements other than buildings | 15 |
| Land improvements | 25 |

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is reported.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

LEASES (RIGHT-OF-USE ASSETS)

The City's leases (right-of-use assets) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-of-use assets) are amortized on a straight-line basis over the life of the related lease.

LEASES RECEIVABLE

The City's leases receivable are measured at the present value of the lease payments expected to be received during the lease terms. A deferred inflow of resources is recorded for the lease. The deferred inflows of resources are recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of the lease.

UNEARNED REVENUE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Unearned revenue is a liability that arises when resources are obtained before revenue recognition criteria, other than time recognition criteria, have been satisfied. The unearned revenue consists mainly of business taxes and impact fees received in advance of the year for which they are levied. These amounts are recognized as revenue in the year that the revenue recognition criteria has been met.

In addition to assets and liabilities, the government-wide statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/expense) until that time. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

The City has unavailable revenues relating to a special assessment that is reported as a deferred inflow of resources within the governmental fund financial statements. These amounts are recognized as revenue in the year that the amounts become available.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

UNEARNED REVENUE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (CONTINUED)

Within the government-wide statement of net position, the City reports deferred inflows/outflows of resources related to pensions and other post-employment benefits (“OPEB”) for amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension plans. The amounts will be amortized over a five-year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable. See Note 8 and 9 for additional details.

COMPENSATED ABSENCES

It is the City’s policy to permit employees to accumulate a limited amount of earned but unused personal leave, which will be paid upon separation of service. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if it has matured, for example, as a result of employee resignation or retirements. Compensated absences for governmental activities typically have been liquidated in the general fund.

ON-BEHALF PAYMENTS

The City receives on-behalf payments from the State of Florida to be used for Police and Fire-Rescue pension benefits. Such payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP basis government-wide and general fund financial statements, but are not budgeted and therefore are not included in the general fund budgetary comparison schedule. On-behalf payments paid to the City by the State totaled \$1,875,607 for the year ended September 30, 2023. Pursuant to City Ordinance, the Fire Pension deducts 2% of the total compensation for participants from the Chapter 175 taxes received during the fiscal year and allocates this amount as Employee Contributions in lieu of increasing the members’ contribution rate.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized during the current period. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

LONG-TERM OBLIGATIONS (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received and principal payments on debt are reported as debt service expenditures.

NET POSITION

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investment in capital assets consist of capital assets reduced by accumulated depreciation and by any outstanding debt and any deferred inflows/outflows associated with the debt, incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Net position is reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by other governments, creditors or grantors. Unrestricted net position consists of all remaining net position that do not meet the definition of either of the other two components.

FUND BALANCE

In the fund financial statements, fund balance is a measurement of available financial resources and is the difference between total assets and deferred outflows and total liabilities and deferred inflows in each fund. Governmental accounting principles distinguish fund balance classification based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, the City's fund balance amounts will be reported in the following categories:

Nonspendable. Represents amounts that are not in a spendable form, or are legally or contractually required to be maintained intact.

Restricted. Represents amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

FUND BALANCE (CONTINUED)

Committed. Represents amounts that can be used only for the specific purposes determined by a formal action (ordinance or resolution which are of equal authority) of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through the same action that created the commitment.

Assigned. Represents amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council or by a designee to whom the governing body delegates the authority. Under the City's adopted policy through resolution, only the City Council or City Manager may assign amounts for specific purposes. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned. Includes all amounts not contained in other classifications and is the residual classification of the General Fund only. Unassigned amounts are the portion of Fund Balance which is not obligated or specifically designated and is available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The goal of the City's fund balance policy is to achieve and maintain an Unassigned Fund Balance in the General Fund at fiscal year-end of not less than 17% of expenditures, which represents approximately two (2) months' operating expenditures. If the Unassigned Fund Balance at fiscal year-end falls below the goal, the City shall develop a restoration plan to achieve and maintain the minimum fund balance. At the end of the fiscal year, the City's unassigned fund balance equaled 44.5% of expenditures.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

FLOW ASSUMPTIONS

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

USE OF ESTIMATES

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

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. IMPLEMENTATION OF GASB STATEMENTS

The following GASB Statements were effective for the City during the fiscal year ended September 30, 2023.

- GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. This Statement was implemented by the City for the fiscal year ended September 30, 2023; however, there was no impact to the City.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnerships (PPP) and provides guidance for accounting and financial reporting for availability payment arrangements (APA). The Statement provides specific guidance on the accounting and financial reporting for PPP and APA transactions. This Statement was implemented by the City for the fiscal year ended September 30, 2023; however, there was no impact to the City.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This Statement was implemented by the City for the fiscal year ended September 30, 2023; however, there was no impact to the City.
- GASB Statement No. 99, *Omnibus 2022*, addresses certain practice issues identified during implementation and application of certain GASB Statements, including, but not limited to, 1) classification and reporting of derivative instruments within GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; 2) clarification of provisions in GASB Statement No. 87, *Leases*; 3) clarification of provisions in GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and 4) clarification of provisions in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement was implemented by the City for the fiscal year ended September 30, 2023.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2023, excluding amounts held by Fiduciary Funds, include petty cash of \$7,545 and deposits with financial institutions with a carrying value of \$35,390,341 and a bank balance of \$31,931,887. Cash equivalents also includes \$74,337,337 in money market funds which are recorded at amortized cost. Cash equivalents consist of amounts invested in money market mutual funds, local government investment pools and securities with a maturity of less than three months.

The FL PALM is an external investment pool that is not registered with the Securities Exchange Commission (SEC) but operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 allows funds to use amortized cost to maintain a constant net asset value of \$1.00 per share. There are no restrictions or fees to withdrawal from this pool.

Cash of the Fiduciary Funds at September 30, 2023, consist of deposits with financial institutions with a carrying value and bank balance of \$594,392.

All deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which 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, all claims for government deposits would be satisfied by the State Treasurer from 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, all deposits with financial institutions are considered fully insured. The money market mutual fund deposits are uninsured and uncollateralized.

INVESTMENTS

Florida Statutes and the City's investment policy authorize the City to invest in obligations and agencies of the U.S. Government; fully collateralized interest bearing time deposits or savings accounts with banks or savings and loan associations; the State Board of Administration Florida PRIME Fund; local government investment pools; short-term corporate obligations; investments in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

1940, provided the portfolio of such investment company is limited to Government Obligations and to repurchase agreements fully collateralized by such Government Obligations; Government National Mortgage Association, Fannie Mae or Florida Home Loan Mortgage Corporation. The City's Pension Boards have full power and authority to invest and reinvest subject to the general terms, conditions, limitations and restrictions imposed by Part VII, Chapter 112, Florida Statutes, on the investments of public employee retirement systems.

The General Employees' Pension Plan is a participating member in the Florida Municipal Pension Trust Fund (FMPTF) and therefore the investments follow the policies established by the Master Trust Agreement. The agreement provides that the Master Trustees have the authority and discretion to manage and control the assets of the FMPTF. The established investment policy and portfolio guidelines are designed to assist the plan administrator in monitoring the assets and to guide investment managers with structuring portfolios that are consistent with the FMPTF desired performance results and levels of acceptable risk. A variance of more than 5% from the approved allocation percentages of any asset class requires approval by the Master Trustees. The FMPTF has adopted operating procedures consistent with the requirements for a 2a-7 like pool. The FMPTF is an external investment pool and therefore, the fair value of the City's position in the pool is the same as the value of pool shares.

Due to the various risks associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

FAIR VALUE HIERARCHY

Fair value is defined as 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. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1

Investments' fair values based on prices quoted in active markets for identical assets.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

Level 2

Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3

Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques for the City's investments. Level 1 and 2 prices are obtained from various pricing sources by the City's custodian bank:

Money market funds and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock and mutual fund equities.

Debt securities classified as Level 2 are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, and corporate obligations, including asset backed, bonds and notes.

The General Employees' Pension Plan invests in various funds in which the underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. Value is based on market corroborated data. (Level 2 inputs).

The General Employees' Pension Plan invests in a Core Plus Fixed Income Fund. This fund invests in two underlying funds, which are not publicly quoted. These underlying funds invest in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, litigation trusts for both U.S. and foreign companies and governments. Value is based on unobservable inputs. (Level 3 inputs).

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The General Employees’ Pension Plan also invests in a Core Real Estate Fund. This fund invests in one underlying fund, which are not publicly quoted. The underlying fund invests in core real estate in the United States, which is valued based on quarterly real estate appraisals. Value is based on unobservable inputs. (Level 3 inputs).

The Police Officer and Fire Pensions hold certain investments in alternative assets consisting of real estate funds and a collective investment trust fund which hold a variety of investment vehicles that do not have readily available market quotations. The alternative investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

The following are recurring fair value measurements as of September 30, 2023:

| Investment Types | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------------|--|--|--|
| Primary Government | | | | |
| U.S. Government obligations | \$ 27,839,909 | \$ -- | \$ 27,839,909 | \$ -- |
| Mortgage backed securities | 3,306,661 | -- | 3,306,661 | -- |
| Corporate obligations | 6,372,178 | -- | 6,372,178 | -- |
| Municipal obligations | <u>152,139</u> | <u>--</u> | <u>152,139</u> | <u>--</u> |
| Total Investments by Fair Value Level | <u>37,670,887</u> | <u>\$ --</u> | <u>\$ 37,670,887</u> | <u>\$ --</u> |
| Commercial paper (exempt) | <u>12,658,295</u> | | | |
| Total Primary Government Investments | <u>\$ 50,329,182</u> | | | |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

| | Reported Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|-----------------------|--|--|--|
| Fiduciary Funds | | | | |
| Investments by fair value level: | | | | |
| U.S. Government obligations | \$ 11,498,923 | \$ 1,900,946 | \$ 9,597,977 | \$ -- |
| U.S. Government agency obligations | 4,074,279 | -- | 4,074,279 | -- |
| Mortgage-backed securities | 9,747,673 | -- | 9,747,673 | -- |
| Collateralized mortgage obligations | 529,061 | -- | 529,061 | -- |
| Fixed income funds | 19,408,684 | 6,272,244 | 12,384,934 | 751,506 |
| Corporate obligations | 10,704,045 | -- | 10,704,045 | -- |
| Municipal obligations | 879,673 | -- | 879,673 | -- |
| Foreign bonds | 681,637 | -- | 681,637 | -- |
| Equity securities | 6,887,719 | 6,887,719 | -- | -- |
| Equity funds | 88,023,519 | 80,527,888 | 877,783 | 6,617,848 |
| International funds | 684,450 | 90,021 | 594,429 | -- |
| Real estate funds | 7,090,508 | -- | -- | 7,090,508 |
| Temporary Investment Funds | <u>2,505,152</u> | <u>2,505,152</u> | -- | -- |
| Total Investments by Fair Value Level | <u>162,715,323</u> | <u>\$ 98,183,970</u> | <u>\$ 50,071,491</u> | <u>\$ 14,459,861</u> |
| Investments Measured at the Net Asset Value (NAV) * | | | | |
| Real estate funds | 21,301,909 | | | |
| Limited partnerships | 4,633,707 | | | |
| Pooled equity trust fund | 57,452,730 | | | |
| Global infrastructure | <u>8,420,897</u> | | | |
| Total Investments Measured at NAV | 91,809,243 | | | |
| Money market funds (exempt) | <u>2,936,097</u> | | | |
| Total Fiduciary Funds Investments | <u>\$ 257,460,663</u> | | | |

* As required by generally accepted accounting principles (GAAP), certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

| Investments Measured at the NAV | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period (Days) |
|--|----------------------|-------------------------|--|---------------------------------------|
| | <u> </u> | <u> </u> | | |
| Real estate fund ¹ | \$ 14,325,747 | \$ -- | Quarterly | 60 days |
| Real estate fund ² | 6,976,162 | -- | Quarterly | 90 days |
| Limited partnership ³ | 4,633,707 | 500,000 | Quarterly | 90 days |
| Pooled equity trust fund ⁴ | 57,452,730 | -- | Quarterly | 60 days |
| Global infrastructure ⁵ | <u>8,420,897</u> | <u>--</u> | Quarterly | 60 days |
| Total Investments Measured at NAV | <u>\$ 91,809,243</u> | <u>\$ 500,000</u> | | |

(1) Real estate fund: The fund is an open end, commingled private real estate portfolio. These REIT based funds are structured as limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The values of the investments in these funds have been determined using the NAV. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

(2) Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 90 days prior to quarter end.

(3) Limited partnership: The Fund is a vintage mezzanine investment fund investing primarily in United States companies meeting certain financial criteria in the areas of consumer products, business services, defense, manufacturing, media and restaurant. The fund is managed by a private equity firm.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

(4) Pooled equity trust fund: Consists of equity index collective trusts considered commingled in nature which are designed to match the return of their respective benchmark index. The objective of the funds is to match the returns of various market indices through investments in substantially all the stocks contained in those indices respectively. These fund are valued at the net asset value held at the end of the period based upon the fair value of the underlying investments, and are open for withdrawal daily and provide for redemptions with 1 day notice.

(5) Global infrastructure: The objective of the fund is to acquire and maintain a diversified portfolio of global infrastructure investments with strong market positions, predictable regulatory environments, that realize stable long term returns. Funds may be redeemed subject to prior written notice.

The value, liquidity, and related income of certain securities with contractual cash flows, such as asset backed securities collateralized by mortgage obligations, commercial mortgage backed securities, and mutual funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk disclosures are required for debt investment pools - such as bond mutual funds and external bond investment pools—that do not meet the requirements to be reported as a 2a7-like pool. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Cash equivalents have a weighted average maturity of ninety days or less, resulting in minimal interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy states that securities included within the short term fund will have maturities of less than one year. Investments included in the core fund will have a maximum maturity of five (5) years. Although the Fiduciary Funds' investment policies do not provide limitations as to maturities, the Funds minimize the risk of fair value losses in fixed income portfolios due to rising interest rates by structuring the investment portfolio so that securities mature to meet ongoing cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities or by cash flow projections.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK (CONTINUED)

The table below summarizes the scheduled maturities of fixed income investments at September 30, 2023:

| Investment Types | Value | Investment Maturities | | | |
|-------------------------------------|----------------------|-----------------------|----------------------|---------------------|------------------------|
| | | Less Than One Year | One to Five Years | Six to Ten Years | More Than Ten Years |
| Primary Government | | | | | |
| U.S. Government obligations | \$ 27,839,909 | \$ 10,499,502 | \$ 17,340,407 | \$ -- | \$ -- |
| Mortgage backed securities | 3,306,661 | 951,028 | 106,721 | 2,248,912 | -- |
| Corporate obligations | 6,372,178 | -- | 6,372,178 | -- | -- |
| Municipal obligations | 152,139 | 87,082 | 65,057 | -- | -- |
| Commercial paper | <u>12,658,295</u> | <u>12,658,295</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Total Primary Government | <u>\$ 50,329,182</u> | <u>\$ 24,195,907</u> | <u>\$ 23,884,363</u> | <u>\$ 2,248,912</u> | <u>\$ --</u> |
| Fiduciary Funds | | | | | |
| Money market funds (at cost) | \$ 2,936,097 | \$ 2,936,097 | \$ -- | \$ -- | \$ -- |
| U.S. Government obligations | 11,498,923 | 1,496,061 | 2,395,355 | 4,662,803 | 2,944,704 |
| U.S. Government agency obligations | 4,074,279 | -- | 1,488,943 | 851,675 | 1,733,661 |
| Mortgage-backed securities | 9,747,673 | -- | 8,479 | 24,684 | 9,714,510 |
| Fixed income funds | 11,966,062 | 573,618 | 3,600,451 | 1,987,792 | 5,804,201 |
| Collateralized mortgage obligations | 529,061 | -- | -- | -- | 529,061 |
| Corporate obligations | 10,704,045 | 574,078 | 3,326,792 | 3,955,779 | 2,847,396 |
| Municipal obligations | 879,673 | 165,065 | 39,491 | 100,494 | 574,623 |
| Foreign bonds | 681,637 | -- | 178,519 | 255,818 | 247,300 |
| Temporary investment funds | <u>2,505,152</u> | <u>2,505,152</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Total Fiduciary Funds | <u>\$ 55,522,602</u> | <u>\$ 8,250,071</u> | <u>\$ 11,038,030</u> | <u>\$11,839,045</u> | <u>\$24,395,456</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CREDIT RISK

Credit risk is the risk that an issuer will not fulfill its obligations. The City’s investment policy minimizes credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. The Police Pension Plan’s investment policy limits corporate obligations to only those holding a rating of one of the three highest classifications by a Nationally Recognized Statistical Ratings Organization (“NRSRO”). The Fire Pension Plan’s policy limits investments to securities with a rating of investment grade or a higher classification by an NRSRO. The General Employee Pension Plan’s investment policy does not limit corporate obligations to those with one of the three highest classifications by an NRSRO. The NRSRO ratings for the City’s and the Plan’s investments at September 30, 2023, are summarized below.

| Investment Type | NRSRO Rating | Value |
|-------------------------------------|--------------|--------------|
| Money market funds (at cost) | Aaa-mf | \$ 2,936,097 |
| Fixed income funds | AA | 1,170,378 |
| U.S. Gov't bonds & notes | Aaa...AA+ | 27,839,909 |
| U.S. Gov't bonds & notes | Aaa...AA+ | 7,257,180 |
| U.S. Gov't agency securities | Aaa...AA+ | 3,306,661 |
| U.S. Gov't agency securities | Aaa...A | 9,747,673 |
| U.S. Gov't agency securities | Aaa | 8,316,022 |
| Commercial paper | A-1...P-1 | 12,658,295 |
| Collateralized mortgage obligations | Aaa...A | 529,061 |
| Fixed income funds | Aaa...A3 | 11,966,062 |
| Corporate Obligations | Aa1...BBB+ | 6,372,178 |
| Corporate Obligations | Aaa...BBB+ | 6,789,480 |
| Corporate Obligations | Aaa...Baa3 | 3,914,565 |
| Municipal Obligations | Aa3...A+ | 152,139 |
| Municipal Obligations | Aaa...Baa2 | 879,673 |
| Foreign bonds | Aa2...BBB | 681,637 |
| Temporary investment funds | Aaa | 2,505,152 |
| Fixed income funds | Unrated | 6,272,244 |
| Equity securities | Unrated | 87,376,641 |
| Equity funds | Unrated | 64,948,361 |
| International funds | Unrated | 723,416 |
| Real estate funds | Unrated | 28,392,417 |
| Global infrastructure | Unrated | 8,420,897 |
| Limited partnership | Unrated | 4,633,707 |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policy of the City minimizes this risk by prohibiting the purchase of securities subject to custodial credit risk. The City and its pension plans require that all securities be held by a third party custodian in the name of the City or the respective Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a “delivery vs. payment” basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City’s investment policy limits the concentration of credit risk by setting limits on the maximum amount of securities held by type and by single issuer. The City’s Police Pension Plan’s investment policies limit investments in the stock of any one issuing company to 5% of the Plan’s assets and to 5% of the outstanding capital stock of any issuing company. The City’s Fire Pension Plan’s investment policy limits investments in the stock of any one issuing company to 3% of the Fund’s assets, and to 3% of the outstanding capital stock of any issuing company. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement.

The General Employees’ Pension Plan as well as the Police and Fire Pension Plans did not hold investments in any one organization that represents 5% or more of the pension plan’s fiduciary net position.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no direct exposure to foreign currency risk in the City’s and the Plans’ investments at September 30, 2023 as all foreign investments are denominated in U.S. dollars.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 –RECEIVABLES

Receivables and the related allowance for doubtful accounts at September 30, 2023, are summarized as follows:

| | Gross Accounts Receivable | Allowance for Doubtful Accounts | Net Accounts Receivable |
|--------------------------------------|---------------------------------|---------------------------------------|----------------------------|
| Governmental Activities | | | |
| Due from EMS | \$ 2,015,872 | \$ (1,605,738) | \$ 410,134 |
| Special assessment | 663,812 | -- | 663,812 |
| Franchise fees | 1,603,184 | -- | 1,603,184 |
| Utility taxes | 167,233 | -- | 167,233 |
| Interest | 267,401 | -- | 267,401 |
| Lease | 1,477,386 | -- | 1,477,386 |
| Extra police services | 58,156 | -- | 58,156 |
| Other miscellaneous services | <u>136,801</u> | <u>--</u> | <u>136,801</u> |
| Total Governmental Activities | <u><u>\$ 6,389,845</u></u> | <u><u>\$ (1,605,738)</u></u> | <u><u>\$ 4,784,107</u></u> |

LEASE RECEIVABLE

Effective October 1, 2021, the City implemented GASB No. 87, *Leases*, which required the City to recognize a lease receivable and a deferred inflow of resources. The City, as lessor, has several ground leases for communication towers (cell phone towers). As of September 30, 2023, the remaining lease terms under these agreements, including options to extend, ranged from one to twelve years. An initial lease receivable was recorded in the amount of \$1,863,265. As of September 30, 2023, the value of the lease receivable is \$1,477,386. The value of the deferred inflow of resources as of September 30, 2023, was \$1,368,405, and the City recognized lease revenue of \$201,526 and interest income of \$17,577 during the fiscal year. The following schedule represents the future principal and interest revenue to be received:

| Fiscal Year Ending September 30 | Principal | Interest | Total |
|------------------------------------|----------------------------|-------------------------|----------------------------|
| 2024 | \$ 206,408 | \$ 14,797 | \$ 221,205 |
| 2025 | 208,827 | 11,937 | 220,764 |
| 2026 | 216,201 | 8,992 | 225,193 |
| 2027 | 145,781 | 6,408 | 152,189 |
| 2028 | 156,245 | 4,843 | 161,088 |
| 2029 - 2033 | 496,652 | 8,862 | 505,514 |
| Thereafter | <u>47,272</u> | <u>204</u> | <u>47,476</u> |
| Total | <u><u>\$ 1,477,386</u></u> | <u><u>\$ 56,043</u></u> | <u><u>\$ 1,533,429</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment roll meets all of the appropriate requirements of State law. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

The tax levy of the City is established by the Council prior to October 1st of each year during the budget process. The Palm Beach County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the City for the year ended September 30, 2023, was 5.32 (\$5.32 for each \$1,000 of assessed valuation).

Taxes may be paid less a 4% discount in November, or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1st following the tax year, certificates are offered for sale for all delinquent taxes on real property.

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2023, unpaid delinquent taxes are not material and have not been recorded by the City.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – CAPITAL ASSETS

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

| | Balance October 1, 2022 | Additions/ Transfers | Retirements/ Transfers | Balance September 30, 2023 |
|--|-------------------------------|-------------------------|---------------------------|----------------------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 19,779,365 | \$ -- | \$ -- | \$ 19,779,365 |
| Construction in progress | 22,843,096 | 18,205,751 | (27,290,514) | 13,758,333 |
| Total capital assets not being depreciated | <u>42,622,461</u> | <u>18,205,751</u> | <u>(27,290,514)</u> | <u>33,537,698</u> |
| Capital assets being depreciated/amortized: | | | | |
| Buildings | 69,128,161 | 8,504,761 | (59,054) | 77,573,868 |
| Roadways | 74,724,426 | 4,576,589 | -- | 79,301,015 |
| Drainage and structures | 18,052,974 | -- | -- | 18,052,974 |
| Machinery and equipment | 40,430,676 | 4,569,243 | (2,424,127) | 42,575,792 |
| Improvements other than buildings | 43,298,887 | 11,306,791 | (23,685) | 54,581,993 |
| Lease (right-of-use asset) | <u>4,388,132</u> | <u>3,130,098</u> | <u>--</u> | <u>7,518,230</u> |
| Total capital assets being depreciated/amortized | <u>250,023,256</u> | <u>32,087,482</u> | <u>(2,506,866)</u> | <u>279,603,872</u> |
| Less accumulated depreciation/amortization: | | | | |
| Buildings | (30,799,814) | (2,926,358) | 42,014 | (33,684,158) |
| Roadways | (51,402,138) | (1,463,679) | -- | (52,865,817) |
| Drainage and structures | (5,773,975) | (171,761) | -- | (5,945,736) |
| Machinery and equipment | (29,376,359) | (3,985,256) | 2,338,100 | (31,023,515) |
| Improvements other than buildings | (22,107,221) | (2,165,348) | 21,580 | (24,250,989) |
| Lease (right-of-use asset) | <u>(1,174,065)</u> | <u>(1,553,602)</u> | <u>--</u> | <u>(2,727,667)</u> |
| Total accumulated depreciation and amortization | <u>(140,633,572)</u> | <u>(12,266,004)</u> | <u>2,401,694</u> | <u>(150,497,882)</u> |
| Total capital assets being depreciated, net | <u>109,389,684</u> | <u>19,821,478</u> | <u>(105,172)</u> | <u>129,105,990</u> |
| Governmental Activities Capital Assets, Net | <u>\$152,012,145</u> | <u>\$38,027,229</u> | <u>\$ (27,395,686)</u> | <u>\$162,643,688</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Governmental Activities

| | |
|--|------------------------------------|
| General government | \$ 1,952,818 |
| Public safety | 2,627,843 |
| Culture and recreation | 3,854,088 |
| Physical environment | 2,050,318 |
| Transportation | <u>1,780,937</u> |
| Total Depreciation and Amortization Expense – Governmental Activities | <u><u>\$ 12,266,004</u></u> |

NOTE 6 – LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2023, was as follows:

| | Balance October 1, 2022 | Additions | Reductions | Balance September 30, 2023 | Due Within One Year |
|--|-------------------------------|----------------------------|-------------------------------|----------------------------------|---------------------------|
| Governmental Activities | | | | | |
| Debt Payable | | | | | |
| Public improvement refunding bonds | \$ 345,000 | \$ -- | \$ (345,000) | \$ -- | \$ -- |
| Public improvement bonds from direct borrowings | 29,650,403 | 20,100,000 | (3,855,403) | 45,895,000 | 4,095,000 |
| Capital financing | 5,507,867 | 5,114,471 | (1,983,947) | 8,638,391 | 1,329,488 |
| Lease (Right-of-use assets) | <u>2,959,195</u> | <u>3,130,098</u> | <u>(1,396,111)</u> | <u>4,693,182</u> | <u>1,230,670</u> |
| Total Debt Payable | <u>38,462,465</u> | <u>28,344,569</u> | <u>(7,580,461)</u> | <u>59,226,573</u> | <u>6,655,158</u> |
| Other Liabilities | | | | | |
| Compensated absences | 4,582,516 | 5,544,709 | (4,842,857) | 5,284,368 | 282,828 |
| Claims payable | <u>515,842</u> | <u>9,121,271</u> | <u>(9,143,681)</u> | <u>493,432</u> | <u>493,432</u> |
| Total Other Liabilities | <u>5,098,358</u> | <u>14,665,980</u> | <u>(13,986,538)</u> | <u>5,777,800</u> | <u>776,260</u> |
| Total Governmental Activities | <u><u>\$ 43,560,823</u></u> | <u><u>\$43,010,549</u></u> | <u><u>\$ (21,566,999)</u></u> | <u><u>\$65,004,373</u></u> | <u><u>\$7,431,418</u></u> |

The general fund is typically used to liquidate net pension and OPEB liabilities.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM DEBT (CONTINUED)

CAPITAL FINANCING

The City has entered into various agreements to finance the acquisition of fire rescue and police vehicles. At September 30, 2023, the cost of equipment held under these agreements was approximately \$10,031,000 and the accumulated amortization was approximately \$7,106,000. Amortization expense related to the equipment is included in depreciation expense in the accompanying financial statements. Future payments for the City's agreements through maturity are as follows as of September 30, 2023:

| Year Ending September 30, | Governmental Activities |
|--|----------------------------|
| 2024 | \$ 1,516,538 |
| 2025 | 1,494,515 |
| 2026 | 1,364,754 |
| 2027 | 1,281,986 |
| 2028 | 974,637 |
| 2029-2032 | <u>2,428,927</u> |
| Total Minimum Lease Payments | 9,061,358 |
| Less amount representing interest | <u>(422,967)</u> |
| Present Value of Minimum Lease Payments | <u>\$ 8,638,391</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM DEBT (CONTINUED)

LEASES

The City adopted GASB Statement No. 87, *Leases* and recorded leases for fleet vehicles.

The principal and interest requirements to maturity for the City’s GASB 87 leases are presented below:

| Year Ending September 30 | Principal | Interest | Total |
|-----------------------------|---------------------|------------------|---------------------|
| 2024 | \$ 1,230,670 | \$ 30,206 | \$ 1,260,876 |
| 2025 | 1,046,723 | 20,111 | 1,066,834 |
| 2026 | 1,041,448 | 12,747 | 1,054,195 |
| 2027 | 897,393 | 6,645 | 904,038 |
| 2028 | <u>476,948</u> | <u>6,645</u> | <u>483,593</u> |
| Total | <u>\$ 4,693,182</u> | <u>\$ 76,354</u> | <u>\$ 4,769,536</u> |

BONDS PAYABLE

Public Improvement Bonds

On November 6, 2003, the City Council approved, through adoption of Resolution 174, 2003, the issuance of Public Improvement Bonds in one or more series for the purpose of financing the costs of acquiring, constructing and installing capital and non-capital projects and refunding prior obligations issued by the City. The bonds are payable from non-ad valorem revenues.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM DEBT (CONTINUED)

BONDS PAYABLE (CONTINUED)

Outstanding
Balance

Public Improvement Bonds

Series 2017

On February 9, 2017, the City approved, through adoption of Resolution 14, 2017, the issuance of the Public Improvement Bond, Series 2017, in the amount of \$30,000,000 for the purpose of financing the cost of certain infrastructure projects within the City relating to the one-cent sales surtax. Interest at the rate of 2.20% is payable semiannually on April 1 and October 1. Principal is payable in annual installments of \$2,725,000 to \$3,300,000, with the final payment due October 1, 2026. Debt service payments will be made from the one-cent sales surtax capital improvements fund.

\$ 12,785,000

Series 2021

On January 14, 2021, the City approved, through adoption of Resolution 7, 2021, the issuance of the Public Improvement Bond, Series 2021, in the amount of \$14,000,000 for the purpose of financing the cost of an 18 hole par-three golf course and related facilities. Interest at the rate of 2.15% is payable semiannually on October 1 and March 1. Principal is payable in annual installments of \$405,000 to \$860,000, with the final payment due October 1, 2040. Debt service payments will be made from the general fund.

13,010,000

Series 2023

the issuance of the Public Improvement Bond, Series 2023, in the amount of \$20,100,000 for the purpose of financing the cost of infrastructure road projects, pickleball courts and th Burns Road Recreation Center renovations. Interest at the rate of 3.74% is payable semiannually on October 1 and March 1. Principal is payable in annual installments of \$400,000 to \$1,415,000, with the final payment due October 1, 2042. Debt service payments will be made from the general fund.

20,100,000

Total Public Improvement Bonds

\$ 45,895,000

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 – LONG-TERM DEBT (CONTINUED)

BONDS PAYABLE (CONTINUED)

Annual debt service payments to maturity for all bonds are as follows:

| Year Ending September 30 | Public Improvement Bonds from Direct Borrowings | |
|-----------------------------|--|----------------------|
| | Principal | Interest |
| 2024 | \$ 4,095,000 | \$ 603,296 |
| 2025 | 4,500,000 | 1,161,807 |
| 2026 | 4,615,000 | 1,050,377 |
| 2027 | 4,725,000 | 936,058 |
| 2028 | 1,470,000 | 855,916 |
| 2029-2033 | 8,030,000 | 3,571,438 |
| 2034-2038 | 9,350,000 | 2,241,244 |
| 2039-2043 | 9,110,000 | 715,901 |
| Total | \$ 45,895,000 | \$ 11,136,037 |

NOTE 7 – INTERFUND TRANSFERS

The following is a summary of transfers by fund type for the year ended September 30, 2023:

| Transfer Out | Transfer In | | | | Total |
|------------------------|-------------------|---------------------|---------------------------|------------------------------------|---------------------|
| | General Fund | Road Impact Fund | Recreation Impact Fund | Non-major Governmental Funds | |
| General Fund | \$ -- | \$ 2,700,000 | \$ 5,285,099 | \$ 2,000,000 | \$ 9,985,099 |
| Recreation Impact Fund | 871,004 | -- | -- | -- | 871,004 |
| Total Funds | \$ 871,004 | \$ 2,700,000 | \$ 5,285,099 | \$ 2,000,000 | \$10,856,103 |

Transfers were made to move funds from the general fund to the recreation special revenue fund, recreation impact fund and Road impact fund to offset the operating loss in those funds. The Recreation impact fund transferred funds to the general fund for debt service payments.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS

COST-SHARING DEFINED BENEFIT PLANS

In October 2006, the City approved, through the adoption of Resolution 84, 2006, the participation in the Florida Retirement System (“FRS”) for general employees, including elected officials and senior management. Employees participating in another City retirement plan that were hired prior to October 1, 2006, had the right to elect to continue participating in the City plan or discontinue participation in the City plan and join the FRS. Employees that elected to join the FRS were eligible for past service credit, at the City’s expense, for the period of the participation in the City retirement plan, up to 9.75 years. Additional past service credit could be purchased at the employee’s expense.

There are two defined benefit plans as part of the Florida Retirement System. The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) for eligible employees, and the Health Insurance Subsidy Program (“HIS”).

HIS is a cost-sharing, multiple-employer defined benefit pension plan. The FRS and HIS were created by the Florida Legislature and are administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability or death benefits for retirees or their designated beneficiaries while HIS assists retirees in paying costs related to health insurance. All retirement legislation must comply with Article X, Section 14 of the State Constitution and Part VII, Chapter 112 Florida Statutes. Both of these provisions require that any increase in retirement benefits must be funded concurrently on an actuarially sound basis.

Both plans are included as a fiduciary fund in the State of Florida’s Annual Comprehensive Financial Report. The report is available via the Florida Department of Financial Services’ homepage at www.myfloridacfo.com. FRS issues a publicly available financial report that includes statements of financial condition, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants, and benefit payments, as well as a description of the retirement plans. The report is available from the Florida Department of Management Services’ website (www.dms.myflorida.com).

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided

HIS - The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

FRS –The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants. DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided (continued)

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The plan's total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

Below is the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011

Retirement up to age 62 or up to 30 years of service 1.60%

Retirement at age 63 or with 31 years of service 1.63%

Retirement at age 64 or with 32 years of service 1.65%

Retirement at age 65 or with 33 or more years of service 1.68%

Regular Class members initially enrolled on or after July 1, 2011

Retirement up to age 65 or up to 33 years of service 1.60%

Retirement at age 66 or with 34 years of service 1.63%

Retirement at age 67 or with 35 years of service 1.65%

Retirement at age 68 or with 36 or more years of service 1.68%

Elected County Officers 3.00%

Senior Management Service Class 2.00%

Special Risk Regular Class 3.00%

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided (continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Employees in the Florida Retirement System Pension Plan and Investment Plan are required to contribute 3% of their income as part of SB 2100 FRS reform measures that passed in the 2011 Florida legislative session. The total amount of employee contributions was \$738,966 during the year ended September 30, 2023. Contribution percentage amounts are subject to change each year based on legislative law changes, investment experience and the actuarial experience of the trust fund. As of September 30, 2023, the City's required annual contribution is 11.91% of the covered salary for general employees, 31.57% for senior management, 57.00% for elected officials, and 38.65% for special risk. The City's contribution to FRS for the fiscal year ended September 30, 2023 was \$3,752,748, equal to 100% of the required contribution for the fiscal year. Included in these rates is 1.66% relating to the HIS plan for all classes of employees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2023, the City reported liabilities of \$23,528,328 for its proportionate share of the FRS net pension liability and \$10,271,239 for the HIS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The City's proportionate share of the net pension liability was based on the City's fiscal year 2023 contributions relative to the fiscal year 2023 contributions of all participating members. At September 30, 2023, the City's proportionate share was 0.0590469167 percent for the FRS plan and 0.0646749117 percent for the HIS plan, which was an increase of 0.00512 percent and 0.00116 percent respectively, from the proportionate share measured as of June 30, 2022.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$6,168,277. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | | |
|--|--------------------------------|---------------------|---------------------|
| | FRS | HIS | Total |
| Differences between expected and actual experience | \$ 2,209,107 | \$ 150,364 | \$ 2,359,471 |
| Assumption Changes | 1,533,772 | 270,028 | 1,803,800 |
| Net Difference between projected and actual earnings on pension plan investments | 982,607 | 5,304 | 987,911 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 1,590,020 | 636,387 | 2,226,407 |
| Employer contributions subsequent to the measurement date | 863,303 | 143,591 | 1,006,894 |
| Total Deferred Outflows of Resources | \$ 7,178,809 | \$ 1,205,674 | \$ 8,384,483 |
| | Deferred Inflows of Resources | | |
| | FRS | HIS | Total |
| Differences between expected and actual experience | \$ -- | \$ 24,108 | \$ 24,108 |
| Assumption Changes | -- | 890,037 | 890,037 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 63,341 | -- | 63,341 |
| Total Deferred Inflows of Resources | \$ 63,341 | \$ 914,145 | \$ 977,486 |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The deferred outflows of resources related to pensions, totaling \$1,006,894, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending September 30 | Employer Share of Deferred Outflows / (Inflows) | | |
|--------------------------|---|-------------------|---------------------|
| | FRS | HIS | Total |
| 2024 | \$ 1,153,071 | \$ 116,176 | \$ 1,269,247 |
| 2025 | 233,071 | 97,988 | 331,059 |
| 2026 | 4,280,126 | 51,272 | 4,331,398 |
| 2027 | 472,566 | (69,935) | 402,631 |
| 2028 | 113,331 | (46,892) | 66,439 |
| Thereafter | -- | (671) | (671) |
| Total | \$ 6,252,165 | \$ 147,938 | \$ 6,400,103 |

Actuarial Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | FRS | HIS |
|----------------------------|--|--|
| Mortality table | PUB-2010 base table projected generationally with Scale MP-2018 | PUB-2010 base table projected generationally with Scale MP-2018 |
| Experience study | 7/1/13-6/30/18 | 7/1/13-6/30/18 |
| Actuarial cost method | Individual Entry Age Normal | Individual Entry Age Normal |
| Investment rate of return | 6.70% | 3.65% |
| Projected salary increases | 3.25% | 3.25% |
| Inflation | 2.40% | 2.40% |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|------------------------|-------------------|--------------------------|------------------------------------|--------------------|
| Cash | 1.0% | 2.9% | 2.9% | 1.1% |
| Fixed income | 19.8% | 4.5% | 4.4% | 3.4% |
| Global equity | 54.0% | 8.7% | 7.1% | 18.1% |
| Real estate (property) | 10.3% | 7.6% | 6.6% | 14.8% |
| Private equity | 11.1% | 11.9% | 8.8% | 26.3% |
| Strategic investments | 3.8% | 6.3% | 6.1% | 7.7% |
| | <u>100%</u> | | | |

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The HIS program uses a pay as you go funding structure, therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Since the prior measurement date, the discount rate for FRS remained consistent. The HIS discount rate was increased from 3.54% to 3.65%.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate.

The following table presents the sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City’s proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2023.

| Pension Plan | City's Proportionate Share of the Net Pension Liability | | |
|--------------|---|-----------------------|--------------|
| | 1% Decrease | Current Discount Rate | 1% Increase |
| FRS | \$ 40,191,174 | \$ 23,528,328 | \$ 9,587,862 |
| HIS | 11,717,880 | 10,271,239 | 9,072,070 |

Discount Rate: The discount rate used to measure the total pension liability was 6.70% for FRS and 3.65% for HIS.

Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

CITY SPONSORED – DEFINED BENEFIT PLANS

Plan Descriptions

The City is the sponsor of three single-employer defined benefit plans: City of Palm Beach Gardens Police Officers’ Pension Fund (the “Police Pension”) covering police officers, City of Palm Beach Gardens Retirement Plan for Firefighters (the “Fire Pension”) covering Firefighters, and City of Palm Beach Gardens Retirement Plan for General Employees (the “General Employees’ Pension”). The defined benefit plan for general employees was closed to new employees hired after May 1, 1995. All three plans are reported as pension trust funds. The City Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

Plan Descriptions (continued)

At the election of the Pension Boards, separate audited financial statements are produced for the Police Pension and the Fire Pension. The General Employees' Pension does not issue separate statements. The stand-alone statements for the Police Pension and the Fire Pension are available on the City's homepage at www.pbgfl.com.

Each pension plan has its own board that acts as plan administrator and trustee. Each plan's assets may only be used for the payment of benefits to the members and beneficiaries of the plan in accordance with the terms of each plan document. The costs of administering each plan are financed in the appropriate pension trust fund.

The General Employees' Pension Board has three members and is comprised of a plan member or retiree or HR administrator if one of these is unable to serve; the City's finance administrator and the City manager or designee.

The Police and Fire Pension Boards are managed by a five-member Board of Trustees comprised of two members appointed by City Council, two members that are elected by plan membership, and a fifth member who is chosen by the other four members.

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer and State of Florida contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments

Investments are reported at fair value except for money market funds and commercial paper which are at amortized cost, and are managed by third party money managers. The Plans' independent custodians and individual money managers price each instrument using various third party pricing sources. The benefits and refunds of the defined benefit pension plans are recognized when due and payable in accordance with the terms of the plan.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS

General Employees' Pension

The Plan provides normal retirement, early retirement, deferred retirement, disability retirement and death benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. A participant may retire with normal benefits after age 62 with 10 years of credited service. Reduced early retirement benefits are available once a participant reaches age 55 and accumulates 10 years of credited service. Normal retirement benefits are calculated at 2.5% of the participant's average earnings times the participant's credited service years. A participant becomes 100% vested after 10 years of credited service. Early retirement benefits are the same as normal retirement benefits, reduced by 0.55% for each of the first sixty months by which the early retirement age precedes age 62 and further reduced by 0.27% for each of the next twenty-four months by which the early retirement age precedes age 62. Average earnings for purposes of calculating benefits is the average of the three highest years of pensionable earnings out of the last five years of employment. Salary means the average monthly earnings reported to the Internal Revenue Service for income tax purposes.

Disability Benefits

A participant must become totally and permanently disabled prior to his termination of employment as determined by the pension board. The disability benefit is a monthly 10-year certain and life annuity equal to the participant's monthly accrued benefit, but offset as necessary to preclude the total of the participant's worker's compensation, 50% of the participant's social security disability benefit, and any other City-provided disability compensation from exceeding his final monthly salary excluding overtime. For this purpose, the amount of any lump sum worker's compensation payment is converted to an equivalent monthly benefit payable for 10 years certain by dividing the lump sum amount by 83.9692. A disabled participant may elect the single life annuity or a joint and contingent annuity in lieu of the 10-year certain and life form of payment. Regardless of the form of payment, benefits cease upon the participant's recovery from the disability prior to normal retirement date.

Eligibility for disability benefits begins from the participant's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the participant's average final compensation, and not less than 2.0% of the participant's average final compensation times his or her credited service years. Non-service incurred disability benefits are 2.5% of the participant's average final compensation times his or her credited service years up to a maximum of 50% of average final compensation.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

General Employees' Pension (continued)

Death Benefits

If a vested participant dies prior to retirement, the participant's beneficiary receives a 10-year certain annuity equal to the participant's monthly accrued benefit, payable beginning at the participant's early or normal retirement age. If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

Termination Benefits

Termination benefits for unvested participants are the return of the participant's contributions. For participants who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

Police Pension

The Plan provides retirement, death and disability benefits for its members. Benefit provisions are established and may be amended by the City of Palm Beach Gardens, in conjunction with the Palm Beach County Police Benevolent Association. A member hired before September 13, 2012 may retire with normal benefits after the earlier of age 52 with 10 years of credited service, or 20 years of credited service regardless of age. A member hired on or after September 13, 2012 may retire with normal benefits upon the attainment of age 55 and 10 years of credited service. Reduced early retirement benefits are available once a member reaches age 50 and accumulates 10 years of credited service. For members retiring prior to September 13, 2012, normal retirement benefits are 3.5% of the member's average monthly earnings times his or her credited service years, up to a maximum of 100% of average monthly earnings, plus a monthly supplemental benefit of \$12.50 per year of service. For members hired prior to September 13, 2012 and retiring on or after September 13, 2012, but not having attained the normal retirement date prior to September 13, 2012, normal retirement benefits are 3.5% of the member's average monthly earnings times his or her credited service years earned prior to September 13, 2012 plus 2.75% of the member's average monthly earnings times his or her credited service years earned on or after September 13, 2012 through October 1, 2019, plus 3.0% of the member's average monthly earnings times his or her credited service years earned after October 1, 2019, up to a maximum of 75% of average monthly earnings, plus a monthly supplemental benefit of \$12.50 per year of service. For members hired on or after September 13, 2012, normal retirement benefits are 2.75% of the member's average monthly earnings times his or her credited service years through October 1, 2019, plus 3.0% of the member's average monthly earnings times his or her credited service years earned after

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Police Pension (continued)

October 1, 2019, up to a maximum of 75% of average monthly earnings, plus a monthly supplemental benefit of \$12.50 per year of service. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which early retirement precedes the normal retirement date. Average monthly earnings for purposes of calculating benefits is the average of salary during the last five years of employment producing the highest average. Salary means the average monthly earnings reported to the Internal Revenue Service for income tax purposes, plus deferred compensation. Beginning with salary after December 31, 2008, the definition of salary includes amounts paid by the City as differential wages to members who are absent from employment while in qualified military service. Notwithstanding the preceding two sentences, effective September 13, 2012, salary will henceforth mean base pay, excluding all other compensation, provided that the salary of any member employed on September 13, 2012 shall include payment for unused accrued sick and annual leave up to the dollar amount of unused sick and annual leave that the member has accrued as of September 13, 2012. However, in no event will the salary of any member who is employed on September 13, 2012 be less than the member's salary on September 12, 2012 as determined in accordance with the definition of salary in effect on September 12, 2012.

Deferred Retirement Option Plan

Any member who attains 20 years of service or age 52 with 10 years of service may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. The election to enter the DROP must be made prior to completing 25 years of credited service. Upon participation in the DROP, the member becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member at the first to occur of: termination of employment, 30 years of credited service or 5 years of participation.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Police Pension (continued)

Disability Benefits

Eligibility for disability benefits begins from the member's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the member's current compensation, and not less than the accrued pension benefit. Non-service incurred disability benefits are calculated the same as a normal retirement pension based on average monthly earnings and credited service at the time of disability, but not less than 25% of average monthly earnings or the accrued pension benefit, whichever is greater.

Death Benefits

Pre-retirement death benefits for service related deaths are paid to the member's beneficiary for life. Benefits are calculated at 50% of the member's average monthly earnings, with a minimum equal to the accrued pension benefit (with no early retirement reduction). Pre-retirement death benefits for non-service related deaths are paid to the member's beneficiary for life. For members with less than 5 years of contributing service at the date of death, the benefit is the return of the member's contributions without interest. For members with 5 years or more of contributing service at the date of death, the benefit is equal to that payable at early or normal retirement age. If the member is eligible for normal retirement, the benefit is equal to his or her accrued pension benefit, and is payable for life.

Termination Benefits

Termination benefits for unvested members are the return of the member's contributions. For members who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension

The Plan provides normal retirement, early retirement, deferred retirement, disability retirement and death benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. A participant may retire with normal benefits after the earlier of age 52 with 10 years of credited service, or 25 years of credited service regardless of age. Reduced early retirement benefits are available once a participant reaches age 50 and accumulates 10 years of credited service. Normal retirement benefits are 3.0% of the participant's average final compensation times the participant's credited service years up to a maximum of 99% (75% for participants retiring on or after September 13, 2012 who were not eligible for normal retirement or who did not have an accrued pension benefit in excess of 75% of average final compensation on that date) of average final compensation. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which the commencement of benefits precedes age 52. Average final compensation for purposes of calculating benefits is one twelfth of the average annual salary for the best five years of the last ten years of credited service. Salary means the total compensation for services rendered to the City as a firefighter is reportable on the participant's W-2 form plus all tax deferred, tax-sheltered or tax exempt items of income derived from elective employee payroll deduction or salary reduction. Notwithstanding the preceding sentence, effective September 13, 2012, salary shall exclude all overtime compensation as well as payments for unused accrued sick and annual leave; provided the salary of any participant employed on September 13, 2012 shall include payment for unused accrued sick and annual leave up to the number of hours of unused sick and annual leave accrued on September 13, 2012.

Deferred Retirement Option Plan

Any participant who attains 25 years of service or age 52 with 10 years of service may elect to participate in the deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the participant as a result are accumulated and invested in the DROP plan to be distributed to the participant upon his or her termination of employment. Participation in the DROP plan ceases for a participant at the first to occur of: termination of employment or 5 years of participation.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension (continued)

Disability Benefits

Eligibility for disability benefits begins from the participant's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the participant's average final compensation, and not less than 2.0% of the participant's average final compensation times his or her credited service years. Non-service incurred disability benefits are 2.5% of the participant's average final compensation times his or her credited service years up to a maximum of 50% of average final compensation.

Death Benefits

The death benefit for a participant who was partially or fully vested, but had not attained at least age 50, is a payment of the participant's accrued pension benefit to the participant's beneficiary for 10 years, beginning on the date that the participant would have attained age 52 for a normal retirement benefit or age 50 for an early retirement benefit, at the option of the beneficiary. The death benefit for a participant who was not vested is a return of the participant's contributions to the participant's beneficiary.

On July 1, 2019, in accordance with Chapter 2019-21, Laws of Florida, certain disability benefits were granted to firefighters participating in an employer-sponsored retirement plan. The retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan's definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer. Cancer is defined in Section 112.1816(1), Florida Statutes.

Termination Benefits

Termination benefits for unvested participants are the return of the participant's contributions. For participants who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension (continued)

Cost of Living Adjustments

Beginning January 1, 2004, and each January 1 thereafter, all participants receiving benefits, excluding disability retirees, shall receive an age based cost of living adjustment. The amount will be 1.0% for participants who are age 53, 2.0% for participants who are age 54, and 3.0% for participants who are age 55 or greater. Effective January 1, 2013, the applicable percentage for participants who are age 55 or greater, and who were not employed and eligible for normal retirement on September 13, 2012, shall be 1.5%.

All Plans

The plan membership as of October 1, 2023 for the General Employees' and October 1, 2022 for the Police and Fire, the date of the latest actuarial valuation are listed below:

| | General Employees' | Police | Fire |
|---|-----------------------|--------|------|
| Active Employees | 2 | 118 | 99 |
| Benefits | 7 | 84 | 75 |
| Inactive Employees Entitled to but not yet Receiving Benefits | 2 | 4 | 15 |
| Total | 11 | 206 | 189 |

Contributions

The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report for funding purposes. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Fire Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the State has ascertained that the local government has met their actuarial funding requirement for the then most recently completed fiscal year.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

All Plans (continued)

The following schedule summarizes the contribution rates for the City and its plan members:

| Contribution Rates: | General | | |
|---------------------|------------|--------|--------|
| | Employees' | Police | Fire |
| City | 0.00% | 45.94% | 52.96% |
| State | N/A | 5.95% | 7.91% |
| Plan members | 6.00% | 8.60% | 6.00% |

The Police Officers' and Firefighters' Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City and totaled \$1,875,607 for the year ended September 30, 2023: \$882,154 for property insurance contracts for firefighters and \$993,453 for casualty insurance contracts for police officers. These amounts are recognized as insurance premium tax revenues and public safety expenditures in the General Fund.

NET PENSION LIABILITY

The City's net pension liability was measured as of September 30, 2022 for the Police Pension and Fire Pension and the General Employees' Pension was measured as of September 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial accounting valuation as of these dates.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2021, updated to September 30, 2022 for the Police Pension and Fire Pension and the General Employees’ Pension used an actuarial valuation as of October 1, 2022 updated to September 30, 2023. The following actuarial assumptions, applied to all measurement periods:

| | General Employees' | Police | Fire |
|----------------------------|--|--|--|
| | PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP- | PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP- | PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP- |
| Mortality Table | 2018. | 2018. | 2018. |
| Investment rate of return | 7.00% | 6.00% | 6.85% |
| Projected salary increases | 5.00% | 5.5% - 6.75% | 4% - 5.5% |
| Inflation | 0.00% | 2.25% | 2.50% |
| Cost of living adjustments | 0.00% | N/A | 1%-2% |

The actuarial assumptions used in the September 30, 2022 accounting valuation for the Police Pension and Fire Pension were based on the results of an actuarial experience study for the period of October 1, 2013 – September 30, 2016. The assumptions used in the September 30, 2022 accounting valuation for the General Employees’ Pension were based on the results of an actuarial experience study for the period of October 1, 2014 – September 30, 2017.

Long-term Expected Rate of Return

The long-term expected rate of return for the General Employees’ Pension, Police Pension and the Fire Pension investments were determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the General Employee’s Pension, Police Pension and Fire Pension plan’s target asset allocation as of September 30, 2023 are summarized and included in the following table.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

| Plan | Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------|-----------------------|----------------------|---|
| General Employees | Core bonds | 15.00% | 1.60% |
| | Coreplus | 15.00% | 2.10% |
| | U.S. large cap equity | 25.00% | 4.60% |
| | U.S. small cap equity | 14.00% | 5.50% |
| | Non-U.S. equity | 21.00% | 6.70% |
| | Real estate | 10.00% | 5.00% |
| Fire | Domestic equity | 50.00% | 7.50% |
| | Foreign equity | 10.00% | 8.50% |
| | Domestic fixed income | 20.00% | 2.50% |
| | Global fixed income | 5.00% | 3.50% |
| | Real estate | 10.00% | 4.50% |
| | Alternative | 5.00% | 6.03% |
| Police | Domestic equity | 50.00% | 7.50% |
| | International equity | 10.00% | 8.50% |
| | Domestic bonds | 27.50% | 2.50% |
| | Real estate | 12.50% | 4.50% |
| | Alternative Assets | 7.50% | 5.99% |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the General Employees' Pension, 6.00% for the Police Pension, and 6.85% for the Fire Pension. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made as legally required. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Since the prior measurement date, the discount rate of the Police Pension discount rate has been lowered each year for the past ten years until the rate reached 6.00%.

Changes in the Net Pension Liability

The changes in the net pension liability at the measurement date, were as follows:

| | General Employees' | Police | Fire |
|---|-----------------------|----------------|----------------|
| Total Pension Liability | | | |
| Service Cost | \$ 22,278 | \$ 3,459,247 | \$ 2,356,584 |
| Interest | 203,143 | 7,953,674 | 10,586,382 |
| Share Plan Allocation | -- | 190,649 | 22,569 |
| Differences Between Expected and Actual Experience | 104,900 | (486,206) | 3,323,775 |
| Changes of Assumptions | -- | 2,419,917 | 1,849,773 |
| Benefit Payments Including Refunds of Employee Contributions | (116,562) | (7,073,896) | (6,084,396) |
| Net Change in Total Pension Liability | 213,759 | 6,463,385 | 12,054,687 |
| Total Pension Liability - Beginning | 2,992,897 | 129,310,410 | 153,007,658 |
| Total Pension Liability - Ending (a) | \$ 3,206,656 | \$ 135,773,795 | \$ 165,062,345 |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Changes in the Net Pension Liability (continued)

| | General Employees' | Police | Fire |
|---|-----------------------|-----------------------|-----------------------|
| Plan Fiduciary Net Position | | | |
| Contributions - Employer | \$ -- | \$ 4,416,118 | \$ 5,286,754 |
| Contributions - State | -- | 856,513 | 795,211 |
| Contributions - Employee | 12,217 | 854,303 | 583,630 |
| Net Investment Income (Loss) | 253,149 | (14,576,176) | (20,557,642) |
| Benefit Payments Including Refunds of | | | |
| Employee Contributions | (116,562) | (7,073,896) | (6,084,396) |
| Administrative Expense | (12,138) | (159,383) | (125,172) |
| Net Change in Plan Fiduciary Net Position | 136,666 | (15,682,521) | (20,101,615) |
| Plan Fiduciary Net Position - Beginning | 2,943,276 * | 127,508,035 | 140,905,086 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 3,079,942</u> | <u>\$ 111,825,514</u> | <u>\$ 120,803,471</u> |
| Net Pension Liability - Ending (a) - (b) | <u>\$ 126,714</u> | <u>\$ 23,948,281</u> | <u>\$ 44,258,874</u> |
| Plan Fiduciary Net Position as a % of the | | | |
| Total Pension Liability | 96.05% | 82.36% | 73.19% |
| Covered Payroll | \$ 132,586 | \$ 9,933,756 | \$ 9,684,103 |
| Net Pension Liability as a % of Covered Payroll | 95.57% | 241.08% | 457.03% |

* The amount does not agree to the General Employees' Pension Trust Fund by \$1,318 due to differences related to the timing of an adjusting journal entry.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s net pension liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates:

| Pension Plan | Net Pension Liability | | |
|--------------------|-----------------------|-----------------------------|----------------|
| | 1% Decrease | Current Discount Rate | 1% Increase |
| General Employees' | \$ 455,078 | \$ 126,714 | \$ (156,396) |
| Police | 37,892,168 | 23,948,281 | 12,319,778 |
| Fire | 64,921,135 | 44,258,874 | 27,551,507 |

Discount Rate: The discount rate used to measure the total pension liability was 7.00% for General Employees, 6.00% for Police and 6.85% for the Fire Plan.

Pension plan fiduciary net position. Detailed information about the Police Pension and Fire Pension fiduciary net position is available in the separately issued financial reports. The General Employees’ fiduciary net position information is shown below:

**General Employees Pension Trust Fund
Statement of Fiduciary Net Position
September 30, 2023**

| | |
|---|----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 43,119 |
| Investments | 3,036,823 |
| Receivables | <u>222</u> |
| Total Assets | 3,080,164 |
| Liabilities | |
| Accounts payable | <u>1,540</u> |
| Net Position Restricted for Pension Benefits | <u><u>\$ 3,078,624</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (continued)

**General Employees Pension Trust Fund
Statement of Changes in Fiduciary Net Position
Year Ended September 30, 2023**

Additions

Contributions:

| | |
|-----------|--------|
| Employer | \$ -- |
| Employees | 12,238 |

Total Contributions

12,238

Investment earnings:

| | |
|---|----------------|
| Net increase in the fair value of investments | 253,150 |
| Less investment expenses | (10,662) |
| Net investment gain | <u>242,488</u> |

Total Additions

254,726

Deductions

| | |
|-------------------------|---------|
| Pension benefits | 116,562 |
| Administrative expenses | 1,540 |

Total Deductions

118,102

Change in Net Position

136,624

Net Position Restricted for Pension Benefits:

| | |
|-----------|---------------------|
| Beginning | <u>2,942,000</u> |
| Ending | <u>\$ 3,078,624</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, The City recognized pension expense of \$1,589,111. Deferred outflows and inflows of resources related to pensions are as follows:

| | Deferred Outflows of Resources | | | |
|--|---------------------------------------|----------------------|----------------------|----------------------|
| | General Employees' | Police | Fire | Total |
| Differences between expected and actual experience | \$ 18,365 | \$ 637,301 | \$ 4,363,007 | \$ 5,018,673 |
| Assumption Changes | 42,759 | 4,109,442 | 4,048,506 | 8,200,707 |
| Net Difference between projected and actual earnings on pension plan investments | 230,454 | 8,397,058 | 16,244,373 | 24,871,885 |
| Employer and State contributions subsequent to the measurement date | -- | 5,712,602 | 7,001,070 | 12,713,672 |
| Total Deferred Outflows of Resources | \$ 291,578 | \$ 18,856,403 | \$ 31,656,956 | \$ 50,804,937 |
| | Deferred Inflows of Resources | | | |
| | General Employees' | Police | Fire | Total |
| Differences between expected and actual experience | \$ 25,356 | \$ 396,168 | \$ -- | \$ 421,524 |
| Total Deferred Inflows of Resources | \$ 25,356 | \$ 396,168 | \$ -- | \$ 421,524 |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources related to City contributions made subsequent to the measurement date of \$12,713,672 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ending September 30 | General Employees' | Police | Fire | Total |
|-----------------------------|-----------------------|----------------------|----------------------|----------------------|
| 2024 | \$ 84,811 | \$ 3,341,558 | \$ 6,451,887 | \$ 9,878,256 |
| 2025 | 62,625 | 2,258,198 | 5,399,044 | 7,719,867 |
| 2026 | 129,010 | 2,007,814 | 5,007,159 | 7,143,983 |
| 2027 | (10,224) | 4,996,827 | 6,935,537 | 11,922,140 |
| 2028 | -- | 143,236 | 862,259 | 1,005,495 |
| Total | <u>\$ 266,222</u> | <u>\$ 12,747,633</u> | <u>\$ 24,655,886</u> | <u>\$ 37,669,741</u> |

The following summarizes the pension related amounts for the City as of the indicated measurement date:

| | Measurement Date | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|--------------------|---------------------|--------------------------|--------------------------------------|-------------------------------------|----------------------|
| FRS | 6/30/2023 | \$ 23,528,328 | \$ 7,178,809 | \$ 63,341 | \$ 2,508,385 |
| HIS | 6/30/2023 | 10,271,239 | 1,205,674 | 914,145 | 3,659,892 |
| General Employees' | 9/30/2023 | 126,714 | 291,579 | 25,356 | 55,617 |
| Police | 9/30/2022 | 23,948,281 | 18,856,403 | 396,168 | 36,209 |
| Fire | 9/30/2022 | <u>44,258,874</u> | <u>31,656,956</u> | <u>--</u> | <u>8,570,773</u> |
| Total | | <u>\$ 102,133,436</u> | <u>\$ 59,189,421</u> | <u>\$ 1,399,010</u> | <u>\$ 14,830,876</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Cost of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 9.00%, Special Risk Administrative Support class 11.35%, Special Risk class 20.00%, Senior Management Service class 10.95% and County and Local Elected Officers class 16.20%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS (CONTINUED)

Investment Plan (continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$776,002 for the fiscal year ended September 30, 2023.

Defined Contribution Plan

The City of Palm Beach Gardens Money Purchase Plan (the "General Plan") and the City of Palm Beach Gardens Executive Plan (the "Executive Plan") are defined contribution pension plans established by the City and administered by ICMA Retirement Corporation to provide benefits at retirement to the employees of the City. The General Plan was closed to new employees hired on or after October 1, 2006.

Employees of the City that were hired prior to October 1, 2006, and elected not to join the FRS are eligible to participate in the General Plan. There were nine plan members during the fiscal year. The City contributes to the General Plan an amount equal to the FRS contribution rate at the time of election (9.85% general employee and 13.12% senior management) of the employee's base salary each month. Employees also contribute an amount equal to 4% of their base salary in the General Plan. The City's contributions for each employee (and interest allocated to the employees' accounts) are fully vested after one year of continuous service. Plan revisions and contribution requirements are established and may be amended by the City Council.

The City Manager is the only employee eligible to participate in the Executive Plan. The City contributes 15% to the Executive Plan. As part of the employment agreement with the City Manager, the City contributes 3% of the base salary to the Executive Plan, in addition to the 15%.

The City's contributions were calculated using the base salary amount of \$1,018,634 for the General Plan and \$339,163 for the Executive Plan. The City made its required contributions of \$117,032 for the General Plan and \$61,049 for the Executive Plan and employees made their required contributions of \$40,745 to the General Plan.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS (CONTINUED)

Deferred Compensation Plan (continued)

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. This plan, available to all City employees, permits them to defer the payment of a portion of their salary until future years. Participation in this plan is voluntary and the City makes no contributions to this plan on behalf of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All amounts of compensation deferred, including the investments and earnings thereon, vest with the employee and are not subject to the claims of the City's general creditors.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

The City follows the guidance contained in Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for certain post-employment health care benefits provided by the City for the fiscal year ended September 30, 2023.

PLAN DESCRIPTION

The City provides certain healthcare benefits to active and retired employees and their dependents. The health plan is a single employer plan administered by the City. The benefits, levels of benefit, employee contributions, and employer contributions are governed by the City and can be amended by the City through management recommendations to, and approval by, City Council as part of the annual budget adoption process. The plan is not reported as a trust fund nor has an irrevocable trust or equivalent arrangement been established to account for the plan. As a result, the plan does not issue a separate financial report. The activity of the plan is reported in the City's Self-Insurance fund, an internal service fund.

BENEFITS PROVIDED

Retired City employees can continue the same medical coverage they had as active employees. The City provides postemployment health care benefits to its retired employees and their dependents. To be eligible for benefits, an employee must reach retirement eligibility in their respective pension plan.

All health care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, and substance abuse care; dental care; and prescriptions. Upon a retired employee reaching 65 years of age, Medicare becomes the primary insurer and the City's plan will not pay benefits already paid by Medicare.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

BENEFITS PROVIDED (CONTINUED)

All health care benefits are provided through the City’s self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, and substance abuse care; dental care; and prescriptions. Upon a retired employee reaching 65 years of age, Medicare becomes the primary insurer and the City’s plan will not pay benefits already paid by Medicare.

MEMBERSHIP

As of September 30, 2023, membership consisted of:

| | Membership September 30, 2023 |
|--|----------------------------------|
| Active Employees | 501 |
| Inactive Employees or Beneficiaries Currently Receiving Benefits | <u>105</u> |
| Total | <u><u>606</u></u> |

FUNDING POLICY

The City establishes the individual premium to be paid by the retired employees. The State of Florida prohibits the City from separately rating retired employees and active employees. As a result, the City’s premium charges to retired employees can be no more than the premium cost applicable to active employees. Generally accepted accounting principles, however, require that the actuarial information presented below be calculated using age adjusted premiums approximating claim costs for retirees separate from the active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. For the year ended September 30, 2023, retired employees contributed \$1,110,717 to the plan. For those employees, through its Self-Insurance Fund, the City paid \$1,774,371 in claims and administrative costs resulting in a net cost of \$663,654. Active employees do not contribute 100% of the premium cost to the plan until retirement.

TOTAL OPEB LIABILITY

The City’s total OPEB liability was measured as of September 30, 2022. The total OPEB liability was determined by an actuarial accounting valuation as of October 1, 2022.

Actuarial Assumptions

The total OPEB liability in the October 1, 2022 actuarial valuation was determined using actuarial assumptions and other inputs, applied to all periods included in the measurement.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (continued)

The actuarial assumptions included a 4.40% investment discount rate, inflation rate of 2.5%, an annual healthcare cost trend rate of 7.5% decreasing until it reaches 3.94%, and payroll growth of 3.5%. Life expectancies were based upon data found in the RP-2000 healthy and disability tables. The actuarial value of assets was not determined as the City has not advanced funded its obligation. The actuarial assumptions used in the valuation were based on October 1, 2022 census data, which included data and medical claims from October 2018-October 2022.

Changes in the Total OPEB Liability

The changes in the total OPEB liability at the measurement date, were as follows:

| | |
|--|----------------------|
| Total OPEB Liability | |
| Service cost | \$ 623,385 |
| Interest cost | 221,348 |
| Changes of benefit terms | -- |
| Differences between expected and actual experience | 3,494,604 |
| Changes of assumptions | (2,008,259) |
| Benefit payments | <u>(1,245,663)</u> |
| Net Change in Total OPEB Liability | 1,085,415 |
| Total OPEB Liability - Beginning | <u>10,325,693</u> |
| Total OPEB Liability - Ending | <u>\$ 11,411,108</u> |
| Covered Employee Payroll | \$ 42,647,080 |
| Total OPEB Liability as a Percentage of Payroll | 26.76% |

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the City's total pension liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates:

| | 1% Decrease 3.40% | Current Discount Rate 4.40% | 1% Increase 5.40% |
|----------------------|-------------------------|--------------------------------------|-------------------------|
| Total OPEB Liability | <u>\$ 12,349,647</u> | <u>\$ 11,411,108</u> | <u>\$ 10,571,570</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the City’s total OPEB liability calculated using the current healthcare cost trend rates and the liability using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current rates:

| | 1% Decrease 2.94% | Healthcare Cost Trend Rate 3.94% | 1% Increase 4.94% |
|----------------------|-------------------------|---|-------------------------|
| Total OPEB Liability | <u>\$ 10,421,645</u> | \$11,411,108 | <u>\$ 12,559,460</u> |

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, The City recognized OPEB expense of \$931,651. Deferred outflows and inflows of resources related to OPEB are as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$3,140,368 | \$ 594,526 |
| Assumption Changes | <u>488,222</u> | <u>1,883,332</u> |
| Total | <u><u>\$3,628,590</u></u> | <u><u>\$2,477,858</u></u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending September 30 | Amount |
|--------------------------|----------------------------|
| 2024 | \$ 168,271 |
| 2025 | 168,269 |
| 2026 | 231,754 |
| 2027 | 334,713 |
| 2028 | <u>247,725</u> |
| Total | <u><u>\$ 1,150,732</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 10 – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various claims and legal actions occurring in the course of operations. While the ultimate outcome of the litigation cannot be determined at this time, management believes that any amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

NOTE 11 – COMMITMENTS

Commitments on major construction contracts consist of the following:

| Project | Total Project Authorization | Expended at September 30, 2023 | Balance to Complete |
|--------------------------------|-----------------------------------|--------------------------------------|---------------------------|
| Burns Road Community Center | \$ 21,279,202 | \$ 1,932,796 | \$ 19,346,406 |
| Golf Course Expansion (west) | 17,948,792 | 16,178,643 | 1,770,149 |
| Fire Station 6 | 6,000,000 | 357,385 | 5,642,615 |
| Sandhill Crane Drive Extension | 5,288,059 | 4,588,901 | 699,158 |
| Aquatic Facilities | 4,236,987 | 4,117,456 | 119,531 |
| Aquatic Complex Renovation | 3,438,000 | 3,188,322 | 249,678 |
| | <u>\$ 58,191,040</u> | <u>\$ 30,363,503</u> | <u>\$ 27,827,537</u> |

SOLID WASTE, RECYCLING, AND VEGETATIVE WASTE COLLECTION SERVICES

On January 4, 2018, the City entered into an agreement to retain the services of Waste Management, Inc. of Florida and granting an exclusive solid waste, recycling and vegetative waste collection services franchise. The agreement is for a period of ten years commencing April 1, 2018 through March 31, 2028, with no options to renew. The cost of the contract totaled \$3,156,360 for the year ended September 30, 2023.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – COMMITMENTS (CONTINUED)

ENCUMBRANCES

Encumbrance accounting, in which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized by the City during the year. Because appropriations expire at year end, even if encumbered, it is the City’s policy to re-appropriate such amounts at the beginning of the next fiscal year. Encumbrances outstanding at year end are reported as part of restricted and assigned fund balances. Below is a listing of outstanding encumbrances by fund at September 30, 2023:

| Fund | Encumbrances Outstanding |
|------------------------------|-----------------------------|
| General fund | \$ 4,973,707 |
| Recreation Impact | 60,406 |
| Road impact fund | 663,428 |
| Non-major governmental funds | <u>22,278,113</u> |
| Total | <u>\$ 27,975,654</u> |

NOTE 12 – JOINTLY GOVERNED ORGANIZATION

The City, through an interlocal agreement with certain other municipalities and Palm Beach County, created the Seacoast Utility Authority (“Seacoast”) which provides water and sewer service to the citizens of each of the participating municipalities and a portion of Palm Beach County. Seacoast’s governing board is comprised of one member from each participating entity. Seacoast is an independent authority organized under the laws of the State of Florida and the City has no participating equity ownership in Seacoast. The City paid \$422,698 to Seacoast during the fiscal year for water and sewer service and connection fees relating to capital projects.

NOTE 13 – RISK MANAGEMENT AND HEALTH INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omission; and natural disasters for which the City carries commercial insurance. Specifically, the City purchases commercial insurance for property, liability, and workers’ compensation. The City 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/\$300,000 for all claims relating to the same accident. There have been no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements in excess of insurance coverage for the past three fiscal years.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 13 – RISK MANAGEMENT AND HEALTH INSURANCE (CONTINUED)

SELF-INSURANCE FUND

During fiscal year 2009, the City established the Self-Insurance Fund (internal service fund) to account for medical insurance claims of City employees and their covered dependents. Under this program, the fund provides the employee with an unlimited lifetime maximum benefit. A maximum deductible of \$350,000 for specific claims has been set. Commercial insurance for specific loss claims in excess of the coverage provided by the fund is supplied by Symetra Life Insurance Company. The City has contracted with Blue Cross/Blue Shield to perform certain administrative functions, such as monitoring, reviewing and paying claims. Settled claims have not exceeded the excess insurance limits during the fiscal year.

All City departments participate in the program and make payments to the Self-Insurance Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims, claims reserves, and administrative costs.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether the expenses are allocated to specific claims. Changes in claims liabilities were as follows:

| Fiscal Year Ended | Claims Payable Beginning of Year | Claims and Changes in Estimates | Claim Payments | Claims Payable End of Year |
|-------------------|----------------------------------|---------------------------------|----------------|----------------------------|
| 9/30/2022 | 443,365 | 9,682,779 | (9,610,302) | 515,842 |
| 9/30/2023 | 515,842 | 9,121,271 | (9,143,681) | 493,432 |

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 14 – INVESTMENT IN JOINT VENTURE

The City entered into an interlocal agreement with two other municipalities in Palm Beach County to purchase and operate a county-wide public safety communications system. The interlocal agreement established the Municipal Public Safety Communications Consortium of Palm Beach County (“MPSCC”) whose purpose is to provide its members with expanded radio communication services (via the 800MHz trunked radio system) to aid in public safety over a larger geographical region. The MPSCC is a cost sharing organization. Its annual budget is prepared by the Executive Director and approved by the Board of Directors of MPSCC. The member municipalities of the MPSCC are obligated for the debt incurred by the consortium and each municipality is responsible for their respective portion of costs incurred by the MPSCC. The City’s initial investment in this joint venture was \$676,200, which represented 13.8% of the total consortium investment. During the current fiscal year, the City had expenditures of \$128,562 relating to the consortium. The City’s investment in the joint venture is \$2,543,154 as of September 30, 2023. Separate financial statements for the MPSCC may be obtained from, the City of Palm Beach Gardens Finance Department, Attention: Arienne Panczak, Finance Administrator, 10500 N. Military Trail, Palm Beach Gardens, Florida 33410.

NOTE 15 – INTERLOCAL AGREEMENT

On September 30, 2010, the City adopted Resolution 74, 2010, entering into an agreement with three other municipalities (the Town of Jupiter, Town of Juno Beach, and Jupiter Inlet Colony) to provide consolidated police dispatch operations in Palm Beach County. On September 17, 2014, the Village of North Palm Beach entered the interlocal agreement, and on March 2, 2020, the Village of Tequesta entered the interlocal agreement. The Northern Municipal Regional Communications Center’s (NMRCC) budget for the fiscal year was \$4,974,890 which was offset by \$57,850 in Palm Beach County 911 reimbursements. In addition, each participating municipality was responsible for its pro-rata share of administrative service fees totaling \$562,286.

The allocation of expenditures to the four municipalities is based on population with the City’s share at 39.8%, the Town of Jupiter at 44.4%, the Village of North Palm Beach at 9.0%, the Village of Tequesta at 4.1%, the Town of Juno Beach at 2.4% and the Jupiter Inlet Colony at 0.3%. The City received payments from the Town of Jupiter, Town of Juno Beach, Village of North Palm Beach and Jupiter Inlet Colony for dispatch services totaling \$3,241,932, which included an administrative services fee of \$329,700. The City was responsible for \$2,226,491. Actual expenditures were less than the dispatch operations budget during the fiscal year by \$74,072. The accumulated portion of payments from municipalities that exceed actual expenditures is shown as restricted for law enforcement on the governmental funds balance sheet.

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

NOTE 16 – CONDUIT DEBT OBLIGATIONS

On December 7, 2017, the City adopted Resolution 83, 2017, authorizing the issuance of a debt obligation of the City in the amount of \$10,257,000 with the proceeds loaned to St. Mark's Church, Inc. and used for the purpose of refinancing certain outstanding debt of the borrower in connection with the acquisition, construction, and equipping of facilities for a pre-kindergarten to grade eight school. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2023, the outstanding balance of the debt was \$8,552,162.

NOTE 17 – TAX ABATEMENT

On July 11, 2019, the City adopted Ordinance 13, 2019, approving an economic development ad valorem tax exemption with Carrier Corporation. The tax exemption will be for a period of ten years commencing on January 1, 2020 and expiring on December 31, 2029. The economic development incentive approves a 100% exemption for the first five years and a 50% exemption for the next five years. The impact of the tax abatement on the current fiscal year's ad valorem tax revenues was a reduction of \$358,523.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Adopted Budget | Legally Adopted Budget Amendments | Final Revised Budget | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|-------------------------------|--|----------------------------|--------------------|---|
| Revenues | | | | | |
| Taxes: | | | | | |
| Ad valorem taxes | \$ 79,546,451 | \$ -- | \$ 79,546,451 | \$ 79,555,916 | \$ 9,465 |
| Local business taxes | 1,565,000 | -- | 1,565,000 | 1,583,926 | 18,926 |
| Utility taxes | 1,980,000 | -- | 1,980,000 | 2,026,243 | 46,243 |
| Special assessment | 115,000 | -- | 115,000 | 131,359 | 16,359 |
| Franchise fees | 6,020,000 | -- | 6,020,000 | 7,721,199 | 1,701,199 |
| Licenses and permits | 7,355,930 | -- | 7,355,930 | 11,488,408 | 4,132,478 |
| Intergovernmental | 7,943,000 | -- | 7,943,000 | 10,934,601 | 2,991,601 |
| Charges for services | 7,605,723 | -- | 7,605,723 | 9,648,684 | 2,042,961 |
| Fines and forfeitures | 267,000 | -- | 267,000 | 318,257 | 51,257 |
| Investment income | 606,000 | -- | 606,000 | 5,160,098 | 4,554,098 |
| Miscellaneous | 1,362,250 | -- | 1,362,250 | 2,169,539 | 807,289 |
| Total Revenues | 114,366,354 | -- | 114,366,354 | 130,738,230 | 16,371,876 |
| Expenditures | | | | | |
| General Government: | | | | | |
| City Council | 610,313 | -- | 610,313 | 497,190 | 113,123 |
| Administration | 1,055,830 | -- | 1,055,830 | 1,361,688 | (305,858) |
| Purchasing and Contract Management | 222,474 | -- | 222,474 | 223,134 | (660) |
| Information Technology | 4,114,675 | (69,126) | 4,045,549 | 3,852,179 | 193,370 |
| City Clerk | 1,000,349 | 39,124 | 1,039,473 | 805,634 | 233,839 |
| Legal Services | 807,239 | (1) | 807,238 | 683,014 | 124,224 |
| Public Communications | 581,964 | -- | 581,964 | 523,329 | 58,635 |
| Engineering Services | 1,046,223 | -- | 1,046,223 | 935,807 | 110,416 |
| Human Resources | 1,046,199 | -- | 1,046,199 | 963,591 | 82,608 |
| Finance | 1,377,776 | -- | 1,377,776 | 1,358,236 | 19,540 |
| General Services | 59,367,545 | (50,896,032) | 8,471,513 | 9,072,560 | (601,047) |
| Planning and Zoning: | | | | | |
| Administration | 847,311 | 985,198 | 1,832,509 | 735,760 | 1,096,749 |
| Development Compliance | 724,637 | -- | 724,637 | 715,242 | 9,395 |
| Planning | 1,239,462 | -- | 1,239,462 | 1,200,489 | 38,973 |
| GIS | 398,343 | -- | 398,343 | 412,545 | (14,202) |
| Construction Services - Building | 2,284,465 | -- | 2,284,465 | 2,169,882 | 114,583 |
| Code Enforcement | 1,154,497 | -- | 1,154,497 | 1,073,376 | 81,121 |
| Total general government | 77,879,302 | (49,940,837) | 27,938,465 | 26,583,656 | 1,354,809 |
| Public safety: | | | | | |
| Police | 33,559,049 | 497,431 | 34,056,480 | 33,554,898 | 501,582 |
| Fire and Emergency Services | 33,885,591 | (2,509,419) | 31,376,172 | 31,582,530 | (206,358) |
| Total public safety | 67,444,640 | (2,011,988) | 65,432,652 | 65,137,428 | 295,224 |

(Continued)

See notes to required supplementary information.

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Adopted Budget | Legally Adopted Budget Amendments | Final Revised Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|-------------------------------|--|----------------------------|----------------------|---|
| Culture and Recreation: | | | | | |
| Administrative Services | \$ 541,408 | \$ (81,000) | \$ 460,408 | \$ 468,187 | \$ (7,779) |
| Seniors and Wellness | 73,680 | -- | 73,680 | 43,002 | 30,678 |
| Aquatics | 1,573,726 | (1,145,000) | 428,726 | 427,639 | 1,087 |
| Tennis | 574,245 | (200,001) | 374,244 | 324,820 | 49,424 |
| Programs | 260,292 | -- | 260,292 | 246,005 | 14,287 |
| Total cultural and recreation | <u>3,023,351</u> | <u>(1,426,001)</u> | <u>1,597,350</u> | <u>1,509,653</u> | <u>87,697</u> |
| Physical Environment: | | | | | |
| Administrative Services | 1,540,169 | (36,105) | 1,504,064 | 1,505,022 | (958) |
| Facilities Maintenance | 5,067,824 | (137,981) | 4,929,843 | 4,547,763 | 382,080 |
| Stormwater and Street Maintenance | 3,897,664 | 363,186 | 4,260,850 | 3,616,121 | 644,729 |
| Parks and Grounds | 6,206,753 | (892,804) | 5,313,949 | 5,051,525 | 262,424 |
| Total physical environment | <u>16,712,410</u> | <u>(703,704)</u> | <u>16,008,706</u> | <u>14,720,431</u> | <u>1,288,275</u> |
| Capital outlay | <u>3,674,210</u> | <u>29,059,659</u> | <u>32,733,869</u> | <u>12,066,177</u> | <u>20,667,692</u> |
| Debt Service: | | | | | |
| Principal | 3,076,520 | -- | 3,076,520 | 3,076,520 | -- |
| Interest | 459,117 | -- | 459,117 | 459,130 | (13) |
| Bond issuance cost | -- | 64,750 | 64,750 | 64,750 | -- |
| Total debt service | <u>3,535,637</u> | <u>64,750</u> | <u>3,600,387</u> | <u>3,600,400</u> | <u>(13)</u> |
| Total Expenditures | <u>172,269,550</u> | <u>(24,958,121)</u> | <u>147,311,429</u> | <u>123,617,745</u> | <u>23,693,684</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(57,903,196)</u> | <u>24,958,121</u> | <u>(32,945,075)</u> | <u>7,120,485</u> | <u>40,065,560</u> |
| Other Financing Sources/(Uses) | | | | | |
| Transfers in | 871,004 | -- | 871,004 | 871,004 | -- |
| Transfers out | -- | (9,985,099) | (9,985,099) | (9,985,099) | -- |
| Capital lease financing | -- | 1,384,037 | 1,384,037 | 4,353,208 | 2,969,171 |
| Bond proceeds | -- | 10,100,000 | 10,100,000 | 10,100,000 | -- |
| Total Other Financing Sources/(Uses) | <u>871,004</u> | <u>1,498,938</u> | <u>2,369,942</u> | <u>5,339,113</u> | <u>2,969,171</u> |
| Net Change in Fund Balances | <u>(57,032,192)</u> | <u>26,457,059</u> | <u>(30,575,133)</u> | <u>12,459,598</u> | <u>43,034,731</u> |
| Fund Balance, Beginning | <u>32,621,699</u> | <u>7,742,978</u> | <u>40,364,677</u> | <u>77,005,235</u> | <u>--</u> |
| Fund Balance, Ending | <u>\$ (24,410,493)</u> | <u>\$ 34,200,037</u> | <u>\$ 9,789,544</u> | <u>\$ 89,464,833</u> | <u>\$ 43,034,731</u> |

See notes to required supplementary information.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BUDGETARY INFORMATION

State of Florida statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council annually adopts an operating budget and appropriates funds for the general fund, special revenue funds (except the extra duty police fund), capital projects funds and the proprietary fund. The procedures for establishing budgetary data are as follows:

Prior to the first Council meeting in August of each year, the City Manager submits a proposed operating budget to the Council for the next fiscal year commencing the following October 1. The proposed budget includes expenditures and the means of financing them.

The Council holds public meetings to obtain taxpayer comments.

Upon completion of the public hearings, a final operating budget is legally enacted through the passage of an ordinance before September 30th. Estimated fund balances are considered in the budgetary process.

A City ordinance establishes the legal level of budgetary control at the fund level. Any increase in the total amount appropriated for all funds must be approved by ordinance of the Council. Any transfer between funds must be approved by the City Manager and by ordinance of the City Council. Transfers from the Council contingency account must be approved by the City Council. Any other budget transfer within the same fund must be approved by the City Manager.

The adopted budgets are prepared in accordance with generally accepted accounting principles. The Council also adopts non-appropriated operating budgets for the proprietary funds substantially on a basis consistent with generally accepted accounting principles, except that depreciation is not budgeted and capital outlay purchases are presented as expenditures. The reported budgetary data represents the final appropriated budgets after amendments adopted by the Council.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO BUDGETARY COMPARISON SCHEDULE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – BUDGET AND ACTUAL COMPARISONS

The Budgetary Comparison Schedule for the General Fund is required to be prepared under the basis of accounting used in preparing the budget. As indicated in Note 1, the modified accrual basis of accounting is used for budgetary purposes. On-behalf payments from the State of Florida for Police and Fire-Rescue pensions are not included in the budget. As a result, General Fund revenue and expenditures reported in the budget and actual statement differ from the corresponding amounts reported on the basis of U.S. generally accepted accounting principles. These differences can be reconciled as follows:

| | <u>Revenue</u> | <u>Expenditures</u> |
|--|------------------------------|------------------------------|
| Budgetary basis | \$ 130,738,230 | \$ 123,617,745 |
| State on-behalf payments for Police and Fire-Rescue pension contributions not included in budgetary basis | <u>1,875,607</u> | <u>1,875,607</u> |
| GAAP Basis | <u><u>\$ 132,613,837</u></u> | <u><u>\$ 125,493,352</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS**

| Measurement Date, September 30, | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Total OPEB Liability | | | | | | |
| Service cost | \$ 390,934 | \$ 377,769 | \$ 374,846 | \$ 466,435 | \$ 576,290 | \$ 623,385 |
| Interest cost | 264,888 | 300,906 | 323,509 | 262,168 | 229,610 | 221,348 |
| Changes of benefit terms | -- | -- | -- | 975,411 | -- | -- |
| Differences between expected and actual experience | (194,561) | 15,392 | 31,877 | (1,189,051) | 315,210 | 3,494,604 |
| Changes of assumptions | (293,572) | (459,782) | 817,600 | (156,833) | 206,734 | (2,008,259) |
| Benefit payments | <u>(115,134)</u> | <u>(325,087)</u> | <u>(461,170)</u> | <u>(364,446)</u> | <u>(743,859)</u> | <u>(1,245,663)</u> |
| Net Change in Total OPEB Liability | 52,555 | (90,802) | 1,086,662 | (6,316) | 583,985 | 1,085,415 |
| Total OPEB Liability - Beginning | <u>8,699,609</u> | <u>8,752,164</u> | <u>8,661,362</u> | <u>9,748,024</u> | <u>9,741,708</u> | <u>10,325,693</u> |
| Total OPEB Liability - Ending | <u>\$ 8,752,164</u> | <u>\$ 8,661,362</u> | <u>\$ 9,748,024</u> | <u>\$ 9,741,708</u> | <u>\$ 10,325,693</u> | <u>\$ 11,411,108</u> |
| Covered Employee Payroll | \$ 34,490,167 | \$ 36,593,959 | \$ 38,275,907 | \$ 40,334,635 | \$ 42,647,080 | \$ 42,647,080 |
| Total OPEB Liability as a Percentage of Payroll | 25.38% | 23.67% | 25.47% | 24.15% | 24.21% | 26.76% |

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

There are no assets held in trust to pay related benefits for the OPEB

Changes of assumptions:

The discount rate was changed as follows:

| Discount Rate | |
|---------------|-------|
| 9/30/2018 | 3.50% |
| 9/30/2019 | 3.83% |
| 9/30/2020 | 2.75% |
| 9/30/2021 | 2.41% |
| 9/30/2022 | 2.19% |
| 9/30/2023 | 4.40% |

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN**

| Measurement Date, September 30, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 22,444 | \$ 26,882 | \$ 28,547 | \$ 29,083 | \$ 28,765 | \$ 17,504 | \$ 17,744 | \$ 17,759 | \$ 18,601 | \$ 22,278 |
| Expected interest growth | 247,973 | 216,936 | 225,546 | 229,409 | 245,929 | 245,555 | 247,256 | 250,695 | 243,181 | 203,143 |
| Unexpected investment income | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Changes of benefit terms | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Differences between expected and actual experience | -- | (177,492) | 45,110 | 92,626 | (9,661) | (5,122) | 11,593 | (247,830) | (708,895) | 104,900 |
| Changes of assumptions | -- | 299,295 | -- | 122,668 | -- | -- | -- | (30,187) | -- | -- |
| Benefit payments, including refunds of member contributions | (255,756) | (244,528) | (240,519) | (237,655) | (233,373) | (231,946) | (229,887) | (137,514) | (123,571) | (116,562) |
| Net Change in Total Pension Liability | 14,661 | 121,093 | 58,684 | 236,131 | 31,660 | 25,991 | 46,706 | (147,077) | (570,684) | 213,759 |
| Total Pension Liability - Beginning | <u>3,175,732</u> | <u>3,190,393</u> | <u>3,311,486</u> | <u>3,370,170</u> | <u>3,606,301</u> | <u>3,637,961</u> | <u>3,663,952</u> | <u>3,710,658</u> | <u>3,563,581</u> | <u>2,992,897</u> |
| Total pension liability - Ending | <u>\$ 3,190,393</u> | <u>\$ 3,311,486</u> | <u>\$ 3,370,170</u> | <u>\$ 3,606,301</u> | <u>\$ 3,637,961</u> | <u>\$ 3,663,952</u> | <u>\$ 3,710,658</u> | <u>\$ 3,563,581</u> | <u>\$ 2,992,897</u> | <u>\$ 3,206,656</u> |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions - employer | \$ 120,572 | \$ 172,758 | \$ 146,187 | \$ 253,534 | \$ 104,336 | \$ 262,022 | \$ 57,497 | \$ 116,012 | \$ 95,682 | \$ -- |
| Contributions - member | 9,540 | 10,080 | 9,976 | 10,111 | 10,927 | 11,296 | 11,280 | 11,831 | 14,113 | 12,217 |
| Expected interest growth | 173,559 | 156,819 | 151,081 | 160,489 | 194,699 | 154,504 | 180,820 | 200,517 | 238,978 | 202,021 |
| Unexpected investment income (loss) | 12,965 | (155,031) | 24,668 | 154,538 | -- | -- | -- | 372,829 | (696,176) | 51,128 |
| Benefit payments, including refunds of member contributions | (244,528) | (244,528) | (240,519) | (237,655) | (233,373) | (231,946) | (229,887) | (137,514) | (123,571) | (116,562) |
| Administrative expense | (5,486) | (11,175) | (10,675) | (11,796) | (10,513) | (10,661) | (10,925) | (11,690) | (12,757) | (12,138) |
| Net Change in Plan Fiduciary Net Position | 66,622 | (71,077) | 80,718 | 329,221 | 66,076 | 185,215 | 8,785 | 551,985 | (483,731) | 136,666 |
| Plan Fiduciary Net Position - Beginning | <u>2,209,462</u> | <u>2,276,084</u> | <u>2,205,007</u> | <u>2,285,725</u> | <u>2,614,946</u> | <u>2,681,022</u> | <u>2,866,237</u> | <u>2,875,022</u> | <u>3,427,007</u> | <u>2,943,276</u> |
| Plan Fiduciary Net Position - Ending | <u>2,276,084</u> | <u>2,205,007</u> | <u>2,285,725</u> | <u>2,614,946</u> | <u>2,681,022</u> | <u>2,866,237</u> | <u>2,875,022</u> | <u>3,427,007</u> | <u>2,943,276</u> | <u>3,079,942</u> |
| City's Net Pension Liability - Ending | <u>\$ 914,309</u> | <u>\$ 1,106,479</u> | <u>\$ 1,084,445</u> | <u>\$ 991,355</u> | <u>\$ 956,939</u> | <u>\$ 797,715</u> | <u>\$ 835,636</u> | <u>\$ 136,574</u> | <u>\$ 49,621</u> | <u>\$ 126,714</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 71.34% | 66.59% | 67.82% | 72.51% | 73.70% | 78.23% | 77.48% | 96.17% | 98.34% | 96.05% |
| Covered Payroll | \$ 101,085 | \$ 166,945 | \$ 176,405 | \$ 174,581 | \$ 176,946 | \$ 106,824 | \$ 109,969 | \$ 112,007 | \$ 117,535 | \$ 132,586 |
| City's Net Pension Liability as a Percentage of Covered Payroll | 904.50% | 662.78% | 614.75% | 567.85% | 540.81% | 746.76% | 759.88% | 121.93% | 42.22% | 95.57% |

Note to Schedule:

The Plan Fiduciary Net Position ending balance does not agree to the General Employees' Pension Trust Fund for the below fiscal years due to differences related to the timing of employer contributions and adjusting journal entries.

| Fiscal Year | Variance |
|-------------|----------|
| 2016 | \$ 857 |
| 2017 | 92,024 |
| 2018 | 939 |
| 2019 | 58,515 |
| 2020 | 946 |
| 2021 | 1,063 |
| 2022 | 1,276 |
| 2023 | 1,318 |

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GENERAL EMPLOYEES' PLAN**

| Year Ended September 30, | Actuarially Determined Contribution | Contributions Recognized By the Plan | Contribution Deficiency/ (Excess) | Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|-----------------------------|---|--|---|--------------------------------|---|
| 2014 | \$ 120,572 | \$ 120,572 | \$ -- | \$ 101,085 | 119.28% |
| 2015 | 142,615 | 172,758 | (30,143) | 166,945 | 103.48% |
| 2016 | 149,812 | 146,187 | 3,625 | 176,405 | 82.87% |
| 2017 | 182,198 | 253,534 | (71,336) | 174,581 | 145.22% |
| 2018 | 182,198 | 104,336 | 77,862 | 176,946 | 58.96% |
| 2019 | 204,525 | 262,022 | (57,497) | 106,824 | 245.28% |
| 2020 | 114,994 | 57,497 | 57,497 | 109,969 | 52.28% |
| 2021 | 116,012 | 116,012 | -- | 112,007 | 103.58% |
| 2022 | 95,682 | 95,682 | -- | 117,535 | 81.41% |
| 2023 | -- | -- | -- | 132,586 | 0.00% |

Note: Information is only included for pension plans that do not issue stand-alone financial statements.

Notes to Schedule:

| | |
|-------------------------------|----------------------------|
| Valuation Date | October 1, 2022 |
| Asset Valuation Method | 4-year smoothed |
| Actuarial Cost Method | Aggregate Cost |
| Amortization Method | Level percent of pay, open |
| Amortization Period | 30 years |
| Actuarial Assumptions: | |
| Investment return | 7.00% |
| Projected salary increases | 5.00% |
| Inflation | (1) |
| Cost of living adjustments | (1) |

(1) Included in projected salary increases

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
DEFINED BENEFIT PENSION PLANS**

| Year Ended September 30, | Annual Money-Weighted Rate of Return, Net of Investment Expense | | |
|--------------------------|--|----------|----------|
| | General Employees' | Police | Fire |
| 2014 | 8.68% | 10.73% | 11.65% |
| 2015 | 0.08% | 1.29% | 0.92% |
| 2016 | 8.15% | 10.96% | 8.21% |
| 2017 | 13.74% | 13.60% | 14.37% |
| 2018 | 7.63% | 11.27% | 8.75% |
| 2019 | 5.73% | 1.34% | 5.35% |
| 2020 | 6.50% | 7.73% | 5.36% |
| 2021 | 20.02% | 23.01% | 19.87% |
| 2022 | (13.27)% | (11.41)% | (14.31)% |
| 2023 | 8.53% | 9.63% | 9.95% |

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN**

| Measurement Date, September 30, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability | | | | | | | | | |
| Service Cost | \$ 1,229,681 | \$ 1,232,020 | \$ 1,321,153 | \$ 1,496,123 | \$ 1,708,681 | \$ 2,042,596 | \$ 2,646,201 | \$ 2,941,199 | \$ 3,459,247 |
| Interest | 6,083,570 | 6,501,215 | 6,705,476 | 6,883,615 | 7,040,412 | 7,225,485 | 7,583,691 | 7,701,514 | 7,953,674 |
| Change in Excess State Money | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Share Plan Allocation | 134,105 | (426,717) | (70,233) | 74,487 | 94,711 | 219,362 | 133,929 | 135,474 | 190,649 |
| Changes of Benefit Terms | 885,269 | -- | -- | -- | -- | 1,667,089 | -- | -- | -- |
| Differences Between Expected and Actual Experience | 264,087 | 911,791 | 53,192 | 533,315 | 370,717 | 587,484 | 705,317 | 127,364 | (486,206) |
| Changes of Assumptions | 876,591 | 750,916 | 1,038,564 | 989,323 | 1,030,495 | 1,084,094 | 387,537 | 2,323,788 | 2,419,917 |
| Benefit Payments Including Refunds of Employee Contributions | (2,284,524) | (3,297,505) | (3,946,901) | (6,546,403) | (6,150,399) | (6,339,560) | (6,044,195) | (6,312,509) | (7,073,896) |
| Net Change in Total Pension Liability | 7,188,779 | 5,671,720 | 5,101,251 | 3,430,460 | 4,094,617 | 6,486,550 | 5,412,480 | 6,916,830 | 6,463,385 |
| Total Pension Liability - Beginning | 85,007,723 | 92,196,502 | 97,868,222 | 102,969,473 | 106,399,933 | 110,494,550 | 116,981,100 | 122,393,580 | 129,310,410 |
| Total Pension Liability - Ending (a) | \$ 92,196,502 | \$ 97,868,222 | \$ 102,969,473 | \$ 106,399,933 | \$ 110,494,550 | \$ 116,981,100 | \$ 122,393,580 | \$ 129,310,410 | \$ 135,773,795 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 2,712,635 | \$ 3,007,780 | \$ 2,897,754 | \$ 2,843,423 | \$ 2,834,931 | \$ 3,566,126 | \$ 3,685,878 | \$ 4,119,614 | \$ 4,416,118 |
| Contributions - State | 546,749 | 524,479 | 643,259 | 624,188 | 664,636 | 913,938 | 743,073 | 746,163 | 856,513 |
| Contributions - Employee | 391,188 | 422,145 | 452,421 | 515,513 | 599,553 | 694,166 | 755,910 | 882,102 | 854,303 |
| Net Investment Income (Loss) | 6,798,928 | 925,754 | 8,107,238 | 10,747,480 | 9,658,544 | 2,046,222 | 7,131,158 | 23,717,145 | (14,576,176) |
| Benefit Payments Including Refunds of Employee Contributions | (2,284,524) | (3,297,505) | (3,946,901) | (6,546,403) | (6,150,399) | (6,339,560) | (6,044,195) | (6,312,509) | (7,073,896) |
| Administrative Expense | (114,098) | (116,088) | (132,973) | (121,211) | (134,667) | (144,764) | (147,675) | (154,039) | (159,383) |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Net Change in Plan Fiduciary Net Position | 8,050,878 | 1,466,565 | 8,020,798 | 8,062,990 | 7,472,598 | 736,128 | 6,124,149 | 22,998,476 | (15,682,521) |
| Plan Fiduciary Net Position - Beginning | 64,575,453 | 72,626,331 | 74,092,896 | 82,113,694 | 90,176,684 | 97,649,282 | 98,385,410 | 104,509,559 | 127,508,035 |
| Plan Fiduciary Net Position - Ending (b) | 72,626,331 | 74,092,896 | 82,113,694 | 90,176,684 | 97,649,282 | 98,385,410 | 104,509,559 | 127,508,035 | 111,825,514 |
| Net Pension Liability - Ending (a) - (b) | \$ 19,570,171 | \$ 23,775,326 | \$ 20,855,779 | \$ 16,223,249 | \$ 12,845,268 | \$ 18,595,690 | \$ 17,884,021 | \$ 1,802,375 | \$ 23,948,281 |
| Plan Fiduciary Net Position as a % of the Total Pension Liability | 78.77% | 75.71% | 79.75% | 84.75% | 88.37% | 84.10% | 85.39% | 98.61% | 82.36% |
| Covered Payroll | \$ 4,548,698 | \$ 4,908,663 | \$ 5,260,709 | \$ 5,994,337 | \$ 6,971,547 | \$ 8,071,698 | \$ 8,789,651 | \$ 9,501,186 | \$ 9,933,756 |
| Net Pension Liability as a % of Covered Payroll | 430.24% | 484.35% | 396.44% | 270.64% | 184.25% | 230.38% | 203.47% | 18.97% | 241.08% |

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN**

| Year Ended September 30, | Actuarially Determined Contribution | Contributions Recognized By the Plan | Contribution Deficiency/ (Excess) | Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|-----------------------------|---|--|---|--------------------------------|---|
| 2014 | \$ 3,125,279 | \$ 3,125,279 | \$ -- | \$ 4,548,698 | 68.71% |
| 2015 | 3,357,659 | 3,420,424 | (62,765) | 4,908,663 | 69.68% |
| 2016 | 3,316,250 | 3,456,991 | (140,741) | 5,260,709 | 65.71% |
| 2017 | 3,256,067 | 3,393,124 | (137,057) | 5,994,337 | 56.61% |
| 2018 | 3,394,168 | 3,404,856 | (10,688) | 6,971,547 | 48.84% |
| 2019 | 3,754,169 | 4,260,702 | (506,533) | 8,071,698 | 52.79% |
| 2020 | 4,295,022 | 4,295,022 | -- | 8,789,651 | 48.86% |
| 2021 | 4,730,303 | 4,730,303 | -- | 9,501,186 | 49.79% |
| 2022 | 5,025,262 | 5,081,982 | (56,720) | 9,933,756 | 51.16% |
| 2023 | 5,329,838 | 5,453,483 | (123,645) | 10,321,314 | 52.84% |

Note: Data not available prior to 2014.

Notes to Schedule:

| | |
|-----------------------------|---|
| Valuation Date | October 1, 2021 |
| Asset Valuation Method | The Actuarial Value of Assets is calculated by recognizing 20% of the difference between the fair value of assets and expected actuarial asset value. |
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level percent, closed |
| Amortization Period | 12 years |
| Actuarial Assumptions: | |
| Investment return | 6.0% |
| Projected salary increases: | 5.5%-6.75% |
| Inflation | 2.25% |
| Cost of living adjustments | N/A |

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
FIRE PENSION PLAN**

| Measurement Date, September 30, | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability | | | | | | | | | |
| Service Cost | \$ 1,741,473 | \$ 1,760,152 | \$ 1,637,466 | \$ 1,799,419 | \$ 1,899,698 | \$ 2,064,570 | \$ 2,064,067 | \$ 2,172,566 | \$ 2,356,584 |
| Interest | 6,280,207 | 6,786,918 | 7,174,074 | 7,817,426 | 8,615,415 | 9,012,325 | 9,558,047 | 10,030,601 | 10,586,382 |
| Change in Excess State Money | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Share Plan Allocation | 304,698 | 222,133 | 51,623 | 483,485 | 188,808 | 141,612 | -- | -- | 22,569 |
| Changes of Benefit Terms | -- | -- | -- | -- | -- | (9,669) | -- | -- | -- |
| Differences Between Expected and Actual Experience | -- | (1,460,746) | (1,684,439) | 3,648,972 | (1,326,161) | 1,733,462 | 290,458 | 1,835,449 | 3,323,775 |
| Changes of Assumptions | 1,772,793 | 2,004,899 | 5,890,763 | 3,032,216 | -- | 1,520,614 | 2,308,619 | 1,747,657 | 1,849,773 |
| Benefit Payments Including Refunds of Employee Contributions | (1,844,859) | (1,935,428) | (1,803,517) | (2,353,058) | (3,607,721) | (4,508,950) | (5,693,121) | (5,768,156) | (6,084,396) |
| Net Change in Total Pension Liability | 8,254,312 | 7,377,928 | 11,265,970 | 14,428,460 | 5,770,039 | 9,953,964 | 8,528,070 | 10,018,117 | 12,054,687 |
| Total Pension Liability - Beginning | 77,410,798 | 85,665,110 | 93,043,038 | 104,309,008 | 118,737,468 | 124,507,507 | 134,461,471 | 142,989,541 | 153,007,658 |
| Total Pension Liability - Ending (a) | \$ 85,665,110 | \$ 93,043,038 | \$ 104,309,008 | \$ 118,737,468 | \$ 124,507,507 | \$ 134,461,471 | \$ 142,989,541 | \$ 153,007,658 | \$ 165,062,345 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 2,866,126 | \$ 3,746,995 | \$ 3,088,524 | \$ 3,048,414 | \$ 4,082,027 | \$ 6,899,640 | \$ 2,471,144 | \$ 4,352,840 | \$ 5,286,754 |
| Contributions - State | 843,533 | 726,993 | 568,403 | 483,485 | 723,847 | 699,764 | 723,647 | 696,406 | 795,211 |
| Contributions - Employee | 475,442 | 445,465 | 455,983 | 449,828 | 472,093 | 492,488 | 496,843 | 553,635 | 583,630 |
| Net Investment Income | 6,977,925 | 835,212 | 6,152,911 | 11,585,691 | 8,475,048 | 5,689,306 | 6,086,224 | 23,666,785 | (20,557,642) |
| Benefit Payments Including Refunds of Employee Contributions | (1,844,859) | (1,935,428) | (1,803,517) | (2,353,058) | (3,607,721) | (4,508,950) | (5,693,121) | (5,768,156) | (6,084,396) |
| Administrative Expense | (88,142) | (84,807) | (91,145) | (101,089) | (101,721) | (158,798) | (146,597) | (135,198) | (125,172) |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Net Change in Plan Fiduciary Net Position | 9,230,025 | 3,734,430 | 8,371,159 | 13,113,271 | 10,043,573 | 9,113,450 | 3,938,140 | 23,366,312 | (20,101,615) |
| Plan Fiduciary Net Position - Beginning | 59,994,726 | 69,224,751 | 72,959,181 | 81,330,340 | 94,443,611 | 104,487,184 | 113,600,634 | 117,538,774 | 140,905,086 |
| Plan Fiduciary Net Position - Ending (b) | \$ 69,224,751 | \$ 72,959,181 | \$ 81,330,340 | \$ 94,443,611 | \$ 104,487,184 | \$ 113,600,634 | \$ 117,538,774 | \$ 140,905,086 | \$ 120,803,471 |
| Net Pension Liability - Ending (a) - (b) | \$ 16,440,359 | \$ 20,083,857 | \$ 22,978,668 | \$ 24,293,857 | \$ 20,020,323 | \$ 20,860,837 | \$ 25,450,767 | \$ 12,102,572 | \$ 44,258,874 |
| Plan Fiduciary Net Position as a % of the Total Pension Liability | 80.81% | 78.41% | 77.97% | 79.54% | 83.92% | 84.49% | 82.20% | 92.09% | 73.19% |
| Covered Payroll | \$ 7,924,041 | \$ 9,695,082 | \$ 7,599,715 | \$ 7,497,133 | \$ 7,868,225 | \$ 8,208,129 | \$ 8,280,709 | \$ 8,994,500 | \$ 9,684,103 |
| Net Pension Liability as a % of Covered Payroll | 207.47% | 207.16% | 302.36% | 324.04% | 254.45% | 254.15% | 307.35% | 134.56% | 457.03% |

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIRE PENSION PLAN**

| Year Ended September 30, | Actuarially Determined Contribution | Contributions Recognized By the Plan | Contribution Deficiency/ (Excess) | Covered Employee Payroll | Contributions as a Percentage of Covered Employee Payroll |
|-----------------------------|---|--|---|--------------------------------|---|
| 2014 | \$ 3,404,960 | \$ 3,404,960 | \$ -- | \$ 7,924,041 | 42.97% |
| 2015 | 3,460,519 | 4,251,855 | (791,336) | 9,695,082 | 43.86% |
| 2016 | 3,605,305 | 3,605,305 | -- | 7,599,715 | 47.44% |
| 2017 | 3,531,899 | 3,531,899 | -- | 7,497,133 | 47.11% |
| 2018 | 4,807,157 | 4,807,157 | -- | 7,868,225 | 61.10% |
| 2019 | 5,228,578 | 7,599,404 | (2,370,826) | 8,208,129 | 92.58% |
| 2020 | 5,054,544 | 3,194,793 | 1,859,751 | 8,280,709 | 38.58% |
| 2021 | 5,374,214 | 5,049,245 | 324,969 | 8,994,500 | 56.14% |
| 2022 | 6,103,890 | 6,059,396 | 44,494 | 9,684,103 | 62.57% |
| 2023 | 5,944,943 | 6,695,144 | (750,201) | 9,766,622 | 68.55% |

Notes to Schedule:

| | | |
|-----------------------------|---|-----------------|
| Valuation Date | October 1, 2021 | |
| Asset Valuation Method | The Actuarial Value of Assets utilizes a four-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a four-year period. | |
| Actuarial Cost Method | Entry age normal | |
| Amortization Method | Level percent of pay, closed | |
| Amortization Period | 15 years | |
| Actuarial Assumptions: | | |
| Investment return | 6.95% | |
| Projected salary increases: | <u>Service</u> | <u>Increase</u> |
| | <5 | 5.5% |
| | 5+ | 4.0% |
| Inflation | 2.50% | |
| Cost of living adjustments | (1) | |

(1) 1.0% increase for members who are Age 53, 2.0% increase for members who are age 54, and 3.0% increase for members who are Age 55 or greater.

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM**

| June 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability | 0.059046917% | 0.058534826% | 0.055407078% | 0.049358246% | 0.049933421% | 0.050299922% | 0.047587909% | 0.038860308% | 0.039859281% |
| City's proportionate share of the net pension liability | \$ 23,528,328 | \$ 21,779,659 | \$ 4,185,375 | \$ 21,392,591 | \$ 17,196,375 | \$ 15,150,597 | \$ 14,081,016 | \$ 9,812,258 | \$ 5,148,361 |
| City's covered payroll | \$ 25,755,548 | \$ 23,205,717 | \$ 21,413,044 | \$ 19,828,390 | \$ 19,073,189 | \$ 18,215,273 | \$ 16,481,558 | \$ 14,725,436 | \$ 13,927,291 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 91.35% | 93.85% | 19.55% | 107.89% | 90.16% | 83.18% | 85.43% | 66.63% | 36.97% |
| Plan fiduciary net position as a percentage of the total pension liability | 94.97% | 82.89% | 96.40% | 78.85% | 82.61% | 84.26% | 83.89% | 84.88% | 92.00% |

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM**

| September 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|
| Contractually required contribution | \$ 2,840,536 | \$ 2,497,788 | \$ 2,110,770 | \$ 1,639,956 | \$ 1,548,296 | \$ 1,433,507 | \$ 1,238,830 | \$ 947,671 | \$ 971,803 |
| Contributions in relation to the contractually required contribution | <u>(2,840,536)</u> | <u>(2,497,788)</u> | <u>(2,110,770)</u> | <u>(1,639,956)</u> | <u>(1,548,296)</u> | <u>(1,433,507)</u> | <u>(1,238,830)</u> | <u>(947,671)</u> | <u>(971,803)</u> |
| Contribution deficiency (excess) | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |
| City's covered payroll | \$ 25,629,719 | \$ 24,563,467 | \$ 21,049,403 | \$ 20,799,178 | \$ 19,225,025 | \$ 18,272,280 | \$ 17,317,803 | \$ 14,920,339 | \$ 14,032,498 |
| Contributions as a percentage of covered payroll | 11.08% | 10.17% | 10.03% | 7.88% | 8.05% | 7.85% | 7.15% | 6.35% | 6.93% |

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PROGRAM

| June 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability | 0.064674912% | 0.063510946% | 0.060474077% | 0.057120688% | 0.056895930% | 0.056601158% | 0.053413415% | 0.047598032% | 0.045751278% |
| City's proportionate share of the net pension liability | \$ 10,271,239 | \$ 7,418,055 | \$ 7,418,015 | \$ 6,974,343 | \$ 6,366,085 | \$ 5,990,730 | \$ 5,711,200 | \$ 5,547,353 | \$ 4,665,911 |
| City's covered payroll | \$ 25,755,548 | \$ 23,205,717 | \$ 21,413,044 | \$ 19,828,390 | \$ 19,073,189 | \$ 18,215,273 | \$ 16,481,558 | \$ 14,725,436 | \$ 13,927,291 |
| City's proportionate share of the net pension liability as a percentage of its covered payroll | 39.88% | 31.97% | 34.64% | 35.17% | 33.38% | 32.89% | 34.65% | 37.67% | 33.50% |
| Plan fiduciary net position as a percentage of the total pension liability | 4.12% | 4.81% | 3.56% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.50% |

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS**

FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PROGRAM

| September 30, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 425,443 | \$ 417,786 | \$ 355,467 | \$ 329,160 | \$ 315,938 | \$ 306,950 | \$ 282,679 | \$ 243,970 | \$ 174,890 |
| Contributions in relation to the contractually required contribution | <u>(425,443)</u> | <u>(417,786)</u> | <u>(355,467)</u> | <u>(329,160)</u> | <u>(315,938)</u> | <u>(306,950)</u> | <u>(282,679)</u> | <u>(243,970)</u> | <u>(174,890)</u> |
| Contribution deficiency (excess) | <u>\$ --</u> |
| City's covered payroll | \$ 25,629,719 | \$ 24,563,467 | \$ 21,049,403 | \$ 20,799,178 | \$ 19,225,025 | \$ 18,272,280 | \$ 17,317,803 | \$ 14,920,339 | \$ 14,032,498 |
| Contributions as a percentage of covered payroll | 1.66% | 1.70% | 1.69% | 1.58% | 1.64% | 1.68% | 1.63% | 1.64% | 1.25% |

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.



**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

OTHER GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than debt service or capital projects. The nonmajor special revenue funds of the City are as follows:

Police Training Fund – This fund is established to account for fees collected from traffic citations to be used for the training and education of the City’s police.

Extra Duty Police Fund – This fund is used to account for revenues to be used to fund extra police duty.

Local Option Gas Tax Fund – This fund is established to account for the receipt of local option gas taxes. The use of these funds is restricted for transportation related capital improvements or maintenance costs.

Recreation Programs Fund – This fund is used to account for revenues and costs related to special programs such as special events and athletic programs.

Golf Course Fund – This fund is used to account for revenues and costs related to the operations of the City’s Golf Course.

Housing Fund – This fund is used to account for revenues to be used to fund affordable housing initiatives.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for financial resources to be used for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. The nonmajor capital projects funds of the City are as follows:

Police Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of law enforcement services in the City.

Fire Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of fire/rescue services in the City.

Art Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing art and cultural activities.

Capital Improvement & Replacement Fund – This fund is established to account for the receipt and disbursement of debt proceeds and special assessments related to infrastructure and capital improvement and replacement projects.

One-Cent Sales Surtax Capital Projects Fund – This fund is established to account for the receipt and disbursement of a voter approved one-cent sales infrastructure surtax restricted for the purpose of constructing infrastructure projects within the City.

Public Facilities Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of improving public facilities within the City.

Mobility Fund – This fund is established to account for the receipt and disbursement of developer paid mobility fees restricted for the purpose of improving multimodal transportation systems within the City.

CITY OF PALM BEACH GARDENS, FLORIDA

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2023

| | Special Revenue Funds | | | | | | Total |
|--|-----------------------|-------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| | Police Training | Extra Duty Police | Local Option Gas Tax | Recreation Programs | Golf Course | Housing | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 47,117 | \$ 279,079 | \$ 1,366,400 | \$ 1,216,144 | \$ 1,494,152 | \$ 5,551,807 | \$ 9,954,699 |
| Receivables | -- | 58,156 | -- | -- | 36,055 | -- | 94,211 |
| Lease receivables | -- | -- | -- | -- | 220,909 | -- | 220,909 |
| Due from other governments | 664 | -- | 71,331 | -- | -- | -- | 71,995 |
| Inventory | -- | -- | -- | 108,041 | 201,265 | -- | 309,306 |
| Prepaid items | -- | -- | -- | 10,325 | -- | -- | 10,325 |
| Total Assets | <u>\$ 47,781</u> | <u>\$ 337,235</u> | <u>\$ 1,437,731</u> | <u>\$ 1,334,510</u> | <u>\$ 1,952,381</u> | <u>\$ 5,551,807</u> | <u>\$ 10,661,445</u> |
| Liabilities | | | | | | | |
| Accounts payable | \$ -- | \$ 4,563 | \$ 367,197 | \$ 108,133 | \$ 196,446 | \$ -- | \$ 676,339 |
| Contracts and retainage payable | -- | -- | -- | -- | -- | -- | -- |
| Accrued liabilities | -- | -- | -- | -- | 43,937 | -- | 43,937 |
| Unearned revenue | -- | -- | -- | 167,959 | 1,740 | -- | 169,699 |
| Total Liabilities | <u>--</u> | <u>4,563</u> | <u>367,197</u> | <u>276,092</u> | <u>242,123</u> | <u>--</u> | <u>889,975</u> |
| Deferred Inflows of Resources | | | | | | | |
| Leases | -- | -- | -- | -- | 173,168 | -- | 173,168 |
| Fund Balances | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | -- | -- | -- | 10,325 | -- | -- | 10,325 |
| Inventory | -- | -- | -- | 108,041 | 201,265 | -- | 309,306 |
| Restricted for: | | | | | | | |
| Capital improvements | -- | -- | -- | -- | -- | -- | -- |
| Transit improvements | -- | -- | 1,070,534 | -- | -- | -- | 1,070,534 |
| Law enforcement | 47,781 | 332,672 | -- | -- | -- | -- | 380,453 |
| Art improvements | -- | -- | -- | -- | -- | -- | -- |
| Assigned | -- | -- | -- | 940,052 | 1,335,825 | 5,551,807 | 7,827,684 |
| Total Fund Balances | <u>47,781</u> | <u>332,672</u> | <u>1,070,534</u> | <u>1,058,418</u> | <u>1,537,090</u> | <u>5,551,807</u> | <u>9,598,302</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 47,781</u> | <u>\$ 337,235</u> | <u>\$ 1,437,731</u> | <u>\$ 1,334,510</u> | <u>\$ 1,952,381</u> | <u>\$ 5,551,807</u> | <u>\$ 10,661,445</u> |

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING BALANCE SHEET

OTHER GOVERNMENTAL FUNDS (CONTINUED)

SEPTEMBER 30, 2023

| | Police Impact | Fire Impact | Art Impact | Capital Improvement & Replacement | One-Cent Sales Surtax Capital Improvements | Public Facilities Impact | Mobility Fee | Total | Total Other Governmental Funds |
|--|---------------------|---------------------|---------------------|---|--|--------------------------------|---------------------|----------------------|---|
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 1,739,215 | \$ 1,974,665 | \$ 1,827,878 | \$ 156,436 | \$ 6,755,353 | \$ 296,752 | \$ 3,800,418 | \$ 16,550,717 | \$ 26,505,416 |
| Receivables | -- | -- | -- | -- | -- | -- | -- | -- | 94,211 |
| Lease receivables | -- | -- | -- | -- | -- | -- | -- | -- | 220,909 |
| Due from other governments | -- | -- | -- | -- | 372,800 | -- | -- | 372,800 | 444,795 |
| Inventory | -- | -- | -- | -- | -- | -- | -- | -- | 309,306 |
| Prepaid items | -- | -- | -- | -- | -- | -- | -- | -- | 10,325 |
| Total Assets | <u>\$ 1,739,215</u> | <u>\$ 1,974,665</u> | <u>\$ 1,827,878</u> | <u>\$ 156,436</u> | <u>\$ 7,128,153</u> | <u>\$ 296,752</u> | <u>\$ 3,800,418</u> | <u>\$ 16,923,517</u> | <u>\$ 27,584,962</u> |
| Liabilities | | | | | | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- | \$ 207,945 | \$ -- | \$ -- | \$ 207,945 | \$ 884,284 |
| Contracts and retainage payable | 5,855 | -- | -- | -- | 10,879 | -- | 2,820 | 19,554 | 19,554 |
| Accrued liabilities | -- | -- | -- | -- | -- | -- | -- | -- | 43,937 |
| Unearned revenue | -- | -- | 757,720 | -- | -- | -- | 274,922 | 1,032,642 | 1,202,341 |
| Total Liabilities | <u>5,855</u> | <u>--</u> | <u>757,720</u> | <u>--</u> | <u>218,824</u> | <u>--</u> | <u>277,742</u> | <u>1,260,141</u> | <u>2,150,116</u> |
| Deferred Inflows of Resources | | | | | | | | | |
| Leases | -- | -- | -- | -- | -- | -- | -- | -- | 173,168 |
| Fund Balances | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | -- | -- | -- | -- | -- | -- | -- | -- | 10,325 |
| Inventory | -- | -- | -- | -- | -- | -- | -- | -- | 309,306 |
| Restricted for: | | | | | | | | | |
| Capital improvements | 1,733,360 | 1,974,665 | -- | 156,436 | 6,909,329 | 296,752 | -- | 11,070,542 | 11,070,542 |
| Transit improvements | -- | -- | -- | -- | -- | -- | 3,522,676 | 3,522,676 | 4,593,210 |
| Law enforcement | -- | -- | -- | -- | -- | -- | -- | -- | 380,453 |
| Art improvements | -- | -- | 1,070,158 | -- | -- | -- | -- | 1,070,158 | 1,070,158 |
| Assigned | -- | -- | -- | -- | -- | -- | -- | -- | 7,827,684 |
| Total Fund Balances | <u>1,733,360</u> | <u>1,974,665</u> | <u>1,070,158</u> | <u>156,436</u> | <u>6,909,329</u> | <u>296,752</u> | <u>3,522,676</u> | <u>15,663,376</u> | <u>25,261,678</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,739,215</u> | <u>\$ 1,974,665</u> | <u>\$ 1,827,878</u> | <u>\$ 156,436</u> | <u>\$ 7,128,153</u> | <u>\$ 296,752</u> | <u>\$ 3,800,418</u> | <u>\$ 16,923,517</u> | <u>\$ 27,584,962</u> |

CITY OF PALM BEACH GARDENS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2023

| | Special Revenue Funds | | | | | | Total |
|---|-----------------------|-------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | Police Training | Extra Duty Police | Local Option Gas Tax | Recreation Programs | Golf Course | Housing | |
| Revenues | | | | | | | |
| Intergovernmental | \$ -- | \$ -- | \$ 858,223 | \$ -- | \$ -- | \$ -- | \$ 858,223 |
| Impact fees | -- | -- | -- | -- | -- | -- | -- |
| Charges for services | -- | -- | -- | 5,384,946 | 3,938,722 | -- | 9,323,668 |
| Fines and forfeitures | 10,644 | -- | -- | -- | -- | -- | 10,644 |
| Investment income | -- | 4,826 | 1,456 | 49,690 | 14,410 | 922 | 71,304 |
| Miscellaneous | -- | 600,253 | 146,452 | 95,391 | 137,336 | -- | 979,432 |
| Total Revenues | <u>10,644</u> | <u>605,079</u> | <u>1,006,131</u> | <u>5,530,027</u> | <u>4,090,468</u> | <u>922</u> | <u>11,243,271</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Public safety | 3,612 | 541,984 | -- | -- | -- | -- | 545,596 |
| Culture and recreation | -- | -- | -- | 7,289,198 | 4,006,499 | -- | 11,295,697 |
| Transportation | -- | -- | 976,575 | -- | -- | -- | 976,575 |
| Capital outlay | -- | -- | 371,198 | 155,092 | 830,138 | -- | 1,356,428 |
| Debt service: | | | | | | | |
| Principal | -- | -- | 24,477 | -- | 137,283 | -- | 161,760 |
| Interest | -- | -- | 2,130 | -- | 8,800 | -- | 10,930 |
| Total Expenditures | <u>3,612</u> | <u>541,984</u> | <u>1,374,380</u> | <u>7,444,290</u> | <u>4,982,720</u> | <u>--</u> | <u>14,346,986</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>7,032</u> | <u>63,095</u> | <u>(368,249)</u> | <u>(1,914,263)</u> | <u>(892,252)</u> | <u>922</u> | <u>(3,103,715)</u> |
| Other Financing Sources | | | | | | | |
| Transfers in | -- | -- | -- | 2,000,000 | -- | -- | 2,000,000 |
| Loan proceeds | -- | -- | -- | -- | 427,146 | -- | 427,146 |
| Total Other Financing Sources | <u>--</u> | <u>--</u> | <u>--</u> | <u>2,000,000</u> | <u>427,146</u> | <u>--</u> | <u>2,427,146</u> |
| Net Change in Fund Balances | 7,032 | 63,095 | (368,249) | 85,737 | (465,106) | 922 | (676,569) |
| Fund Balances - Beginning | <u>40,749</u> | <u>269,577</u> | <u>1,438,783</u> | <u>972,681</u> | <u>2,002,196</u> | <u>5,550,885</u> | <u>10,274,871</u> |
| Fund Balances - Ending | <u>\$ 47,781</u> | <u>\$ 332,672</u> | <u>\$ 1,070,534</u> | <u>\$ 1,058,418</u> | <u>\$ 1,537,090</u> | <u>\$ 5,551,807</u> | <u>\$ 9,598,302</u> |

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2023

| | Police Impact | Fire Impact | Art Impact | Capital Improvement & Replacemen | One-Cent Sales Surtax Capital Improvements | Public Facilities Impact | Mobility Fee | Total | Total Other Governmental Funds |
|---|---------------------|---------------------|---------------------|--|--|--------------------------------|---------------------|----------------------|---|
| Revenues | | | | | | | | | |
| Intergovernmental | \$ -- | \$ -- | \$ -- | \$ -- | \$ 5,854,747 | \$ -- | \$ -- | \$ 5,854,747 | \$ 6,712,970 |
| Impact fees | 188,457 | 282,632 | 153,169 | -- | -- | 125,572 | 1,272,849 | 2,022,679 | 2,022,679 |
| Charges for services | -- | -- | -- | -- | -- | -- | -- | -- | 9,323,668 |
| Fines and forfeitures | -- | -- | -- | -- | -- | -- | -- | -- | 10,644 |
| Investment income | 6,325 | 299 | 279 | -- | 68,927 | 53 | 547 | 76,430 | 147,734 |
| Miscellaneous | -- | -- | -- | -- | -- | -- | -- | -- | 979,432 |
| Total Revenues | <u>194,782</u> | <u>282,931</u> | <u>153,448</u> | <u>--</u> | <u>5,923,674</u> | <u>125,625</u> | <u>1,273,396</u> | <u>7,953,856</u> | <u>19,197,127</u> |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| Public safety | -- | -- | -- | -- | -- | -- | -- | -- | 545,596 |
| Culture and recreation | -- | -- | -- | -- | -- | -- | -- | -- | 11,295,697 |
| Transportation | -- | -- | -- | -- | -- | -- | -- | -- | 976,575 |
| Capital outlay | 261,512 | -- | 66,585 | 6,492 | 2,380,282 | 188,433 | 246,461 | 3,149,765 | 4,506,193 |
| Debt service: | | | | | | | | | |
| Principal | -- | -- | -- | -- | 3,025,000 | -- | -- | 3,025,000 | 3,186,760 |
| Interest | -- | -- | -- | -- | 314,545 | -- | -- | 314,545 | 325,475 |
| Total Expenditures | <u>261,512</u> | <u>--</u> | <u>66,585</u> | <u>6,492</u> | <u>5,719,827</u> | <u>188,433</u> | <u>246,461</u> | <u>6,489,310</u> | <u>20,836,296</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(66,730)</u> | <u>282,931</u> | <u>86,863</u> | <u>(6,492)</u> | <u>203,847</u> | <u>(62,808)</u> | <u>1,026,935</u> | <u>1,464,546</u> | <u>(1,639,169)</u> |
| Other Financing Sources | | | | | | | | | |
| Transfers in | -- | -- | -- | -- | -- | -- | -- | -- | 2,000,000 |
| Loan proceeds | -- | -- | -- | -- | -- | -- | -- | -- | 427,146 |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>2,427,146</u> |
| Net Change in Fund Balances | <u>(66,730)</u> | <u>282,931</u> | <u>86,863</u> | <u>(6,492)</u> | <u>203,847</u> | <u>(62,808)</u> | <u>1,026,935</u> | <u>1,464,546</u> | <u>787,977</u> |
| Fund Balances - Beginning | <u>1,800,090</u> | <u>1,691,734</u> | <u>983,295</u> | <u>162,928</u> | <u>6,705,482</u> | <u>359,560</u> | <u>2,495,741</u> | <u>14,198,830</u> | <u>24,473,701</u> |
| Fund Balances - Ending | <u>\$ 1,733,360</u> | <u>\$ 1,974,665</u> | <u>\$ 1,070,158</u> | <u>\$ 156,436</u> | <u>\$ 6,909,329</u> | <u>\$ 296,752</u> | <u>\$ 3,522,676</u> | <u>\$ 15,663,376</u> | <u>\$ 25,261,678</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
POLICE TRAINING - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------------|-------------------------|---|
| Revenues | | | | |
| Fines and forfeitures | \$ 9,000 | \$ 9,000 | \$ 10,644 | \$ 1,644 |
| Total Revenues | <u>9,000</u> | <u>9,000</u> | <u>10,644</u> | <u>1,644</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety | <u>6,000</u> | <u>6,000</u> | <u>3,612</u> | <u>2,388</u> |
| Total Expenditures | <u>6,000</u> | <u>6,000</u> | <u>3,612</u> | <u>2,388</u> |
| Net Change in Fund Balance | 3,000 | 3,000 | 7,032 | 4,032 |
| Fund Balance - Beginning | <u>23,909</u> | <u>33,334</u> | <u>40,749</u> | <u>7,415</u> |
| Fund Balance - Ending | <u><u>\$ 26,909</u></u> | <u><u>\$ 36,334</u></u> | <u><u>\$ 47,781</u></u> | <u><u>\$ 11,447</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LOCAL OPTION GAS TAX - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|--------------------|-------------------|---------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 815,850 | 815,850 | \$ 858,223 | \$ 42,373 |
| Investment income | 2,700 | 2,700 | 1,456 | (1,244) |
| Miscellaneous | <u>136,000</u> | <u>136,000</u> | <u>146,452</u> | <u>10,452</u> |
| Total Revenues | <u>954,550</u> | <u>954,550</u> | <u>1,006,131</u> | <u>51,581</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 1,170,599 | 1,170,599 | 976,575 | 194,024 |
| Capital outlay | 20,000 | 695,336 | 371,198 | 324,138 |
| Debt Service: | | | | |
| Principal | 24,477 | 24,477 | 24,477 | -- |
| Interest | <u>2,130</u> | <u>2,130</u> | <u>2,130</u> | <u>--</u> |
| Total debt service | <u>26,607</u> | <u>26,607</u> | <u>26,607</u> | <u>--</u> |
| Total Expenditures | <u>1,217,206</u> | <u>1,892,542</u> | <u>1,374,380</u> | <u>518,162</u> |
| Net Change in Fund Balance | (262,656) | (937,992) | (368,249) | 569,743 |
| Fund Balance - Beginning | <u>1,004,657</u> | <u>1,438,783</u> | <u>1,438,783</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 742,001</u> | <u>\$ 500,791</u> | <u>\$ 1,070,534</u> | <u>\$ 569,743</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
RECREATION PROGRAMS - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Charges for services | \$ 5,562,957 | \$ 5,562,957 | \$ 5,384,946 | \$ (178,011) |
| Investment income | 750 | 750 | 49,690 | 48,940 |
| Miscellaneous | <u>--</u> | <u>--</u> | <u>95,391</u> | <u>95,391</u> |
| Total Revenues | <u>5,563,707</u> | <u>5,563,707</u> | <u>5,530,027</u> | <u>(33,680)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | <u>7,645,042</u> | <u>7,608,511</u> | <u>7,289,198</u> | <u>319,313</u> |
| Total Expenditures | <u>7,645,042</u> | <u>7,616,006</u> | <u>7,444,290</u> | <u>171,716</u> |
| Deficiency of Revenues Under Expenditures | (2,081,335) | (2,052,299) | (1,914,263) | 138,036 |
| Other Financing Sources | | | | |
| Transfers in | <u>--</u> | <u>2,000,000</u> | <u>2,000,000</u> | <u>--</u> |
| Net Change in Fund Balance | (2,081,335) | (52,299) | 85,737 | 138,036 |
| Fund Balance - Beginning | <u>(844,427)</u> | <u>1,186,566</u> | <u>972,681</u> | <u>(213,885)</u> |
| Fund Balance - Ending | <u>\$ (2,925,762)</u> | <u>\$ 1,134,267</u> | <u>\$ 1,058,418</u> | <u>\$ (75,849)</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GOLF COURSE - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------------------|------------------------------|----------------------------|---|
| Revenues | | | | |
| Charges for services | \$ 5,684,000 | 5,612,000 | \$ 3,938,722 | \$ (1,673,278) |
| Investment income | 450 | 450 | 14,410 | 13,960 |
| Miscellaneous | <u>169,300</u> | <u>169,300</u> | <u>137,336</u> | <u>(31,964)</u> |
| Total Revenues | <u>5,853,750</u> | <u>5,781,750</u> | <u>4,090,468</u> | <u>(1,691,282)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 7,347,592 | 7,095,013 | 4,006,499 | 3,088,514 |
| Capital outlay | 374,000 | 694,631 | 830,138 | (135,507) |
| Debt Service: | | | | |
| Principal | -- | -- | 137,283 | (137,283) |
| Interest | <u>--</u> | <u>--</u> | <u>8,800</u> | <u>(8,800)</u> |
| Total Expenditures | <u>7,721,592</u> | <u>7,789,644</u> | <u>4,982,720</u> | <u>2,806,924</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (1,867,842) | (2,007,894) | (892,252) | 1,115,642 |
| Other Financing Sources | | | | |
| Loan proceeds | <u>--</u> | <u>--</u> | <u>427,146</u> | <u>(427,146)</u> |
| Total Other Financing Sources | <u>--</u> | <u>--</u> | <u>427,146</u> | <u>(427,146)</u> |
| Net Change in Fund Balance | (1,867,842) | (2,007,894) | (465,106) | 688,496 |
| Fund Balance - Beginning | <u>143,705</u> | <u>294,944</u> | <u>2,002,196</u> | <u>1,707,252</u> |
| Fund Balance - Ending | <u><u>\$ (1,724,137)</u></u> | <u><u>\$ (1,712,950)</u></u> | <u><u>\$ 1,537,090</u></u> | <u><u>\$ 2,395,748</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOUSING - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---|
| Revenues | | | | |
| Investment income | \$ 237 | \$ 922 | \$ 922 | \$ -- |
| Total Revenues | <u>237</u> | <u>922</u> | <u>922</u> | <u>--</u> |
| Net Change in Fund Balance | 237 | 922 | 922 | -- |
| Fund Balance - Beginning | <u>5,500,000</u> | <u>5,550,885</u> | <u>5,550,885</u> | <u>--</u> |
| Fund Balance - Ending | <u><u>\$ 5,500,237</u></u> | <u><u>\$ 5,551,807</u></u> | <u><u>\$ 5,551,807</u></u> | <u><u>\$ --</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
RECREATION IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|----------------------|---|
| Revenues | | | | |
| Impact fees | \$ 1,053,104 | \$ 1,053,104 | \$ 386,649 | \$ (666,455) |
| Investment income | 3,645 | 3,645 | 22,616 | 18,971 |
| Miscellaneous | <u>5,000,000</u> | <u>5,000,000</u> | <u>5,000,000</u> | <u>--</u> |
| Total Revenues | <u>6,056,749</u> | <u>6,056,749</u> | <u>5,409,265</u> | <u>(647,484)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>20,746,933</u> | <u>2,248,941</u> | <u>18,497,992</u> |
| Total Expenditures | <u>--</u> | <u>20,746,933</u> | <u>2,248,941</u> | <u>18,497,992</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 6,056,749 | (14,690,184) | 3,160,324 | 17,850,508 |
| Other Financing Sources/(Uses) | | | | |
| Transfers in | -- | 5,285,099 | 5,285,099 | -- |
| Transfers out | (871,004) | (871,004) | (871,004) | -- |
| Bond Proceeds | <u>(871,004)</u> | <u>10,000,000</u> | <u>10,000,000</u> | <u>--</u> |
| Total Other Financing Sources/(Uses) | <u>(1,742,008)</u> | <u>14,414,095</u> | <u>14,414,095</u> | <u>--</u> |
| Net Change in Fund Balance | 4,314,741 | (276,089) | 17,574,419 | 17,850,508 |
| Fund Balance - Beginning | <u>(1,040,792)</u> | <u>1,402,934</u> | <u>5,521,918</u> | <u>4,118,984</u> |
| Fund Balance - Ending | <u>\$ 3,273,949</u> | <u>\$ 1,126,845</u> | <u>\$ 23,096,337</u> | <u>\$ 21,969,492</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
POLICE IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 379,035 | \$ 379,035 | \$ 188,457 | \$ (190,578) |
| Investment income | <u>6,601</u> | <u>6,601</u> | <u>6,325</u> | <u>(276)</u> |
| Total Revenues | <u>385,636</u> | <u>385,636</u> | <u>194,782</u> | <u>(190,854)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>425,000</u> | <u>261,512</u> | <u>163,488</u> |
| Total Expenditures | <u>--</u> | <u>425,000</u> | <u>261,512</u> | <u>163,488</u> |
| Net Change in Fund Balance | 385,636 | (39,364) | (66,730) | (354,342) |
| Fund Balance - Beginning | <u>1,419,916</u> | <u>1,488,849</u> | <u>1,800,090</u> | <u>(739,874)</u> |
| Fund Balance - Ending | <u>\$ 1,805,552</u> | <u>\$ 1,449,485</u> | <u>\$ 1,733,360</u> | <u>\$ (1,094,216)</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FIRE IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|-------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 540,559 | \$ 540,559 | \$ 282,632 | \$ (257,927) |
| Investment income | <u>2,040</u> | <u>2,040</u> | <u>299</u> | <u>(1,741)</u> |
| Total Revenues | <u>542,599</u> | <u>542,599</u> | <u>282,931</u> | <u>(259,668)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>275,000</u> | <u>--</u> | <u>275,000</u> |
| Total Expenditures | <u>--</u> | <u>275,000</u> | <u>--</u> | <u>275,000</u> |
| Net Change in Fund Balance | 542,599 | 267,599 | 282,931 | 15,332 |
| Fund Balance - Beginning | <u>1,924,222</u> | <u>638,768</u> | <u>1,691,734</u> | <u>1,052,966</u> |
| Fund Balance - Ending | <u>\$ 2,466,821</u> | <u>\$ 906,367</u> | <u>\$ 1,974,665</u> | <u>\$ 1,068,298</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
ART IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|--------------------------|--------------------------|----------------------------|---|
| Revenues | | | | |
| Impact fees | \$ -- | \$ -- | \$ 153,169 | \$ 153,169 |
| Investment income | <u>4,636</u> | <u>4,636</u> | <u>279</u> | <u>(4,357)</u> |
| Total Revenues | <u>4,636</u> | <u>4,636</u> | <u>153,448</u> | <u>148,812</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>93,127</u> | <u>66,585</u> | <u>26,542</u> |
| Total Expenditures | <u>--</u> | <u>93,127</u> | <u>66,585</u> | <u>26,542</u> |
| Net Change in Fund Balance | 4,636 | (88,491) | 86,863 | 175,354 |
| Fund Balance - Beginning | <u>939,057</u> | <u>852,213</u> | <u>983,295</u> | <u>131,082</u> |
| Fund Balance - Ending | <u><u>\$ 943,693</u></u> | <u><u>\$ 763,722</u></u> | <u><u>\$ 1,070,158</u></u> | <u><u>\$ 306,436</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ROAD IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 1,139,925 | \$ 1,139,925 | \$ 466,675 | \$ (673,250) |
| Investment income | <u>1,030</u> | <u>1,030</u> | <u>11,781</u> | <u>10,751</u> |
| Total Revenues | <u>1,140,955</u> | <u>1,140,955</u> | <u>478,456</u> | <u>(662,499)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>2,794,493</u> | <u>1,989,287</u> | <u>805,206</u> |
| Total Expenditures | <u>--</u> | <u>2,794,493</u> | <u>1,989,287</u> | <u>805,206</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 1,140,955 | (1,653,538) | (1,510,831) | 142,707 |
| Other Financing Sources | | | | |
| Transfers in | <u>--</u> | <u>2,795,354</u> | <u>2,700,000</u> | <u>95,354</u> |
| Total Other Financing Sources | <u>--</u> | <u>2,795,354</u> | <u>2,700,000</u> | <u>95,354</u> |
| Net Change in Fund Balance | 1,140,955 | 1,141,816 | 1,189,169 | 238,061 |
| Fund Balance - Beginning | <u>(108,745)</u> | <u>--</u> | <u>92,257</u> | <u>3,627,339</u> |
| Fund Balance - Ending | <u>\$ 1,032,210</u> | <u>\$ 1,141,816</u> | <u>\$ 1,281,426</u> | <u>\$ 3,865,400</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT & REPLACEMENT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|--------------------|-----------------|------------|---|
| Revenues | | | | |
| Impact fees | \$ -- | \$ -- | \$ -- | \$ -- |
| Total Revenues | -- | -- | -- | -- |
| Expenditures | | | | |
| Capital outlay | -- | 112,938 | 6,492 | 106,446 |
| Total Expenditures | -- | 112,938 | 6,492 | 106,446 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | -- | (112,938) | (6,492) | 106,446 |
| Other Financing Sources: | | | | |
| Transfers in | -- | 136,785 | -- | 136,785 |
| Total Other Financing Sources | -- | 136,785 | -- | 136,785 |
| Net Change in Fund Balance | -- | 23,847 | (6,492) | 243,231 |
| Fund Balance - Beginning | 49,990 | 186,775 | 162,928 | (23,847) |
| Fund Balance - Ending | \$ 49,990 | \$ 210,622 | \$ 156,436 | \$ 219,384 |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
ONE-CENT SALES SURTAX CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 3,500,000 | \$ 3,500,000 | \$ 5,854,747 | \$ 2,354,747 |
| Investment income | 19,165 | 19,165 | 68,927 | 49,762 |
| Total Revenues | <u>3,519,165</u> | <u>3,519,165</u> | <u>5,923,674</u> | <u>2,404,509</u> |
| Expenditures | | | | |
| Capital outlay | -- | 2,696,114 | 2,380,282 | 315,832 |
| Debt Service: | | | | |
| Principal | 3,025,000 | 3,025,000 | 3,025,000 | -- |
| Interest | 314,545 | 314,545 | 314,545 | -- |
| Total Expenditures | <u>3,339,545</u> | <u>6,035,659</u> | <u>5,719,827</u> | <u>315,832</u> |
| Net Change in Fund Balance | 179,620 | (2,516,494) | 203,847 | 2,088,677 |
| Fund Balance - Beginning | <u>5,038,872</u> | <u>2,100,152</u> | <u>6,705,482</u> | <u>4,605,330</u> |
| Fund Balance - Ending | <u>\$ 5,218,492</u> | <u>\$ (416,342)</u> | <u>\$ 6,909,329</u> | <u>\$ 6,694,007</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PUBLIC FACILITIES IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|--------------------|---------------------|-------------------|---|
| Revenues | | | | |
| Impact fees | \$ 242,121 | \$ 242,121 | \$ 125,572 | \$ (116,549) |
| Investment income | <u>1,617</u> | <u>1,617</u> | <u>53</u> | <u>(1,564)</u> |
| Total Revenues | <u>243,738</u> | <u>243,738</u> | <u>125,625</u> | <u>(118,113)</u> |
| Expenditures | | | | |
| Capital outlay | <u>320,000</u> | <u>320,000</u> | <u>188,433</u> | <u>131,567</u> |
| Total Expenditures | <u>320,000</u> | <u>320,000</u> | <u>188,433</u> | <u>131,567</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (76,262) | (76,262) | (62,808) | 13,454 |
| Other Financing Uses: | | | | |
| Transfers out | <u>--</u> | <u>(360,000)</u> | <u>--</u> | <u>(360,000)</u> |
| Total Other Financing Uses | <u>--</u> | <u>(360,000)</u> | <u>--</u> | <u>(360,000)</u> |
| Net Change in Fund Balance | (76,262) | (436,262) | (62,808) | (346,546) |
| Fund Balance - Beginning | <u>81,487</u> | <u>67,501</u> | <u>359,560</u> | <u>292,059</u> |
| Fund Balance - Ending | <u>\$ 5,225</u> | <u>\$ (368,761)</u> | <u>\$ 296,752</u> | <u>\$ (54,487)</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
MOBILITY FEE - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 2,385,540 | \$ 2,385,540 | \$ 1,272,849 | \$ (1,112,691) |
| Investment income | <u>4,963</u> | <u>--</u> | <u>547</u> | <u>547</u> |
| Total Revenues | <u>2,390,503</u> | <u>2,385,540</u> | <u>1,273,396</u> | <u>(1,112,144)</u> |
| Expenditures | | | | |
| Capital outlay | <u>1,993,000</u> | <u>3,185,723</u> | <u>246,461</u> | <u>2,939,262</u> |
| Total Expenditures | <u>1,993,000</u> | <u>3,185,723</u> | <u>246,461</u> | <u>2,939,262</u> |
| Net Change in Fund Balance | 397,503 | (800,183) | 1,026,935 | 1,827,118 |
| Fund Balance - Beginning | <u>2,994,040</u> | <u>2,990,026</u> | <u>2,495,741</u> | <u>(494,285)</u> |
| Fund Balance - Ending | <u>\$ 3,391,543</u> | <u>\$ 2,189,843</u> | <u>\$ 3,522,676</u> | <u>\$ 1,332,833</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**INTERNAL SERVICES FUNDS
COMBINING STATEMENT OF NET POSITION**

SEPTEMBER 30, 2023

| | Fleet Management | Self Insurance | Total |
|---|---------------------|---------------------|---------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,593,543 | \$ 9,121,357 | \$ 10,714,900 |
| Restricted investments | 339,693 | -- | 339,693 |
| Inventory | 378,861 | -- | 378,861 |
| Prepaid items | -- | 52,500 | 52,500 |
| Total current assets | <u>2,312,097</u> | <u>9,173,857</u> | <u>11,485,954</u> |
| Noncurrent assets: | | | |
| Capital assets being depreciated and amortized, net | <u>5,302,947</u> | <u>8,062</u> | <u>5,311,009</u> |
| Total noncurrent assets | <u>5,302,947</u> | <u>8,062</u> | <u>5,311,009</u> |
| Total Assets | <u>7,615,044</u> | <u>9,181,919</u> | <u>16,796,963</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflows relating to pensions | 336,717 | -- | 336,717 |
| Deferred outflows relating to OPEB | <u>76,549</u> | <u>--</u> | <u>76,549</u> |
| Total Deferred Outflows of Resources | <u>413,266</u> | <u>--</u> | <u>413,266</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 128,305 | 1,222,749 | 1,351,054 |
| Accrued interest payable | 3,313 | -- | 3,313 |
| Lease liability | 1,209,538 | -- | 1,209,538 |
| Capital lease payable, current portion | <u>21,138</u> | <u>--</u> | <u>21,138</u> |
| Total current liabilities | <u>1,362,294</u> | <u>1,222,749</u> | <u>2,585,043</u> |
| Noncurrent liabilities: | | | |
| Claims payable | -- | 493,432 | 493,432 |
| Net pension liability | 1,050,905 | -- | 1,050,905 |
| Total OPEB liability | 274,521 | -- | 274,521 |
| Compensated absences payable | 45,945 | -- | 45,945 |
| Lease liability | 3,462,512 | -- | 3,462,512 |
| Capital lease payable, net of current portion | <u>335,234</u> | <u>--</u> | <u>335,234</u> |
| Total noncurrent liabilities | <u>5,169,117</u> | <u>493,432</u> | <u>5,662,549</u> |
| Total Liabilities | <u>6,531,411</u> | <u>1,716,181</u> | <u>8,247,592</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows relating to pensions | 137,365 | -- | 137,365 |
| Deferred inflows relating to OPEB | <u>54,194</u> | <u>--</u> | <u>54,194</u> |
| Total Deferred Inflows of Resources | <u>191,559</u> | <u>--</u> | <u>191,559</u> |
| Net Position | | | |
| Net investment in capital assets | 614,218 | 8,062 | 622,280 |
| Unrestricted | <u>691,122</u> | <u>7,457,676</u> | <u>8,148,798</u> |
| Total Net Position | <u>\$ 1,305,340</u> | <u>\$ 7,465,738</u> | <u>\$ 8,771,078</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

INTERNAL SERVICE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED SEPTEMBER 30, 2023

| | Fleet Management | Self Insurance | Total |
|---|---------------------|---------------------|---------------------|
| Operating Revenues | | | |
| Charges for services | \$ 5,001,374 | \$ -- | \$ 5,001,374 |
| Employer contributions | -- | 10,380,105 | 10,380,105 |
| Employee contributions | -- | 1,895,896 | 1,895,896 |
| Miscellaneous | 330,830 | 737,525 | 1,068,355 |
| Total Operating Revenues | <u>5,332,204</u> | <u>13,013,526</u> | <u>18,345,730</u> |
| Operating Expenses | | | |
| Personnel expenses | 1,393,900 | 2,337 | 1,396,237 |
| Claims expense | -- | 10,886,678 | 10,886,678 |
| Insurance premiums | -- | 733,900 | 733,900 |
| Repair and maintenance | 709,816 | -- | 709,816 |
| Fuel and chemicals | 961,365 | -- | 961,365 |
| Equipment rental | 153,412 | -- | 153,412 |
| Operating supplies | 176,104 | 81,206 | 257,310 |
| Other professional and contractual | 56,226 | 1,188,543 | 1,244,769 |
| Other expenses | 19,594 | -- | 19,594 |
| Depreciation and amortization | 1,743,338 | 3,121 | 1,746,459 |
| Total Operating Expenses | <u>5,213,755</u> | <u>12,895,785</u> | <u>18,109,540</u> |
| Operating Income | <u>118,449</u> | <u>117,741</u> | <u>236,190</u> |
| Nonoperating Revenues/(Expenses) | | | |
| Investment income | 40,962 | 108,064 | 149,026 |
| Gain on disposal of capital assets | 251,371 | -- | 251,371 |
| Interest expense | (150,074) | -- | (150,074) |
| Total Nonoperating Revenues/(Expenses) | <u>142,259</u> | <u>108,064</u> | <u>250,323</u> |
| Change in Net Position | 260,708 | 225,805 | 486,513 |
| Net Position - Beginning | <u>1,044,632</u> | <u>7,239,933</u> | <u>8,284,565</u> |
| Net Position - Ending | <u>\$ 1,305,340</u> | <u>\$ 7,465,738</u> | <u>\$ 8,771,078</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS**

YEAR ENDED SEPTEMBER 30, 2023

| | Fleet Management | Self Insurance | Total |
|---|---------------------|---------------------|----------------------|
| Cash Flows from Operating Activities | | | |
| Receipts for interfund services provided | \$ 5,001,374 | \$ 12,276,001 | \$ 17,277,375 |
| Payments to suppliers for goods and services | (2,195,784) | (899,521) | (3,095,305) |
| Payments to employees for services | (1,208,990) | -- | (1,208,990) |
| Payments for claims | -- | (11,758,469) | (11,758,469) |
| Other operating revenues | <u>330,830</u> | <u>737,525</u> | <u>1,068,355</u> |
| Net Cash Provided by Operating Activities | <u>1,927,430</u> | <u>355,536</u> | <u>2,282,966</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Purchases of capital assets | (186,550) | -- | (186,550) |
| Proceeds from sale of capital assets | 251,371 | -- | 251,371 |
| Issuance of debt | 334,117 | -- | 334,117 |
| Principal paid on capital lease | (21,138) | -- | (21,138) |
| Interest paid on capital lease | (2,241) | -- | (2,241) |
| Principal paid on lease (right-of-use asset) | (1,295,537) | -- | (1,295,537) |
| Interest paid on lease (right-of-use asset) | <u>(145,696)</u> | <u>--</u> | <u>(145,696)</u> |
| Net Cash Used in Capital and Related Financing Activities | <u>(1,065,674)</u> | <u>--</u> | <u>(1,065,674)</u> |
| Cash Flows from Investing Activities | | | |
| Purchases of investments | (339,693) | -- | (339,693) |
| Interest earned | <u>40,962</u> | <u>108,064</u> | <u>149,026</u> |
| Net Cash Provided by (Used in) Investing Activities | <u>(298,731)</u> | <u>108,064</u> | <u>(190,667)</u> |
| Net Increase in Cash and Cash Equivalents | 563,025 | 463,600 | 1,026,625 |
| Cash and Cash Equivalents - Beginning of Year | <u>1,030,518</u> | <u>8,657,757</u> | <u>9,688,275</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 1,593,543</u> | <u>\$ 9,121,357</u> | <u>\$ 10,714,900</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income | \$ 118,449 | \$ 117,741 | \$ 236,190 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 1,743,338 | 3,121 | 1,746,459 |
| Changes in operating assets/deferred outflows, and liabilities/deferred inflows: | | | |
| Inventory | (99,941) | -- | (99,941) |
| Prepaid items | -- | -- | -- |
| Deferred outflows relating to pensions | 32,030 | -- | 32,030 |
| Deferred outflows relating to OPEB | (56,483) | -- | (56,483) |
| Accounts payable | (19,326) | 1,106,465 | 1,087,139 |
| Claims payable | -- | (871,791) | (871,791) |
| Net pension liability | 158,793 | -- | 158,793 |
| Total OPEB liability | 22,693 | -- | 22,693 |
| Compensated absences | 6,426 | -- | 6,426 |
| Deferred inflows relating to pensions | (5,774) | -- | (5,774) |
| Deferred inflows relating to OPEB | <u>27,225</u> | <u>--</u> | <u>27,225</u> |
| Total Adjustments | <u>1,808,981</u> | <u>237,795</u> | <u>2,046,776</u> |
| Net Cash Provided by Operating Activities | <u>\$ 1,927,430</u> | <u>\$ 355,536</u> | <u>\$ 2,282,966</u> |
| Noncash Activities | | | |
| Initiation of lease liability | <u>\$ 3,130,098</u> | <u>\$ --</u> | <u>\$ 3,130,098</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2023

| | Pension Trust Funds | | | |
|---|---------------------|-----------------------|-----------------------|-----------------------|
| | General Employees | Police | Fire | Total |
| Assets | | | | |
| Cash and cash equivalents | \$ 43,119 | \$ 495,073 | \$ 56,200 | \$ 594,392 |
| Investments: | | | | |
| Money market funds | -- | 2,505,152 | 2,936,097 | 5,441,249 |
| U.S. Government obligations | -- | 8,316,022 | 7,257,180 | 15,573,202 |
| Mortgage backed securities | -- | -- | 9,747,673 | 9,747,673 |
| Municipal obligations | -- | 879,673 | -- | 879,673 |
| Fixed income funds | 868,544 | 11,966,062 | 6,272,244 | 19,106,850 |
| Collateralized mortgage obligations | -- | -- | 529,061 | 529,061 |
| Corporate obligations | -- | 3,914,565 | 6,789,480 | 10,704,045 |
| Equity securities | -- | 12,086,306 | 75,200,314 | 87,286,620 |
| Equity funds | 1,179,618 | -- | 6,617,848 | 7,797,466 |
| Foreign bonds | -- | -- | 681,637 | 681,637 |
| International funds | 594,429 | 8,510,918 | 128,987 | 9,234,334 |
| Alternative investment | -- | 57,452,730 | 4,633,707 | 62,086,437 |
| Real estate funds | 394,232 | 14,325,747 | 13,672,437 | 28,392,416 |
| Total investments | <u>3,036,823</u> | <u>119,957,175</u> | <u>134,466,665</u> | <u>257,460,663</u> |
| Receivables: | | | | |
| Interest and dividends | -- | 152,044 | 174,898 | 326,942 |
| State of Florida | -- | 993,453 | 479,770 | 1,473,223 |
| Employees | 222 | 690 | -- | 912 |
| Total receivables | <u>222</u> | <u>1,146,187</u> | <u>654,668</u> | <u>1,801,077</u> |
| Prepaid items | -- | 378,681 | -- | 378,681 |
| Total Assets | <u>3,080,164</u> | <u>121,977,116</u> | <u>135,177,533</u> | <u>260,234,813</u> |
| Liabilities | | | | |
| Accounts payable | 1,540 | 31,537 | 312,346 | 345,423 |
| Pending trades payable | -- | 196,559 | 177,949 | 374,508 |
| Total Liabilities | <u>1,540</u> | <u>228,096</u> | <u>490,295</u> | <u>719,931</u> |
| Net Position | | | | |
| Net Position Restricted for Pension Benefits | <u>\$ 3,078,624</u> | <u>\$ 121,749,020</u> | <u>\$ 134,687,238</u> | <u>\$ 259,514,882</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

YEAR ENDED SEPTEMBER 30, 2023

| | Pension Trust Funds | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| | General Employees | Police | Fire | Total |
| Additions | | | | |
| Contributions: | | | | |
| Employer | \$ -- | \$ 4,719,149 | \$ 5,639,145 | \$ 10,358,294 |
| State of Florida | -- | 993,453 | 1,361,925 | 2,355,378 |
| Employees | 12,238 | 888,285 | 586,436 | 1,486,959 |
| Total contributions | <u>12,238</u> | <u>6,600,887</u> | <u>7,587,506</u> | <u>14,200,631</u> |
| Investment Earnings | | | | |
| Net appreciation in fair value of investments | 253,150 | 9,534,757 | 8,011,090 | 17,798,997 |
| Interest and dividends | -- | 1,413,925 | 4,717,224 | 6,131,149 |
| Other | -- | 1,585 | -- | 1,585 |
| Total investment earnings | 253,150 | 10,950,267 | 12,728,314 | 23,931,731 |
| Less investment expenses | <u>(10,662)</u> | <u>(317,093)</u> | <u>(374,758)</u> | <u>(702,513)</u> |
| Net Investment Earnings | <u>242,488</u> | <u>10,633,174</u> | <u>12,353,556</u> | <u>23,229,218</u> |
| Total Additions | <u>254,726</u> | <u>17,234,061</u> | <u>19,941,062</u> | <u>37,429,849</u> |
| Deductions | | | | |
| Pension benefits | 116,562 | 7,033,082 | 5,891,706 | 13,041,350 |
| Refund of participant contributions | -- | 118,312 | 27,430 | 145,742 |
| Administrative expenses | 1,540 | 159,161 | 138,159 | 298,860 |
| Total Deductions | <u>118,102</u> | <u>7,310,555</u> | <u>6,057,295</u> | <u>13,485,952</u> |
| Change in Net Position | 136,624 | 9,923,506 | 13,883,767 | 23,943,897 |
| Net Position - Beginning | <u>2,942,000</u> | <u>111,825,514</u> | <u>120,803,471</u> | <u>235,570,985</u> |
| Net Position - Ending | <u>\$ 3,078,624</u> | <u>\$ 121,749,020</u> | <u>\$ 134,687,238</u> | <u>\$ 259,514,882</u> |

STATISTICAL SECTION

CITY OF PALM BEACH GARDENS, FLORIDA

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2023

| | Special Revenue Funds | | | | | | Total |
|--|-----------------------|-------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| | Police Training | Extra Duty Police | Local Option Gas Tax | Recreation Programs | Golf Course | Housing | |
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 47,117 | \$ 279,079 | \$ 1,366,400 | \$ 1,216,144 | \$ 1,494,152 | \$ 5,551,807 | \$ 9,954,699 |
| Receivables | -- | 58,156 | -- | -- | 36,055 | -- | 94,211 |
| Lease receivables | -- | -- | -- | -- | 220,909 | -- | 220,909 |
| Due from other governments | 664 | -- | 71,331 | -- | -- | -- | 71,995 |
| Inventory | -- | -- | -- | 108,041 | 201,265 | -- | 309,306 |
| Prepaid items | -- | -- | -- | 10,325 | -- | -- | 10,325 |
| Total Assets | <u>\$ 47,781</u> | <u>\$ 337,235</u> | <u>\$ 1,437,731</u> | <u>\$ 1,334,510</u> | <u>\$ 1,952,381</u> | <u>\$ 5,551,807</u> | <u>\$ 10,661,445</u> |
| Liabilities | | | | | | | |
| Accounts payable | \$ -- | \$ 4,563 | \$ 367,197 | \$ 108,133 | \$ 196,446 | \$ -- | \$ 676,339 |
| Contracts and retainage payable | -- | -- | -- | -- | -- | -- | -- |
| Accrued liabilities | -- | -- | -- | -- | 43,937 | -- | 43,937 |
| Unearned revenue | -- | -- | -- | 167,959 | 1,740 | -- | 169,699 |
| Total Liabilities | <u>--</u> | <u>4,563</u> | <u>367,197</u> | <u>276,092</u> | <u>242,123</u> | <u>--</u> | <u>889,975</u> |
| Deferred Inflows of Resources | | | | | | | |
| Leases | -- | -- | -- | -- | 173,168 | -- | 173,168 |
| Fund Balances | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | -- | -- | -- | 10,325 | -- | -- | 10,325 |
| Inventory | -- | -- | -- | 108,041 | 201,265 | -- | 309,306 |
| Restricted for: | | | | | | | |
| Capital improvements | -- | -- | -- | -- | -- | -- | -- |
| Transit improvements | -- | -- | 1,070,534 | -- | -- | -- | 1,070,534 |
| Law enforcement | 47,781 | 332,672 | -- | -- | -- | -- | 380,453 |
| Art improvements | -- | -- | -- | -- | -- | -- | -- |
| Assigned | -- | -- | -- | 940,052 | 1,335,825 | 5,551,807 | 7,827,684 |
| Total Fund Balances | <u>47,781</u> | <u>332,672</u> | <u>1,070,534</u> | <u>1,058,418</u> | <u>1,537,090</u> | <u>5,551,807</u> | <u>9,598,302</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 47,781</u> | <u>\$ 337,235</u> | <u>\$ 1,437,731</u> | <u>\$ 1,334,510</u> | <u>\$ 1,952,381</u> | <u>\$ 5,551,807</u> | <u>\$ 10,661,445</u> |

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING BALANCE SHEET

OTHER GOVERNMENTAL FUNDS (CONTINUED)

SEPTEMBER 30, 2023

| | Police Impact | Fire Impact | Art Impact | Capital Improvement & Replacement | One-Cent Sales Surtax Capital Improvements | Public Facilities Impact | Mobility Fee | Total | Total Other Governmental Funds |
|--|---------------------|---------------------|---------------------|---|--|--------------------------------|---------------------|----------------------|---|
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ 1,739,215 | \$ 1,974,665 | \$ 1,827,878 | \$ 156,436 | \$ 6,755,353 | \$ 296,752 | \$ 3,800,418 | \$ 16,550,717 | \$ 26,505,416 |
| Receivables | -- | -- | -- | -- | -- | -- | -- | -- | 94,211 |
| Lease receivables | -- | -- | -- | -- | -- | -- | -- | -- | 220,909 |
| Due from other governments | -- | -- | -- | -- | 372,800 | -- | -- | 372,800 | 444,795 |
| Inventory | -- | -- | -- | -- | -- | -- | -- | -- | 309,306 |
| Prepaid items | -- | -- | -- | -- | -- | -- | -- | -- | 10,325 |
| Total Assets | <u>\$ 1,739,215</u> | <u>\$ 1,974,665</u> | <u>\$ 1,827,878</u> | <u>\$ 156,436</u> | <u>\$ 7,128,153</u> | <u>\$ 296,752</u> | <u>\$ 3,800,418</u> | <u>\$ 16,923,517</u> | <u>\$ 27,584,962</u> |
| Liabilities | | | | | | | | | |
| Accounts payable | \$ -- | \$ -- | \$ -- | \$ -- | \$ 207,945 | \$ -- | \$ -- | \$ 207,945 | \$ 884,284 |
| Contracts and retainage payable | 5,855 | -- | -- | -- | 10,879 | -- | 2,820 | 19,554 | 19,554 |
| Accrued liabilities | -- | -- | -- | -- | -- | -- | -- | -- | 43,937 |
| Unearned revenue | -- | -- | 757,720 | -- | -- | -- | 274,922 | 1,032,642 | 1,202,341 |
| Total Liabilities | <u>5,855</u> | <u>--</u> | <u>757,720</u> | <u>--</u> | <u>218,824</u> | <u>--</u> | <u>277,742</u> | <u>1,260,141</u> | <u>2,150,116</u> |
| Deferred Inflows of Resources | | | | | | | | | |
| Leases | -- | -- | -- | -- | -- | -- | -- | -- | 173,168 |
| Fund Balances | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Prepaid items | -- | -- | -- | -- | -- | -- | -- | -- | 10,325 |
| Inventory | -- | -- | -- | -- | -- | -- | -- | -- | 309,306 |
| Restricted for: | | | | | | | | | |
| Capital improvements | 1,733,360 | 1,974,665 | -- | 156,436 | 6,909,329 | 296,752 | -- | 11,070,542 | 11,070,542 |
| Transit improvements | -- | -- | -- | -- | -- | -- | 3,522,676 | 3,522,676 | 4,593,210 |
| Law enforcement | -- | -- | -- | -- | -- | -- | -- | -- | 380,453 |
| Art improvements | -- | -- | 1,070,158 | -- | -- | -- | -- | 1,070,158 | 1,070,158 |
| Assigned | -- | -- | -- | -- | -- | -- | -- | -- | 7,827,684 |
| Total Fund Balances | <u>1,733,360</u> | <u>1,974,665</u> | <u>1,070,158</u> | <u>156,436</u> | <u>6,909,329</u> | <u>296,752</u> | <u>3,522,676</u> | <u>15,663,376</u> | <u>25,261,678</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,739,215</u> | <u>\$ 1,974,665</u> | <u>\$ 1,827,878</u> | <u>\$ 156,436</u> | <u>\$ 7,128,153</u> | <u>\$ 296,752</u> | <u>\$ 3,800,418</u> | <u>\$ 16,923,517</u> | <u>\$ 27,584,962</u> |

CITY OF PALM BEACH GARDENS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2023

| | Special Revenue Funds | | | | | | Total |
|---|-----------------------|-------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | Police Training | Extra Duty Police | Local Option Gas Tax | Recreation Programs | Golf Course | Housing | |
| Revenues | | | | | | | |
| Intergovernmental | \$ -- | \$ -- | \$ 858,223 | \$ -- | \$ -- | \$ -- | \$ 858,223 |
| Impact fees | -- | -- | -- | -- | -- | -- | -- |
| Charges for services | -- | -- | -- | 5,384,946 | 3,938,722 | -- | 9,323,668 |
| Fines and forfeitures | 10,644 | -- | -- | -- | -- | -- | 10,644 |
| Investment income | -- | 4,826 | 1,456 | 49,690 | 14,410 | 922 | 71,304 |
| Miscellaneous | -- | 600,253 | 146,452 | 95,391 | 137,336 | -- | 979,432 |
| Total Revenues | <u>10,644</u> | <u>605,079</u> | <u>1,006,131</u> | <u>5,530,027</u> | <u>4,090,468</u> | <u>922</u> | <u>11,243,271</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Public safety | 3,612 | 541,984 | -- | -- | -- | -- | 545,596 |
| Culture and recreation | -- | -- | -- | 7,289,198 | 4,006,499 | -- | 11,295,697 |
| Transportation | -- | -- | 976,575 | -- | -- | -- | 976,575 |
| Capital outlay | -- | -- | 371,198 | 155,092 | 830,138 | -- | 1,356,428 |
| Debt service: | | | | | | | |
| Principal | -- | -- | 24,477 | -- | 137,283 | -- | 161,760 |
| Interest | -- | -- | 2,130 | -- | 8,800 | -- | 10,930 |
| Total Expenditures | <u>3,612</u> | <u>541,984</u> | <u>1,374,380</u> | <u>7,444,290</u> | <u>4,982,720</u> | <u>--</u> | <u>14,346,986</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>7,032</u> | <u>63,095</u> | <u>(368,249)</u> | <u>(1,914,263)</u> | <u>(892,252)</u> | <u>922</u> | <u>(3,103,715)</u> |
| Other Financing Sources | | | | | | | |
| Transfers in | -- | -- | -- | 2,000,000 | -- | -- | 2,000,000 |
| Loan proceeds | -- | -- | -- | -- | 427,146 | -- | 427,146 |
| Total Other Financing Sources | <u>--</u> | <u>--</u> | <u>--</u> | <u>2,000,000</u> | <u>427,146</u> | <u>--</u> | <u>2,427,146</u> |
| Net Change in Fund Balances | 7,032 | 63,095 | (368,249) | 85,737 | (465,106) | 922 | (676,569) |
| Fund Balances - Beginning | <u>40,749</u> | <u>269,577</u> | <u>1,438,783</u> | <u>972,681</u> | <u>2,002,196</u> | <u>5,550,885</u> | <u>10,274,871</u> |
| Fund Balances - Ending | <u>\$ 47,781</u> | <u>\$ 332,672</u> | <u>\$ 1,070,534</u> | <u>\$ 1,058,418</u> | <u>\$ 1,537,090</u> | <u>\$ 5,551,807</u> | <u>\$ 9,598,302</u> |

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2023

| | Police Impact | Fire Impact | Art Impact | Capital Improvement & Replacemen | One-Cent Sales Surtax Capital Improvements | Public Facilities Impact | Mobility Fee | Total | Total Other Governmental Funds |
|---|---------------------|---------------------|---------------------|--|--|--------------------------------|---------------------|----------------------|---|
| Revenues | | | | | | | | | |
| Intergovernmental | \$ -- | \$ -- | \$ -- | \$ -- | \$ 5,854,747 | \$ -- | \$ -- | \$ 5,854,747 | \$ 6,712,970 |
| Impact fees | 188,457 | 282,632 | 153,169 | -- | -- | 125,572 | 1,272,849 | 2,022,679 | 2,022,679 |
| Charges for services | -- | -- | -- | -- | -- | -- | -- | -- | 9,323,668 |
| Fines and forfeitures | -- | -- | -- | -- | -- | -- | -- | -- | 10,644 |
| Investment income | 6,325 | 299 | 279 | -- | 68,927 | 53 | 547 | 76,430 | 147,734 |
| Miscellaneous | -- | -- | -- | -- | -- | -- | -- | -- | 979,432 |
| Total Revenues | <u>194,782</u> | <u>282,931</u> | <u>153,448</u> | <u>--</u> | <u>5,923,674</u> | <u>125,625</u> | <u>1,273,396</u> | <u>7,953,856</u> | <u>19,197,127</u> |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| Public safety | -- | -- | -- | -- | -- | -- | -- | -- | 545,596 |
| Culture and recreation | -- | -- | -- | -- | -- | -- | -- | -- | 11,295,697 |
| Transportation | -- | -- | -- | -- | -- | -- | -- | -- | 976,575 |
| Capital outlay | 261,512 | -- | 66,585 | 6,492 | 2,380,282 | 188,433 | 246,461 | 3,149,765 | 4,506,193 |
| Debt service: | | | | | | | | | |
| Principal | -- | -- | -- | -- | 3,025,000 | -- | -- | 3,025,000 | 3,186,760 |
| Interest | -- | -- | -- | -- | 314,545 | -- | -- | 314,545 | 325,475 |
| Total Expenditures | <u>261,512</u> | <u>--</u> | <u>66,585</u> | <u>6,492</u> | <u>5,719,827</u> | <u>188,433</u> | <u>246,461</u> | <u>6,489,310</u> | <u>20,836,296</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(66,730)</u> | <u>282,931</u> | <u>86,863</u> | <u>(6,492)</u> | <u>203,847</u> | <u>(62,808)</u> | <u>1,026,935</u> | <u>1,464,546</u> | <u>(1,639,169)</u> |
| Other Financing Sources | | | | | | | | | |
| Transfers in | -- | -- | -- | -- | -- | -- | -- | -- | 2,000,000 |
| Loan proceeds | -- | -- | -- | -- | -- | -- | -- | -- | 427,146 |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>2,427,146</u> |
| Net Change in Fund Balances | <u>(66,730)</u> | <u>282,931</u> | <u>86,863</u> | <u>(6,492)</u> | <u>203,847</u> | <u>(62,808)</u> | <u>1,026,935</u> | <u>1,464,546</u> | <u>787,977</u> |
| Fund Balances - Beginning | <u>1,800,090</u> | <u>1,691,734</u> | <u>983,295</u> | <u>162,928</u> | <u>6,705,482</u> | <u>359,560</u> | <u>2,495,741</u> | <u>14,198,830</u> | <u>24,473,701</u> |
| Fund Balances - Ending | <u>\$ 1,733,360</u> | <u>\$ 1,974,665</u> | <u>\$ 1,070,158</u> | <u>\$ 156,436</u> | <u>\$ 6,909,329</u> | <u>\$ 296,752</u> | <u>\$ 3,522,676</u> | <u>\$ 15,663,376</u> | <u>\$ 25,261,678</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
POLICE TRAINING - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|-------------------------|-------------------------|-------------------------|---|
| Revenues | | | | |
| Fines and forfeitures | \$ 9,000 | \$ 9,000 | \$ 10,644 | \$ 1,644 |
| Total Revenues | <u>9,000</u> | <u>9,000</u> | <u>10,644</u> | <u>1,644</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Safety | <u>6,000</u> | <u>6,000</u> | <u>3,612</u> | <u>2,388</u> |
| Total Expenditures | <u>6,000</u> | <u>6,000</u> | <u>3,612</u> | <u>2,388</u> |
| Net Change in Fund Balance | 3,000 | 3,000 | 7,032 | 4,032 |
| Fund Balance - Beginning | <u>23,909</u> | <u>33,334</u> | <u>40,749</u> | <u>7,415</u> |
| Fund Balance - Ending | <u><u>\$ 26,909</u></u> | <u><u>\$ 36,334</u></u> | <u><u>\$ 47,781</u></u> | <u><u>\$ 11,447</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LOCAL OPTION GAS TAX - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|--------------------|-------------------|---------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 815,850 | 815,850 | \$ 858,223 | \$ 42,373 |
| Investment income | 2,700 | 2,700 | 1,456 | (1,244) |
| Miscellaneous | <u>136,000</u> | <u>136,000</u> | <u>146,452</u> | <u>10,452</u> |
| Total Revenues | <u>954,550</u> | <u>954,550</u> | <u>1,006,131</u> | <u>51,581</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 1,170,599 | 1,170,599 | 976,575 | 194,024 |
| Capital outlay | 20,000 | 695,336 | 371,198 | 324,138 |
| Debt Service: | | | | |
| Principal | 24,477 | 24,477 | 24,477 | -- |
| Interest | <u>2,130</u> | <u>2,130</u> | <u>2,130</u> | <u>--</u> |
| Total debt service | <u>26,607</u> | <u>26,607</u> | <u>26,607</u> | <u>--</u> |
| Total Expenditures | <u>1,217,206</u> | <u>1,892,542</u> | <u>1,374,380</u> | <u>518,162</u> |
| Net Change in Fund Balance | (262,656) | (937,992) | (368,249) | 569,743 |
| Fund Balance - Beginning | <u>1,004,657</u> | <u>1,438,783</u> | <u>1,438,783</u> | <u>--</u> |
| Fund Balance - Ending | <u>\$ 742,001</u> | <u>\$ 500,791</u> | <u>\$ 1,070,534</u> | <u>\$ 569,743</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
RECREATION PROGRAMS - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|-----------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Charges for services | \$ 5,562,957 | \$ 5,562,957 | \$ 5,384,946 | \$ (178,011) |
| Investment income | 750 | 750 | 49,690 | 48,940 |
| Miscellaneous | <u>--</u> | <u>--</u> | <u>95,391</u> | <u>95,391</u> |
| Total Revenues | <u>5,563,707</u> | <u>5,563,707</u> | <u>5,530,027</u> | <u>(33,680)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | <u>7,645,042</u> | <u>7,608,511</u> | <u>7,289,198</u> | <u>319,313</u> |
| Total Expenditures | <u>7,645,042</u> | <u>7,616,006</u> | <u>7,444,290</u> | <u>171,716</u> |
| Deficiency of Revenues Under Expenditures | (2,081,335) | (2,052,299) | (1,914,263) | 138,036 |
| Other Financing Sources | | | | |
| Transfers in | <u>--</u> | <u>2,000,000</u> | <u>2,000,000</u> | <u>--</u> |
| Net Change in Fund Balance | (2,081,335) | (52,299) | 85,737 | 138,036 |
| Fund Balance - Beginning | <u>(844,427)</u> | <u>1,186,566</u> | <u>972,681</u> | <u>(213,885)</u> |
| Fund Balance - Ending | <u>\$ (2,925,762)</u> | <u>\$ 1,134,267</u> | <u>\$ 1,058,418</u> | <u>\$ (75,849)</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GOLF COURSE - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------------------|------------------------------|----------------------------|---|
| Revenues | | | | |
| Charges for services | \$ 5,684,000 | 5,612,000 | \$ 3,938,722 | \$ (1,673,278) |
| Investment income | 450 | 450 | 14,410 | 13,960 |
| Miscellaneous | <u>169,300</u> | <u>169,300</u> | <u>137,336</u> | <u>(31,964)</u> |
| Total Revenues | <u>5,853,750</u> | <u>5,781,750</u> | <u>4,090,468</u> | <u>(1,691,282)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 7,347,592 | 7,095,013 | 4,006,499 | 3,088,514 |
| Capital outlay | 374,000 | 694,631 | 830,138 | (135,507) |
| Debt Service: | | | | |
| Principal | -- | -- | 137,283 | (137,283) |
| Interest | <u>--</u> | <u>--</u> | <u>8,800</u> | <u>(8,800)</u> |
| Total Expenditures | <u>7,721,592</u> | <u>7,789,644</u> | <u>4,982,720</u> | <u>2,806,924</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (1,867,842) | (2,007,894) | (892,252) | 1,115,642 |
| Other Financing Sources | | | | |
| Loan proceeds | <u>--</u> | <u>--</u> | <u>427,146</u> | <u>(427,146)</u> |
| Total Other Financing Sources | <u>--</u> | <u>--</u> | <u>427,146</u> | <u>(427,146)</u> |
| Net Change in Fund Balance | (1,867,842) | (2,007,894) | (465,106) | 688,496 |
| Fund Balance - Beginning | <u>143,705</u> | <u>294,944</u> | <u>2,002,196</u> | <u>1,707,252</u> |
| Fund Balance - Ending | <u><u>\$ (1,724,137)</u></u> | <u><u>\$ (1,712,950)</u></u> | <u><u>\$ 1,537,090</u></u> | <u><u>\$ 2,395,748</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOUSING - SPECIAL REVENUE FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---|
| Revenues | | | | |
| Investment income | \$ 237 | \$ 922 | \$ 922 | \$ -- |
| Total Revenues | <u>237</u> | <u>922</u> | <u>922</u> | <u>--</u> |
| Net Change in Fund Balance | 237 | 922 | 922 | -- |
| Fund Balance - Beginning | <u>5,500,000</u> | <u>5,550,885</u> | <u>5,550,885</u> | <u>--</u> |
| Fund Balance - Ending | <u><u>\$ 5,500,237</u></u> | <u><u>\$ 5,551,807</u></u> | <u><u>\$ 5,551,807</u></u> | <u><u>\$ --</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
RECREATION IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|----------------------|---|
| Revenues | | | | |
| Impact fees | \$ 1,053,104 | \$ 1,053,104 | \$ 386,649 | \$ (666,455) |
| Investment income | 3,645 | 3,645 | 22,616 | 18,971 |
| Miscellaneous | <u>5,000,000</u> | <u>5,000,000</u> | <u>5,000,000</u> | <u>--</u> |
| Total Revenues | <u>6,056,749</u> | <u>6,056,749</u> | <u>5,409,265</u> | <u>(647,484)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>20,746,933</u> | <u>2,248,941</u> | <u>18,497,992</u> |
| Total Expenditures | <u>--</u> | <u>20,746,933</u> | <u>2,248,941</u> | <u>18,497,992</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 6,056,749 | (14,690,184) | 3,160,324 | 17,850,508 |
| Other Financing Sources/(Uses) | | | | |
| Transfers in | -- | 5,285,099 | 5,285,099 | -- |
| Transfers out | (871,004) | (871,004) | (871,004) | -- |
| Bond Proceeds | <u>(871,004)</u> | <u>10,000,000</u> | <u>10,000,000</u> | <u>--</u> |
| Total Other Financing Sources/(Uses) | <u>(1,742,008)</u> | <u>14,414,095</u> | <u>14,414,095</u> | <u>--</u> |
| Net Change in Fund Balance | 4,314,741 | (276,089) | 17,574,419 | 17,850,508 |
| Fund Balance - Beginning | <u>(1,040,792)</u> | <u>1,402,934</u> | <u>5,521,918</u> | <u>4,118,984</u> |
| Fund Balance - Ending | <u>\$ 3,273,949</u> | <u>\$ 1,126,845</u> | <u>\$ 23,096,337</u> | <u>\$ 21,969,492</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
POLICE IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 379,035 | \$ 379,035 | \$ 188,457 | \$ (190,578) |
| Investment income | <u>6,601</u> | <u>6,601</u> | <u>6,325</u> | <u>(276)</u> |
| Total Revenues | <u>385,636</u> | <u>385,636</u> | <u>194,782</u> | <u>(190,854)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>425,000</u> | <u>261,512</u> | <u>163,488</u> |
| Total Expenditures | <u>--</u> | <u>425,000</u> | <u>261,512</u> | <u>163,488</u> |
| Net Change in Fund Balance | 385,636 | (39,364) | (66,730) | (354,342) |
| Fund Balance - Beginning | <u>1,419,916</u> | <u>1,488,849</u> | <u>1,800,090</u> | <u>(739,874)</u> |
| Fund Balance - Ending | <u>\$ 1,805,552</u> | <u>\$ 1,449,485</u> | <u>\$ 1,733,360</u> | <u>\$ (1,094,216)</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FIRE IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|-------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 540,559 | \$ 540,559 | \$ 282,632 | \$ (257,927) |
| Investment income | <u>2,040</u> | <u>2,040</u> | <u>299</u> | <u>(1,741)</u> |
| Total Revenues | <u>542,599</u> | <u>542,599</u> | <u>282,931</u> | <u>(259,668)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>275,000</u> | <u>--</u> | <u>275,000</u> |
| Total Expenditures | <u>--</u> | <u>275,000</u> | <u>--</u> | <u>275,000</u> |
| Net Change in Fund Balance | 542,599 | 267,599 | 282,931 | 15,332 |
| Fund Balance - Beginning | <u>1,924,222</u> | <u>638,768</u> | <u>1,691,734</u> | <u>1,052,966</u> |
| Fund Balance - Ending | <u>\$ 2,466,821</u> | <u>\$ 906,367</u> | <u>\$ 1,974,665</u> | <u>\$ 1,068,298</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
ART IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|--------------------------|--------------------------|----------------------------|---|
| Revenues | | | | |
| Impact fees | \$ -- | \$ -- | \$ 153,169 | \$ 153,169 |
| Investment income | <u>4,636</u> | <u>4,636</u> | <u>279</u> | <u>(4,357)</u> |
| Total Revenues | <u>4,636</u> | <u>4,636</u> | <u>153,448</u> | <u>148,812</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>93,127</u> | <u>66,585</u> | <u>26,542</u> |
| Total Expenditures | <u>--</u> | <u>93,127</u> | <u>66,585</u> | <u>26,542</u> |
| Net Change in Fund Balance | 4,636 | (88,491) | 86,863 | 175,354 |
| Fund Balance - Beginning | <u>939,057</u> | <u>852,213</u> | <u>983,295</u> | <u>131,082</u> |
| Fund Balance - Ending | <u><u>\$ 943,693</u></u> | <u><u>\$ 763,722</u></u> | <u><u>\$ 1,070,158</u></u> | <u><u>\$ 306,436</u></u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ROAD IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 1,139,925 | \$ 1,139,925 | \$ 466,675 | \$ (673,250) |
| Investment income | <u>1,030</u> | <u>1,030</u> | <u>11,781</u> | <u>10,751</u> |
| Total Revenues | <u>1,140,955</u> | <u>1,140,955</u> | <u>478,456</u> | <u>(662,499)</u> |
| Expenditures | | | | |
| Capital outlay | <u>--</u> | <u>2,794,493</u> | <u>1,989,287</u> | <u>805,206</u> |
| Total Expenditures | <u>--</u> | <u>2,794,493</u> | <u>1,989,287</u> | <u>805,206</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 1,140,955 | (1,653,538) | (1,510,831) | 142,707 |
| Other Financing Sources | | | | |
| Transfers in | <u>--</u> | <u>2,795,354</u> | <u>2,700,000</u> | <u>95,354</u> |
| Total Other Financing Sources | <u>--</u> | <u>2,795,354</u> | <u>2,700,000</u> | <u>95,354</u> |
| Net Change in Fund Balance | 1,140,955 | 1,141,816 | 1,189,169 | 238,061 |
| Fund Balance - Beginning | <u>(108,745)</u> | <u>--</u> | <u>92,257</u> | <u>3,627,339</u> |
| Fund Balance - Ending | <u>\$ 1,032,210</u> | <u>\$ 1,141,816</u> | <u>\$ 1,281,426</u> | <u>\$ 3,865,400</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL**

CAPITAL IMPROVEMENT & REPLACEMENT - CAPITAL PROJECTS FUND

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|--------------------|-----------------|------------|---|
| Revenues | | | | |
| Impact fees | \$ -- | \$ -- | \$ -- | \$ -- |
| Total Revenues | -- | -- | -- | -- |
| Expenditures | | | | |
| Capital outlay | -- | 112,938 | 6,492 | 106,446 |
| Total Expenditures | -- | 112,938 | 6,492 | 106,446 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | -- | (112,938) | (6,492) | 106,446 |
| Other Financing Sources: | | | | |
| Transfers in | -- | 136,785 | -- | 136,785 |
| Total Other Financing Sources | -- | 136,785 | -- | 136,785 |
| Net Change in Fund Balance | -- | 23,847 | (6,492) | 243,231 |
| Fund Balance - Beginning | 49,990 | 186,775 | 162,928 | (23,847) |
| Fund Balance - Ending | \$ 49,990 | \$ 210,622 | \$ 156,436 | \$ 219,384 |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
ONE-CENT SALES SURTAX CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 3,500,000 | \$ 3,500,000 | \$ 5,854,747 | \$ 2,354,747 |
| Investment income | 19,165 | 19,165 | 68,927 | 49,762 |
| Total Revenues | <u>3,519,165</u> | <u>3,519,165</u> | <u>5,923,674</u> | <u>2,404,509</u> |
| Expenditures | | | | |
| Capital outlay | -- | 2,696,114 | 2,380,282 | 315,832 |
| Debt Service: | | | | |
| Principal | 3,025,000 | 3,025,000 | 3,025,000 | -- |
| Interest | 314,545 | 314,545 | 314,545 | -- |
| Total Expenditures | <u>3,339,545</u> | <u>6,035,659</u> | <u>5,719,827</u> | <u>315,832</u> |
| Net Change in Fund Balance | 179,620 | (2,516,494) | 203,847 | 2,088,677 |
| Fund Balance - Beginning | <u>5,038,872</u> | <u>2,100,152</u> | <u>6,705,482</u> | <u>4,605,330</u> |
| Fund Balance - Ending | <u>\$ 5,218,492</u> | <u>\$ (416,342)</u> | <u>\$ 6,909,329</u> | <u>\$ 6,694,007</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PUBLIC FACILITIES IMPACT - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|--------------------|---------------------|-------------------|---|
| Revenues | | | | |
| Impact fees | \$ 242,121 | \$ 242,121 | \$ 125,572 | \$ (116,549) |
| Investment income | <u>1,617</u> | <u>1,617</u> | <u>53</u> | <u>(1,564)</u> |
| Total Revenues | <u>243,738</u> | <u>243,738</u> | <u>125,625</u> | <u>(118,113)</u> |
| Expenditures | | | | |
| Capital outlay | <u>320,000</u> | <u>320,000</u> | <u>188,433</u> | <u>131,567</u> |
| Total Expenditures | <u>320,000</u> | <u>320,000</u> | <u>188,433</u> | <u>131,567</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (76,262) | (76,262) | (62,808) | 13,454 |
| Other Financing Uses: | | | | |
| Transfers out | <u>--</u> | <u>(360,000)</u> | <u>--</u> | <u>(360,000)</u> |
| Total Other Financing Uses | <u>--</u> | <u>(360,000)</u> | <u>--</u> | <u>(360,000)</u> |
| Net Change in Fund Balance | (76,262) | (436,262) | (62,808) | (346,546) |
| Fund Balance - Beginning | <u>81,487</u> | <u>67,501</u> | <u>359,560</u> | <u>292,059</u> |
| Fund Balance - Ending | <u>\$ 5,225</u> | <u>\$ (368,761)</u> | <u>\$ 296,752</u> | <u>\$ (54,487)</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
MOBILITY FEE - CAPITAL PROJECTS FUND**

YEAR ENDED SEPTEMBER 30, 2023

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|---|
| Revenues | | | | |
| Impact fees | \$ 2,385,540 | \$ 2,385,540 | \$ 1,272,849 | \$ (1,112,691) |
| Investment income | <u>4,963</u> | <u>--</u> | <u>547</u> | <u>547</u> |
| Total Revenues | <u>2,390,503</u> | <u>2,385,540</u> | <u>1,273,396</u> | <u>(1,112,144)</u> |
| Expenditures | | | | |
| Capital outlay | <u>1,993,000</u> | <u>3,185,723</u> | <u>246,461</u> | <u>2,939,262</u> |
| Total Expenditures | <u>1,993,000</u> | <u>3,185,723</u> | <u>246,461</u> | <u>2,939,262</u> |
| Net Change in Fund Balance | 397,503 | (800,183) | 1,026,935 | 1,827,118 |
| Fund Balance - Beginning | <u>2,994,040</u> | <u>2,990,026</u> | <u>2,495,741</u> | <u>(494,285)</u> |
| Fund Balance - Ending | <u>\$ 3,391,543</u> | <u>\$ 2,189,843</u> | <u>\$ 3,522,676</u> | <u>\$ 1,332,833</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**INTERNAL SERVICES FUNDS
COMBINING STATEMENT OF NET POSITION**

SEPTEMBER 30, 2023

| | Fleet Management | Self Insurance | Total |
|---|---------------------|---------------------|---------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,593,543 | \$ 9,121,357 | \$ 10,714,900 |
| Restricted investments | 339,693 | -- | 339,693 |
| Inventory | 378,861 | -- | 378,861 |
| Prepaid items | -- | 52,500 | 52,500 |
| Total current assets | <u>2,312,097</u> | <u>9,173,857</u> | <u>11,485,954</u> |
| Noncurrent assets: | | | |
| Capital assets being depreciated and amortized, net | <u>5,302,947</u> | <u>8,062</u> | <u>5,311,009</u> |
| Total noncurrent assets | <u>5,302,947</u> | <u>8,062</u> | <u>5,311,009</u> |
| Total Assets | <u>7,615,044</u> | <u>9,181,919</u> | <u>16,796,963</u> |
| Deferred Outflows of Resources | | | |
| Deferred outflows relating to pensions | 336,717 | -- | 336,717 |
| Deferred outflows relating to OPEB | <u>76,549</u> | <u>--</u> | <u>76,549</u> |
| Total Deferred Outflows of Resources | <u>413,266</u> | <u>--</u> | <u>413,266</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 128,305 | 1,222,749 | 1,351,054 |
| Accrued interest payable | 3,313 | -- | 3,313 |
| Lease liability | 1,209,538 | -- | 1,209,538 |
| Capital lease payable, current portion | <u>21,138</u> | <u>--</u> | <u>21,138</u> |
| Total current liabilities | <u>1,362,294</u> | <u>1,222,749</u> | <u>2,585,043</u> |
| Noncurrent liabilities: | | | |
| Claims payable | -- | 493,432 | 493,432 |
| Net pension liability | 1,050,905 | -- | 1,050,905 |
| Total OPEB liability | 274,521 | -- | 274,521 |
| Compensated absences payable | 45,945 | -- | 45,945 |
| Lease liability | 3,462,512 | -- | 3,462,512 |
| Capital lease payable, net of current portion | <u>335,234</u> | <u>--</u> | <u>335,234</u> |
| Total noncurrent liabilities | <u>5,169,117</u> | <u>493,432</u> | <u>5,662,549</u> |
| Total Liabilities | <u>6,531,411</u> | <u>1,716,181</u> | <u>8,247,592</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows relating to pensions | 137,365 | -- | 137,365 |
| Deferred inflows relating to OPEB | <u>54,194</u> | <u>--</u> | <u>54,194</u> |
| Total Deferred Inflows of Resources | <u>191,559</u> | <u>--</u> | <u>191,559</u> |
| Net Position | | | |
| Net investment in capital assets | 614,218 | 8,062 | 622,280 |
| Unrestricted | <u>691,122</u> | <u>7,457,676</u> | <u>8,148,798</u> |
| Total Net Position | <u>\$ 1,305,340</u> | <u>\$ 7,465,738</u> | <u>\$ 8,771,078</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

INTERNAL SERVICE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED SEPTEMBER 30, 2023

| | Fleet Management | Self Insurance | Total |
|---|---------------------|---------------------|---------------------|
| Operating Revenues | | | |
| Charges for services | \$ 5,001,374 | \$ -- | \$ 5,001,374 |
| Employer contributions | -- | 10,380,105 | 10,380,105 |
| Employee contributions | -- | 1,895,896 | 1,895,896 |
| Miscellaneous | 330,830 | 737,525 | 1,068,355 |
| Total Operating Revenues | <u>5,332,204</u> | <u>13,013,526</u> | <u>18,345,730</u> |
| Operating Expenses | | | |
| Personnel expenses | 1,393,900 | 2,337 | 1,396,237 |
| Claims expense | -- | 10,886,678 | 10,886,678 |
| Insurance premiums | -- | 733,900 | 733,900 |
| Repair and maintenance | 709,816 | -- | 709,816 |
| Fuel and chemicals | 961,365 | -- | 961,365 |
| Equipment rental | 153,412 | -- | 153,412 |
| Operating supplies | 176,104 | 81,206 | 257,310 |
| Other professional and contractual | 56,226 | 1,188,543 | 1,244,769 |
| Other expenses | 19,594 | -- | 19,594 |
| Depreciation and amortization | 1,743,338 | 3,121 | 1,746,459 |
| Total Operating Expenses | <u>5,213,755</u> | <u>12,895,785</u> | <u>18,109,540</u> |
| Operating Income | <u>118,449</u> | <u>117,741</u> | <u>236,190</u> |
| Nonoperating Revenues/(Expenses) | | | |
| Investment income | 40,962 | 108,064 | 149,026 |
| Gain on disposal of capital assets | 251,371 | -- | 251,371 |
| Interest expense | (150,074) | -- | (150,074) |
| Total Nonoperating Revenues/(Expenses) | <u>142,259</u> | <u>108,064</u> | <u>250,323</u> |
| Change in Net Position | 260,708 | 225,805 | 486,513 |
| Net Position - Beginning | <u>1,044,632</u> | <u>7,239,933</u> | <u>8,284,565</u> |
| Net Position - Ending | <u>\$ 1,305,340</u> | <u>\$ 7,465,738</u> | <u>\$ 8,771,078</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS**

YEAR ENDED SEPTEMBER 30, 2023

| | Fleet Management | Self Insurance | Total |
|---|---------------------|---------------------|----------------------|
| Cash Flows from Operating Activities | | | |
| Receipts for interfund services provided | \$ 5,001,374 | \$ 12,276,001 | \$ 17,277,375 |
| Payments to suppliers for goods and services | (2,195,784) | (899,521) | (3,095,305) |
| Payments to employees for services | (1,208,990) | -- | (1,208,990) |
| Payments for claims | -- | (11,758,469) | (11,758,469) |
| Other operating revenues | 330,830 | 737,525 | 1,068,355 |
| Net Cash Provided by Operating Activities | <u>1,927,430</u> | <u>355,536</u> | <u>2,282,966</u> |
| Cash Flows from Capital and Related Financing Activities | | | |
| Purchases of capital assets | (186,550) | -- | (186,550) |
| Proceeds from sale of capital assets | 251,371 | -- | 251,371 |
| Issuance of debt | 334,117 | -- | 334,117 |
| Principal paid on capital lease | (21,138) | -- | (21,138) |
| Interest paid on capital lease | (2,241) | -- | (2,241) |
| Principal paid on lease (right-of-use asset) | (1,295,537) | -- | (1,295,537) |
| Interest paid on lease (right-of-use asset) | (145,696) | -- | (145,696) |
| Net Cash Used in Capital and Related Financing Activities | <u>(1,065,674)</u> | <u>--</u> | <u>(1,065,674)</u> |
| Cash Flows from Investing Activities | | | |
| Purchases of investments | (339,693) | -- | (339,693) |
| Interest earned | 40,962 | 108,064 | 149,026 |
| Net Cash Provided by (Used in) Investing Activities | <u>(298,731)</u> | <u>108,064</u> | <u>(190,667)</u> |
| Net Increase in Cash and Cash Equivalents | 563,025 | 463,600 | 1,026,625 |
| Cash and Cash Equivalents - Beginning of Year | <u>1,030,518</u> | <u>8,657,757</u> | <u>9,688,275</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 1,593,543</u> | <u>\$ 9,121,357</u> | <u>\$ 10,714,900</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income | \$ 118,449 | \$ 117,741 | \$ 236,190 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 1,743,338 | 3,121 | 1,746,459 |
| Changes in operating assets/deferred outflows, and liabilities/deferred inflows: | | | |
| Inventory | (99,941) | -- | (99,941) |
| Prepaid items | -- | -- | -- |
| Deferred outflows relating to pensions | 32,030 | -- | 32,030 |
| Deferred outflows relating to OPEB | (56,483) | -- | (56,483) |
| Accounts payable | (19,326) | 1,106,465 | 1,087,139 |
| Claims payable | -- | (871,791) | (871,791) |
| Net pension liability | 158,793 | -- | 158,793 |
| Total OPEB liability | 22,693 | -- | 22,693 |
| Compensated absences | 6,426 | -- | 6,426 |
| Deferred inflows relating to pensions | (5,774) | -- | (5,774) |
| Deferred inflows relating to OPEB | 27,225 | -- | 27,225 |
| Total Adjustments | <u>1,808,981</u> | <u>237,795</u> | <u>2,046,776</u> |
| Net Cash Provided by Operating Activities | <u>\$ 1,927,430</u> | <u>\$ 355,536</u> | <u>\$ 2,282,966</u> |
| Noncash Activities | | | |
| Initiation of lease liability | <u>\$ 3,130,098</u> | <u>\$ --</u> | <u>\$ 3,130,098</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2023

| | Pension Trust Funds | | | |
|---|---------------------|-----------------------|-----------------------|-----------------------|
| | General Employees | Police | Fire | Total |
| Assets | | | | |
| Cash and cash equivalents | \$ 43,119 | \$ 495,073 | \$ 56,200 | \$ 594,392 |
| Investments: | | | | |
| Money market funds | -- | 2,505,152 | 2,936,097 | 5,441,249 |
| U.S. Government obligations | -- | 8,316,022 | 7,257,180 | 15,573,202 |
| Mortgage backed securities | -- | -- | 9,747,673 | 9,747,673 |
| Municipal obligations | -- | 879,673 | -- | 879,673 |
| Fixed income funds | 868,544 | 11,966,062 | 6,272,244 | 19,106,850 |
| Collateralized mortgage obligations | -- | -- | 529,061 | 529,061 |
| Corporate obligations | -- | 3,914,565 | 6,789,480 | 10,704,045 |
| Equity securities | -- | 12,086,306 | 75,200,314 | 87,286,620 |
| Equity funds | 1,179,618 | -- | 6,617,848 | 7,797,466 |
| Foreign bonds | -- | -- | 681,637 | 681,637 |
| International funds | 594,429 | 8,510,918 | 128,987 | 9,234,334 |
| Alternative investment | -- | 57,452,730 | 4,633,707 | 62,086,437 |
| Real estate funds | 394,232 | 14,325,747 | 13,672,437 | 28,392,416 |
| Total investments | <u>3,036,823</u> | <u>119,957,175</u> | <u>134,466,665</u> | <u>257,460,663</u> |
| Receivables: | | | | |
| Interest and dividends | -- | 152,044 | 174,898 | 326,942 |
| State of Florida | -- | 993,453 | 479,770 | 1,473,223 |
| Employees | 222 | 690 | -- | 912 |
| Total receivables | <u>222</u> | <u>1,146,187</u> | <u>654,668</u> | <u>1,801,077</u> |
| Prepaid items | -- | 378,681 | -- | 378,681 |
| Total Assets | <u>3,080,164</u> | <u>121,977,116</u> | <u>135,177,533</u> | <u>260,234,813</u> |
| Liabilities | | | | |
| Accounts payable | 1,540 | 31,537 | 312,346 | 345,423 |
| Pending trades payable | -- | 196,559 | 177,949 | 374,508 |
| Total Liabilities | <u>1,540</u> | <u>228,096</u> | <u>490,295</u> | <u>719,931</u> |
| Net Position | | | | |
| Net Position Restricted for Pension Benefits | <u>\$ 3,078,624</u> | <u>\$ 121,749,020</u> | <u>\$ 134,687,238</u> | <u>\$ 259,514,882</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

YEAR ENDED SEPTEMBER 30, 2023

| | Pension Trust Funds | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| | General Employees | Police | Fire | Total |
| Additions | | | | |
| Contributions: | | | | |
| Employer | \$ -- | \$ 4,719,149 | \$ 5,639,145 | \$ 10,358,294 |
| State of Florida | -- | 993,453 | 1,361,925 | 2,355,378 |
| Employees | <u>12,238</u> | <u>888,285</u> | <u>586,436</u> | <u>1,486,959</u> |
| Total contributions | <u>12,238</u> | <u>6,600,887</u> | <u>7,587,506</u> | <u>14,200,631</u> |
| Investment Earnings | | | | |
| Net appreciation in fair value of investments | 253,150 | 9,534,757 | 8,011,090 | 17,798,997 |
| Interest and dividends | -- | 1,413,925 | 4,717,224 | 6,131,149 |
| Other | -- | 1,585 | -- | 1,585 |
| Total investment earnings | <u>253,150</u> | <u>10,950,267</u> | <u>12,728,314</u> | <u>23,931,731</u> |
| Less investment expenses | <u>(10,662)</u> | <u>(317,093)</u> | <u>(374,758)</u> | <u>(702,513)</u> |
| Net Investment Earnings | <u>242,488</u> | <u>10,633,174</u> | <u>12,353,556</u> | <u>23,229,218</u> |
| Total Additions | <u>254,726</u> | <u>17,234,061</u> | <u>19,941,062</u> | <u>37,429,849</u> |
| Deductions | | | | |
| Pension benefits | 116,562 | 7,033,082 | 5,891,706 | 13,041,350 |
| Refund of participant contributions | -- | 118,312 | 27,430 | 145,742 |
| Administrative expenses | <u>1,540</u> | <u>159,161</u> | <u>138,159</u> | <u>298,860</u> |
| Total Deductions | <u>118,102</u> | <u>7,310,555</u> | <u>6,057,295</u> | <u>13,485,952</u> |
| Change in Net Position | 136,624 | 9,923,506 | 13,883,767 | 23,943,897 |
| Net Position - Beginning | <u>2,942,000</u> | <u>111,825,514</u> | <u>120,803,471</u> | <u>235,570,985</u> |
| Net Position - Ending | <u>\$ 3,078,624</u> | <u>\$ 121,749,020</u> | <u>\$ 134,687,238</u> | <u>\$ 259,514,882</u> |

STATISTICAL SECTION

This part of the City of Palm Beach Garden's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says.

| <u>Contents</u> | <u>Page</u> |
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| <u>Financial Trends</u> | |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include: | |
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| <u>Revenue Capacity</u> | |
| These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | |
| Net Assessed Value and Estimated Actual Value of Taxable Property | 143-144 |
| Property Tax Rates - Direct and Overlapping Governments | 145-146 |
| Principal Property Taxpayers | 147 |
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| <u>Debt Capacity</u> | |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| Ratios of Outstanding Debt by Type | 149 |
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| Direct and Overlapping Governmental Activities Debt | 151 |
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| <u>Demographic and Economic Information</u> | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | |
| Demographic and Economic Statistics | 154 |
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| <u>Operating Information</u> | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |
| Full-Time Equivalent City Government Employees by Function | 156 |
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF PALM BEACH GARDENS, FLORIDA

NET POSITION BY COMPONENT

**LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---|-----------------------|----------------------|----------------------|
| Governmental Activities | | | |
| Net Investment in capital assets | \$ 69,151,586 | \$ 72,259,435 | \$ 78,370,940 |
| Restricted | 10,927,847 | 16,288,640 | 12,549,249 |
| Unrestricted | <u>37,132,301</u> | <u>(4,045,911)</u> | <u>4,088,222</u> |
| Total Governmental Activities Net Position | <u>117,211,734</u> | <u>84,502,164</u> | <u>95,008,411</u> |
| Primary Government | | | |
| Net Investment in capital assets | 69,151,586 | 72,259,435 | 78,370,940 |
| Restricted | 10,927,847 | 16,288,640 | 12,549,249 |
| Unrestricted | <u>37,132,301</u> | <u>(4,045,911)</u> | <u>4,088,222</u> |
| Total Primary Government Net Position | <u>\$ 117,211,734</u> | <u>\$ 84,502,164</u> | <u>\$ 95,008,411</u> |

Table 1

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|-----------------------|
| \$ 87,952,986 | \$ 95,276,106 | \$ 102,515,810 | \$ 112,859,024 | \$ 111,362,529 | \$ 118,285,524 | \$ 123,207,020 |
| 9,051,076 | 10,702,072 | 14,686,358 | 16,642,836 | 23,464,670 | 26,611,611 | 33,058,360 |
| <u>6,420,075</u> | <u>2,149,293</u> | <u>6,431,578</u> | <u>6,924,106</u> | <u>16,356,833</u> | <u>35,276,791</u> | <u>38,881,336</u> |
| <u>103,424,137</u> | <u>108,127,471</u> | <u>123,633,746</u> | <u>136,425,966</u> | <u>151,184,032</u> | <u>180,173,926</u> | <u>195,146,716</u> |
| 87,952,986 | 95,276,106 | 102,515,810 | 112,859,024 | 111,362,529 | \$ 118,285,524 | 123,207,020 |
| 9,051,076 | 10,702,072 | 14,686,358 | 16,642,836 | 23,464,670 | 26,611,611 | 33,058,360 |
| <u>6,420,075</u> | <u>2,149,293</u> | <u>6,431,578</u> | <u>6,924,106</u> | <u>16,356,833</u> | <u>35,276,791</u> | <u>38,881,336</u> |
| <u>\$ 103,424,137</u> | <u>\$ 108,127,471</u> | <u>\$ 123,633,746</u> | <u>\$ 136,425,966</u> | <u>\$ 151,184,032</u> | <u>180,173,926</u> | <u>\$ 195,146,716</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN NET POSITION

**LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | 2014 | 2015 | 2016 |
|---|----------------------|----------------------|----------------------|
| Expenses | | | |
| Governmental activities: | | | |
| General Government | \$ 14,130,877 | \$ 14,978,857 | \$ 17,541,387 |
| Public Safety | 40,628,867 | 42,414,598 | 43,962,040 |
| Culture/Recreation | 7,753,450 | 7,988,072 | 8,301,284 |
| Physical Environment | 7,822,307 | 8,986,513 | 9,700,482 |
| Transportation | 2,329,335 | 2,529,685 | 2,050,549 |
| Interest on long-term debt | 916,909 | 818,570 | 725,961 |
| Other debt service costs | -- | -- | -- |
| Total Governmental Activities Expenses | <u>73,581,745</u> | <u>77,716,295</u> | <u>82,308,703</u> |
| Program Revenues | | | |
| Governmental activities: | | | |
| Charges for services: | | | |
| General Government | 12,320,246 | 11,781,970 | 11,868,769 |
| Public Safety | 2,709,767 | 5,860,916 | 6,075,497 |
| Culture/Recreation | 5,528,028 | 6,962,118 | 6,150,055 |
| Physical Environment | -- | -- | 1,660,821 |
| Transportation | 338,718 | 350,647 | 546,678 |
| Operating grants and contributions | 1,794,424 | 1,616,429 | 1,679,128 |
| Capital grants and contributions | 63,000 | 135,307 | 596,851 |
| Total Governmental Activities Program Revenues | <u>22,754,183</u> | <u>26,707,387</u> | <u>28,577,799</u> |
| Total Primary Government Program Revenues | <u>\$ 22,754,183</u> | <u>\$ 26,707,387</u> | <u>\$ 28,577,799</u> |

Table 2

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 20,064,766 | \$ 21,148,515 | \$ 26,322,940 | \$ 26,387,153 | \$ 24,161,709 | \$ 30,288,661 | \$ 34,988,995 |
| 48,503,388 | 50,752,213 | 51,936,783 | 55,430,678 | 60,409,881 | 57,160,045 | 74,270,154 |
| 8,904,360 | 10,755,062 | 10,518,847 | 10,761,387 | 11,805,008 | 13,911,022 | 17,269,984 |
| 10,991,757 | 11,936,744 | 12,881,501 | 14,739,278 | 15,755,751 | 14,415,604 | 15,562,270 |
| 2,742,420 | 2,045,453 | 2,510,201 | 2,284,421 | 2,345,466 | 1,916,721 | 2,757,831 |
| 1,095,700 | 1,266,773 | 1,121,978 | 866,902 | 821,587 | 863,633 | 941,236 |
| 62,720 | -- | -- | -- | 59,000 | -- | 64,750 |
| <u>92,365,111</u> | <u>97,904,760</u> | <u>105,292,250</u> | <u>110,469,819</u> | <u>115,358,402</u> | <u>118,555,686</u> | <u>145,855,220</u> |
| 13,300,392 | 13,245,743 | 13,321,888 | 15,516,812 | 18,999,934 | 21,760,802 | 22,766,922 |
| 7,094,400 | 6,955,992 | 6,975,745 | 7,845,228 | 7,708,650 | 8,786,615 | 9,182,545 |
| 6,627,415 | 6,718,228 | 9,934,801 | 6,495,652 | 7,198,794 | 9,997,449 | 9,847,736 |
| 185,809 | 310,747 | 798,365 | 653,488 | 368,005 | 562,667 | 918,131 |
| 1,093,669 | 570,071 | 249,836 | 3,194,235 | 1,747,622 | 2,557,021 | 1,739,524 |
| 1,529,434 | 1,921,496 | 2,326,455 | 4,496,879 | 3,201,518 | 8,179,973 | 8,228,824 |
| 415,926 | 87,109 | 5,135,658 | 50,748 | 2,949,930 | 2,999,410 | 1,020,688 |
| <u>30,247,045</u> | <u>29,809,386</u> | <u>38,742,748</u> | <u>38,253,042</u> | <u>42,174,453</u> | <u>54,843,937</u> | <u>53,704,370</u> |
| <u>\$ 30,247,045</u> | <u>\$ 29,809,386</u> | <u>\$ 38,742,748</u> | <u>\$ 38,253,042</u> | <u>\$ 42,174,453</u> | <u>\$ 54,843,937</u> | <u>\$ 53,704,370</u> |

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN NET POSITION (CONTINUED)

**LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | 2014 | 2015 | 2016 |
|---|------------------------|------------------------|------------------------|
| Net (Expense) Revenue | | | |
| Governmental activities | \$ (50,827,562) | \$ (51,008,908) | \$ (53,560,795) |
| Total Primary Government Net Expense | <u>\$ (50,827,562)</u> | <u>\$ (51,008,908)</u> | <u>\$ (53,560,795)</u> |
| General Revenues and Other Changes in Net Position | | | |
| Governmental Activities: | | | |
| Taxes: | | | |
| Property taxes | \$ 46,310,990 | \$ 49,094,541 | \$ 51,974,181 |
| Local business tax | 1,480,360 | 1,642,308 | 1,600,232 |
| Public service taxes | 2,162,550 | 2,094,656 | 2,015,310 |
| Unrestricted intergovernmental: | | | |
| Sales tax and local option gas tax | 4,280,034 | 4,558,257 | 4,736,527 |
| State shared revenue | 1,405,807 | 1,513,243 | 1,601,965 |
| Local shared revenue | 65,982 | 60,735 | 38,788 |
| Unrestricted investment earnings (loss) | 223,316 | 423,980 | 442,722 |
| Gain on disposal of capital assets | 146,150 | 60,378 | 293,043 |
| Miscellaneous | 1,645,457 | 1,985,539 | 1,534,383 |
| Cumulative effect of change in accounting principle | -- | (43,134,299) | -- |
| Total Governmental Activities | <u>57,720,646</u> | <u>18,299,338</u> | <u>64,237,151</u> |
| Total Primary Government | <u>57,720,646</u> | <u>18,299,338</u> | <u>64,237,151</u> |
| Change in Net Position | | | |
| Governmental activities | \$ 6,893,084 | \$ (32,709,570) | \$ 10,676,356 |
| Total Primary Government | <u>\$ 6,893,084</u> | <u>\$ (32,709,570)</u> | <u>\$ 10,676,356</u> |

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>\$ (62,118,066)</u> | <u>\$ (68,095,374)</u> | <u>\$ (66,549,502)</u> | <u>\$ (72,216,777)</u> | <u>\$ (73,183,949)</u> | <u>\$ (63,711,749)</u> | <u>\$ (92,150,850)</u> |
| <u>\$ (62,118,066)</u> | <u>\$ (68,095,374)</u> | <u>\$ (66,549,502)</u> | <u>\$ (72,216,777)</u> | <u>\$ (73,183,949)</u> | <u>\$ (63,711,749)</u> | <u>\$ (92,150,850)</u> |
| \$ 55,324,350 | \$ 59,347,671 | \$ 62,162,541 | \$ 67,588,710 | \$ 69,931,518 | \$ 72,330,588 | \$ 79,555,916 |
| 1,608,214 | 1,530,796 | 1,538,888 | 1,590,949 | 1,587,489 | 1,577,931 | 1,583,926 |
| 2,028,360 | 2,069,939 | 1,983,296 | 1,913,129 | 1,904,408 | 2,004,552 | 2,026,243 |
| 7,010,462 | 8,754,312 | 8,962,747 | 8,494,954 | 10,055,755 | 12,019,081 | 12,888,000 |
| 1,694,011 | 1,773,158 | 1,850,104 | 1,708,901 | 2,012,696 | 2,614,350 | 2,621,204 |
| 68,618 | 17,633 | 7,572 | -- | 11,469 | 40,484 | -- |
| 497,772 | 1,121,587 | 2,795,006 | 1,763,480 | 166,002 | (968,919) | 5,491,255 |
| 397,739 | 182,618 | 1,008,446 | 95,446 | 86,594 | 111,193 | 147,407 |
| 1,904,266 | 2,372,299 | 1,747,177 | 1,853,428 | 2,186,084 | 2,972,383 | 2,809,689 |
| -- | (4,371,305) | -- | -- | -- | -- | -- |
| <u>70,533,792</u> | <u>72,798,708</u> | <u>82,055,777</u> | <u>85,008,997</u> | <u>87,942,015</u> | <u>92,701,643</u> | <u>107,123,640</u> |
| <u>70,533,792</u> | <u>72,798,708</u> | <u>82,055,777</u> | <u>85,008,997</u> | <u>87,942,015</u> | <u>92,701,643</u> | <u>107,123,640</u> |
| <u>\$ 8,415,726</u> | <u>\$ 4,703,334</u> | <u>\$ 15,506,275</u> | <u>\$ 12,792,220</u> | <u>\$ 14,758,066</u> | <u>\$ 28,989,894</u> | <u>\$ 14,972,790</u> |
| <u>\$ 8,415,726</u> | <u>\$ 4,703,334</u> | <u>\$ 15,506,275</u> | <u>\$ 12,792,220</u> | <u>\$ 14,758,066</u> | <u>\$ 28,989,894</u> | <u>\$ 14,972,790</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS

**LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 14,857 | \$ 7,018 | \$ 10,289 | \$ 3,409,759 | \$ 4,519,841 | \$ 4,103,290 | \$ 413,791 | \$ 19,671 | \$ 10,205 | \$ 584,766 |
| Restricted | 3,374,314 | 1,844,608 | 486,302 | 852,620 | 1,066,476 | 902,687 | 1,026,535 | 17,121,616 | 8,798,285 | 6,760,861 |
| Committed | 2,632,575 | 2,367,875 | 2,350,475 | 2,324,225 | 2,297,975 | 2,324,225 | 2,324,225 | 1,843,141 | 2,667,092 | 2,518,042 |
| Assigned | 5,062,949 | 6,241,970 | 5,591,893 | 13,540,429 | 10,507,213 | 15,365,817 | 12,197,734 | 24,004,691 | 20,380,079 | 23,324,758 |
| Unassigned | <u>27,529,515</u> | <u>26,200,218</u> | <u>29,931,355</u> | <u>24,300,582</u> | <u>27,984,472</u> | <u>27,164,639</u> | <u>35,000,168</u> | <u>32,598,123</u> | <u>45,149,574</u> | <u>56,276,406</u> |
| Total General Fund | <u>38,614,210</u> | <u>36,661,689</u> | <u>38,370,314</u> | <u>44,427,615</u> | <u>46,375,977</u> | <u>49,860,658</u> | <u>50,962,453</u> | <u>75,587,242</u> | <u>77,005,235</u> | <u>89,464,833</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 36,743 | 21,473 | 26,151 | 3,158,655 | 56,019 | 61,499 | 85,697 | 123,845 | 150,542 | 319,631 |
| Restricted | 7,553,533 | 14,444,032 | 12,062,947 | 37,870,178 | 35,865,179 | 22,717,256 | 17,169,748 | 19,853,202 | 21,562,114 | 41,492,126 |
| Committed | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Assigned | <u>2,288,839</u> | <u>955,757</u> | <u>1,068,221</u> | <u>814,682</u> | <u>467,289</u> | <u>984,076</u> | <u>1,951,254</u> | <u>3,961,880</u> | <u>8,375,220</u> | <u>7,827,684</u> |
| Total All Other Governmental Funds | <u>9,879,115</u> | <u>15,421,262</u> | <u>13,157,319</u> | <u>41,843,515</u> | <u>36,388,487</u> | <u>23,762,831</u> | <u>19,206,699</u> | <u>23,938,927</u> | <u>30,087,876</u> | <u>49,639,441</u> |
| Total Governmental Funds | <u>\$ 48,493,325</u> | <u>\$ 52,082,951</u> | <u>\$ 51,527,633</u> | <u>\$ 86,271,130</u> | <u>\$ 82,764,464</u> | <u>\$ 73,623,489</u> | <u>\$ 70,169,152</u> | <u>\$ 99,526,169</u> | <u>\$ 107,093,111</u> | <u>\$ 139,104,274</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

**LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

| | 2014 | 2015 | 2016 |
|--|---------------------|---------------------|---------------------|
| Revenues | | | |
| Ad valorem taxes | \$ 46,310,990 | \$ 49,094,541 | \$ 51,974,181 |
| Local business tax | 1,480,360 | 1,642,308 | 1,600,232 |
| Utility taxes | 2,162,550 | 2,094,656 | 2,015,310 |
| Special assessment | -- | -- | -- |
| Franchise fees | 5,493,667 | 5,559,815 | 5,425,438 |
| Licenses and permits | 3,537,090 | 4,546,357 | 4,905,124 |
| Intergovernmental | 7,531,569 | 7,824,817 | 8,078,313 |
| Impact fees | 1,259,848 | 2,625,215 | 1,730,260 |
| Charges for services | 9,155,442 | 10,557,716 | 10,709,338 |
| Fines and forfeitures | 253,207 | 271,264 | 321,570 |
| Investment income | 219,231 | 418,442 | 436,783 |
| Miscellaneous | 1,917,229 | 2,366,415 | 2,051,152 |
| Total Revenues | <u>79,321,183</u> | <u>87,001,546</u> | <u>89,247,701</u> |
| Expenditures | | | |
| Current: | | | |
| General Government | 13,670,394 | 14,757,766 | 15,762,838 |
| Public Safety | 39,918,404 | 42,140,959 | 43,328,804 |
| Culture and Recreation | 5,749,601 | 5,956,101 | 6,214,376 |
| Physical Environment | 7,311,775 | 8,031,030 | 8,203,345 |
| Transportation | 802,773 | 849,961 | 965,058 |
| Capital outlay | 3,431,802 | 7,095,189 | 12,108,700 |
| Debt service: | | | |
| Principal | 3,857,772 | 3,954,800 | 4,038,352 |
| Interest | 720,871 | 626,114 | 562,576 |
| Bond issuance costs | -- | -- | -- |
| Other debt service costs | -- | -- | -- |
| Total Expenditures | <u>75,463,392</u> | <u>83,411,921</u> | <u>91,184,049</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,857,791</u> | <u>3,589,626</u> | <u>(1,936,348)</u> |
| Other Financing Sources (Uses) | | | |
| Transfers in | 2,434,043 | 8,005,816 | 3,191,233 |
| Transfers out | (2,434,043) | (8,005,816) | (3,191,233) |
| Capital leases | 1,022,611 | -- | 1,152,030 |
| Sale of capital assets | 90,000 | -- | 229,000 |
| Bonds and notes issued | -- | -- | -- |
| Refunding bonds issued | -- | -- | -- |
| Premium on bond issuance | -- | -- | -- |
| Refunded bonds redeemed | -- | -- | -- |
| Payment to refunded bond escrow agent | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>1,112,611</u> | <u>--</u> | <u>1,381,030</u> |
| Net Change in Fund Balances | <u>\$ 4,970,402</u> | <u>\$ 3,589,626</u> | <u>\$ (555,318)</u> |
| Debt Service as a Percentage of Noncapital Expenditures | <u>6.32%</u> | <u>5.90%</u> | <u>5.71%</u> |

Table 4

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----|-------------------|---------------------|-----------------------|-----------------------|----------------------|---------------------|----------------------|
| \$ | 55,324,350 | \$ 59,347,671 | \$ 62,162,541 | \$ 67,588,710 | \$ 69,931,518 | \$ 72,330,588 | \$ 79,555,916 |
| | 1,608,214 | 1,530,796 | 1,538,888 | 1,590,949 | 1,587,489 | 1,577,931 | 1,583,926 |
| | 2,028,360 | 2,069,939 | 1,983,296 | 1,913,129 | 1,904,408 | 2,004,552 | 2,026,243 |
| | 114,377 | 115,709 | 135,785 | 112,970 | 112,436 | 112,402 | 131,359 |
| | 5,564,984 | 5,542,336 | 5,808,900 | 5,473,521 | 5,731,627 | 6,777,359 | 7,721,199 |
| | 5,832,223 | 5,392,299 | 5,344,130 | 7,468,226 | 10,499,890 | 12,194,137 | 11,488,408 |
| | 10,256,074 | 12,473,767 | 13,119,959 | 14,539,106 | 17,563,365 | 20,469,346 | 19,523,178 |
| | 2,934,014 | 1,735,643 | 3,801,311 | 6,113,239 | 4,823,723 | 5,632,813 | 2,876,003 |
| | 11,993,327 | 12,825,955 | 13,401,124 | 12,026,469 | 15,305,499 | 16,484,074 | 18,972,352 |
| | 172,986 | 173,132 | 275,187 | 446,788 | 234,777 | 435,452 | 328,901 |
| | 491,590 | 1,092,977 | 2,717,467 | 1,727,033 | 167,778 | (979,312) | 5,342,229 |
| | 2,463,251 | 2,233,836 | 3,275,551 | 2,275,905 | 7,472,519 | 7,967,029 | 8,148,971 |
| | <u>98,783,750</u> | <u>104,534,060</u> | <u>113,564,139</u> | <u>121,276,045</u> | <u>135,335,029</u> | <u>145,006,371</u> | <u>157,698,685</u> |
| | 16,736,979 | 17,633,866 | 20,752,846 | 21,419,757 | 21,802,557 | 26,737,073 | 26,583,656 |
| | 44,110,412 | 47,018,092 | 51,433,031 | 52,912,658 | 55,792,581 | 60,306,624 | 67,558,631 |
| | 6,853,710 | 7,977,514 | 7,546,130 | 7,267,346 | 9,469,515 | 9,571,469 | 12,805,350 |
| | 9,606,325 | 10,733,099 | 11,766,857 | 13,569,137 | 13,873,167 | 13,469,681 | 14,720,431 |
| | 616,681 | 641,199 | 958,324 | 801,697 | 364,616 | 364,616 | 976,575 |
| | 13,585,815 | 18,570,340 | 24,328,627 | 22,490,033 | 7,610,571 | 24,009,905 | 20,810,598 |
| | 6,642,493 | 4,313,966 | 6,532,722 | 6,183,646 | 4,870,543 | 5,789,621 | 6,263,280 |
| | 906,256 | 777,250 | 965,681 | 798,283 | 642,349 | 942,357 | 784,605 |
| | 62,720 | -- | -- | -- | 59,000 | -- | 64,750 |
| | -- | -- | -- | -- | -- | -- | -- |
| | <u>99,121,391</u> | <u>107,665,326</u> | <u>124,284,218</u> | <u>125,442,557</u> | <u>114,484,899</u> | <u>141,191,346</u> | <u>150,567,876</u> |
| | <u>(337,641)</u> | <u>(3,131,266)</u> | <u>(10,720,079)</u> | <u>(4,166,512)</u> | <u>20,850,130</u> | <u>3,815,025</u> | <u>7,130,809</u> |
| | 1,801,320 | 1,701,843 | 1,691,845 | 3,879,864 | -- | -- | 10,856,103 |
| | (1,801,320) | (1,701,843) | (1,691,845) | (3,879,864) | (2,339,968) | -- | (10,856,103) |
| | 1,965,638 | 2,641,100 | 679,504 | 712,175 | 14,000,000 | 3,751,917 | 20,100,000 |
| | -- | 99,000 | 899,600 | -- | -- | -- | -- |
| | 30,000,000 | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | -- | -- | -- | -- | -- |
| | <u>31,965,638</u> | <u>2,740,100</u> | <u>1,579,104</u> | <u>712,175</u> | <u>11,660,032</u> | <u>3,751,917</u> | <u>20,100,000</u> |
| \$ | <u>31,627,997</u> | <u>\$ (391,166)</u> | <u>\$ (9,140,975)</u> | <u>\$ (3,454,337)</u> | <u>\$ 32,510,162</u> | <u>\$ 7,566,942</u> | <u>\$ 27,230,809</u> |
| | <u>8.63%</u> | <u>5.64%</u> | <u>7.31%</u> | <u>6.68%</u> | <u>5.02%</u> | <u>5.70%</u> | <u>5.39%</u> |

CITY OF PALM BEACH GARDENS, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

| Year Ended September 30, | Real Property | | | | Total |
|--------------------------------|-------------------------|------------------------|------------------------|-------------------|------------------|
| | Residential Property | Commercial Property | Industrial Property | Other Property | |
| 2014 | \$ 6,179,351,874 | \$ 1,399,487,396 | \$ 138,859,513 | \$ 53,618,149 | \$ 7,771,316,932 |
| 2015 | 6,655,059,315 | 1,519,351,040 | 70,050,865 | 138,572,340 | 8,383,033,560 |
| 2016 | 7,120,899,821 | 1,733,042,304 | 75,316,429 | 100,964,163 | 9,030,222,717 |
| 2017 | 7,578,568,351 | 1,949,533,937 | 82,092,236 | 108,638,650 | 9,718,833,174 |
| 2018 | 8,205,876,033 | 2,140,701,464 | 91,118,225 | 106,370,063 | 10,544,065,785 |
| 2019 | 8,648,423,475 | 2,277,266,953 | 102,974,514 | 152,169,262 | 11,180,834,204 |
| 2020 | 9,457,125,507 | 2,506,801,419 | 114,807,321 | 205,391,600 | 12,284,125,847 |
| 2021 | 9,833,380,210 | 2,540,839,729 | 122,451,139 | 205,710,055 | 12,702,381,133 |
| 2022 | 10,284,320,919 | 2,531,413,360 | 135,888,514 | 198,258,941 | 13,149,881,734 |
| 2023 | 11,908,807,814 | 2,802,034,458 | 158,271,998 | 251,447,347 | 15,120,561,617 |

Note: Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1, each year. Assessments were increased to 100% of market value as of 1980.

Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Source: Palm Beach County Property Appraiser's Office

N/A - Information not available

Table 5

| Personal Property | Centrally Assessed | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|-------------------|--------------------|------------------------------|-----------------------|--------------------------------|--|
| \$ 357,264,904 | \$ 1,567,443 | \$ 8,741,865,907 | 5.9137 | \$ 10,015,793,537 | 87.28% |
| 374,540,771 | 1,842,341 | 9,406,605,829 | 5.8315 | 11,106,390,736 | 84.70% |
| 400,381,117 | 2,111,042 | 10,121,325,333 | 5.6871 | 12,267,715,478 | 82.50% |
| 376,051,655 | 2,332,101 | 10,922,449,541 | 5.6781 | 13,251,477,046 | 82.42% |
| 328,044,724 | 2,460,119 | 11,511,339,047 | 5.6678 | 14,150,783,918 | 81.35% |
| 327,384,323 | 2,472,492 | 12,613,982,662 | 5.6003 | 14,779,198,726 | 85.35% |
| 358,183,261 | 2,470,709 | 12,644,779,817 | 5.5500 | 15,861,880,186 | 79.72% |
| 363,397,905 | 2,456,074 | 13,068,235,112 | 5.5500 | 16,333,485,027 | 80.01% |
| 370,775,250 | 2,517,495 | 13,523,174,479 | 5.5500 | 17,148,602,745 | 78.86% |
| 420,031,602 | 2,746,365 | 15,543,339,584 | 5.3200 | 22,229,583,284 | 69.92% |

CITY OF PALM BEACH GARDENS, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

| City of Palm Beach Gardens | | | | | |
|----------------------------|-------------------|----------------------|--------------------|-----------------------------------|-------------------|
| Fiscal Year | Operating Millage | Debt Service Millage | Total City Millage | Palm Beach County School District | Palm Beach County |
| 2014 | 5.7404 | 0.1733 | 5.9137 | 7.5860 | 4.9852 |
| 2015 | 5.6700 | 0.1615 | 5.8315 | 7.5940 | 4.9729 |
| 2016 | 5.5500 | 0.1371 | 5.6871 | 7.5120 | 4.9277 |
| 2017 | 5.5500 | 0.1281 | 5.6781 | 7.0700 | 4.9142 |
| 2018 | 5.5500 | 0.1178 | 5.6678 | 6.7690 | 4.9023 |
| 2019 | 5.5500 | 0.0503 | 5.6003 | 6.5720 | 4.8980 |
| 2020 | 5.5500 | 0.0000 | 5.5500 | 7.1640 | 4.8580 |
| 2021 | 5.5500 | 0.0000 | 5.5500 | 7.0100 | 4.8124 |
| 2022 | 5.5500 | 0.0000 | 5.5500 | 6.8750 | 4.8149 |
| 2023 | 5.3200 | 0.0000 | 5.3200 | 6.5190 | 4.7439 |

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

Source: City of Palm Beach Gardens Finance Department and Palm Beach County Property Appraiser’s Office

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Palm Beach Gardens. Not all overlapping rates apply to all City of Palm Beach Gardens property owners (i.e. the rates for special districts apply only to the proportion of the government’s property owners whose property is located within the geographic boundaries of the special district).

Table 6

| Overlapping Rates ⁽¹⁾ | | | | | |
|--|--|---|-----------------------------------|--|--|
| Palm Beach County Health Care District | Palm Beach County Library System | South Florida Water Management District | Children's Services Council | Florida Inland Navigation District | Total Direct and Overlapping Rates |
| 1.0800 | 0.6065 | 0.4110 | 0.7025 | 0.0345 | 21.3194 |
| 1.0800 | 0.6024 | 0.3842 | 0.6745 | 0.0345 | 21.1740 |
| 1.0426 | 0.5985 | 0.1459 | 0.6677 | 0.0320 | 20.6135 |
| 0.8993 | 0.5933 | 0.3307 | 0.6833 | 0.0320 | 20.2009 |
| 0.7808 | 0.5891 | 0.3100 | 0.6590 | 0.0320 | 19.7100 |
| 0.7261 | 0.5901 | 0.2936 | 0.6403 | 0.0320 | 19.3524 |
| 0.7261 | 0.5870 | 0.2795 | 0.6497 | 0.0320 | 19.8463 |
| 0.7261 | 0.5833 | 0.2675 | 0.6497 | 0.0320 | 19.6310 |
| 0.7261 | 0.5824 | 0.2572 | 0.6233 | 0.0320 | 19.4609 |
| 0.7261 | 0.5781 | 0.2301 | 0.5508 | 0.0320 | 18.7000 |

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

| Taxpayer | 2023 | | | 2014 | | |
|--------------------------------|-------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Value ⁽¹⁾ | Taxable Assessed Value | Rank | Percent of Total Taxable Assessed Value ⁽¹⁾ |
| The Gardens Venture LLC | \$ 363,731,726 | 1 | 2.78% | \$ 210,000,000 | 1 | 2.40% |
| Florida Power & Light CO | 291,354,362 | 2 | 2.23% | 100,649,576 | 2 | 1.27% |
| Centaur (Palm Beach) Owner LLC | 151,859,686 | 3 | 1.16% | | | |
| Avenir Development LLC | 113,924,335 | 4 | 0.87% | | | |
| Breit MF San Merano LLC | 117,974,844 | 5 | 0.90% | | | |
| PR The Quaye Owner LLC | 121,399,470 | 6 | 0.93% | | | |
| NADG Brock Alton PBG LP | 79,862,947 | 7 | 0.61% | | | |
| KH Alton LLC | 50,453,095 | 8 | 0.39% | | | |
| Excel Gardens LLC | 103,914,925 | 9 | 0.80% | | | |
| Advenir @PBA LLC | 108,689,155 | 10 | 0.83% | | | |
| GLL US Retail LP | | | | 65,000,034 | 3 | 0.74% |
| Realty Associates Fund IX LP | | | | 66,584,586 | 4 | 0.76% |
| Landmark at Gardens Square | | | | 45,935,560 | 5 | 0.53% |
| Northlake Blvd. LLC | | | | 53,194,837 | 6 | 0.61% |
| Devonshire at PGA National LLC | | | | 36,525,000 | 7 | 0.42% |
| WFGR Resort Core V LLC | | | | 44,836,422 | 8 | 0.51% |
| 11900 Valencia Gardens AV Apts | | | | 40,102,261 | 9 | 0.46% |
| GB Investors LLC | | | | 39,370,594 | 10 | 0.45% |
| | <u>\$ 1,503,164,545</u> | | <u>11.50%</u> | <u>\$ 712,198,870</u> | | <u>8.15%</u> |

Source: Tax roll provided by Palm Beach County Property Appraisers Office.

(1) See the Schedule of Net Assessed Value on pages 143-144 for Estimated Actual Value of Taxable Property.

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

| Year Ended September 30, | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--------------------------|--------------------------------|--|-----------------|---------------------------------|---------------------------|--------------------|
| | | Amount | Percent of Levy | | Amount | Percentage of Levy |
| 2014 | \$ 48,079,264 | \$ 46,260,814 | 96.22% | \$ 77,800 | \$ 46,338,614 | 96.38% |
| 2015 | 51,080,538 | 49,137,584 | 96.20% | 26,657 | 49,164,241 | 96.25% |
| 2016 | 53,644,793 | 51,655,014 | 96.29% | 86,761 | 51,741,775 | 96.45% |
| 2017 | 57,333,007 | 55,238,312 | 96.35% | (78,158) | 55,160,154 | 96.21% |
| 2018 | 61,634,891 | 59,426,605 | 96.42% | 38,589 | 59,465,194 | 96.48% |
| 2019 | 64,463,323 | 62,125,467 | 96.37% | 69,380 | 62,194,847 | 96.48% |
| 2020 | 70,257,807 | 67,560,503 | 96.16% | 34,208 | 67,594,711 | 96.21% |
| 2021 | 75,053,618 | 69,853,078 | 93.07% | -- | 69,853,078 | 93.07% |
| 2022 | 75,053,618 | 72,292,773 | 96.32% | 37,815 | 72,330,588 | 96.37% |
| 2023 | 82,690,567 | 79,489,941 | 96.13% | 65,975 | 79,555,916 | 96.21% |

Source: City of Palm Beach Gardens Finance Department and Palm Beach County Tax Collector's Office.

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

| Year Ended September 30, | Governmental Activities | | | | Total Primary Government | Percentage of Personal Income ⁽¹⁾ | Per Capita ⁽¹⁾ |
|--------------------------------|-------------------------|--------------------------------|----------------------|----------------------------------|--------------------------------|--|------------------------------|
| | Revenue Bonds | General Obligation Bonds | Capital Financing | Leases Right-of-Use Assets | | | |
| 2014 | \$ 15,805,833 | \$ 5,204,098 | \$ 2,304,750 | \$ -- | \$ 23,314,681 | 0.0249% | \$ 466 |
| 2015 | 13,376,878 | 4,004,775 | 1,966,269 | -- | 19,347,922 | 0.0198% | 383 |
| 2016 | 10,889,118 | 2,884,475 | 2,676,052 | -- | 16,449,645 | 0.0158% | 319 |
| 2017 | 36,065,480 | 1,730,056 | 4,378,159 | -- | 42,173,695 | 0.0383% | 802 |
| 2018 | 33,928,667 | 540,466 | 5,836,189 | -- | 40,305,322 | 0.0340% | 749 |
| 2019 | 28,958,527 | -- | 5,415,230 | -- | 34,373,757 | 0.0276% | 618 |
| 2020 | 23,874,816 | -- | 4,851,343 | -- | 28,726,159 | N/A | 507 |
| 2021 | 34,179,509 | -- | 3,503,270 | 4,085,693 | 41,768,472 | N/A | 631 |
| 2022 | 29,995,403 | -- | 5,507,867 | 2,959,195 | 38,462,465 | N/A | 584 |
| 2023 | 45,895,000 | -- | 8,638,391 | 4,693,182 | 59,226,573 | N/A | 880 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 154 for population data.

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

| Year Ended September 30, | General Obligation Bonds | Percentage of Estimated Actual Taxable Value ⁽¹⁾ | Per Capita ⁽²⁾ |
|--------------------------------|--------------------------------|---|------------------------------|
| 2014 | \$ 5,204,098 | 0.08% | \$ 104 |
| 2015 | 4,004,775 | 0.06% | 79 |
| 2016 | 2,884,475 | 0.05% | 56 |
| 2017 | 1,730,056 | 0.03% | 33 |
| 2018 | 540,466 | 0.01% | 10 |
| 2019 | -- | 0.00% | -- |
| 2020 | -- | 0.00% | -- |
| 2021 | -- | 0.00% | -- |
| 2022 | -- | 0.00% | -- |
| 2023 | -- | 0.00% | -- |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

(1) See the Schedule of Net Assessed Value on pages 143-144 for Estimated Actual Value of Taxable Property.

(2) See the Schedule of Demographic and Economic Statistics on page 154 for population data.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2023

| Government Unit | Net Debt Outstanding | Percentage Applicable to the City of Palm Beach Gardens ⁽¹⁾ | Amount Applicable to the City of Palm Beach Gardens |
|--|----------------------------|--|---|
| Debt Repaid with Property Taxes | | | |
| Palm Beach County | \$ 26,250,000 | 5.22% | \$ 1,370,250 |
| Palm Beach County School Board | -- | 0.00% | -- |
| Other Debt | | | |
| Palm Beach County | 743,872,058 | 5.22% | 38,830,121 |
| Palm Beach County School Board | 1,501,841,000 | 5.21% | <u>78,245,916</u> |
| Subtotal, Overlapping Debt | | | 118,446,288 |
| City of Palm Beach Gardens Direct Debt | | | <u>59,226,573</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 177,672,861</u></u> |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business.

Source: Data provided by the Palm Beach County Finance Department and the Palm Beach County School Board.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County’s and School Board’s taxable assessed value that is within the City’s boundaries.

CITY OF PALM BEACH GARDENS, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

| 2011 Public Improvement and Refunding Bonds | | | | | |
|---|--------------------|---------------|--------------------|----------------|----------------------|
| Year Ended September 30, | Local Business Tax | Utility Taxes | Special Assessment | Franchise Fees | Licenses and Permits |
| 2014 | \$ 1,480,360 | \$ 2,162,550 | \$ -- | \$ 5,493,667 | \$ 3,537,089 |
| 2015 | 1,642,308 | 2,094,656 | -- | 5,559,815 | 4,546,357 |
| 2016 | 1,600,232 | 2,015,310 | -- | 5,425,438 | 4,905,124 |
| 2017 | 1,608,214 | 2,028,360 | 114,377 | 5,564,984 | 5,832,223 |
| 2018 | 1,530,796 | 2,069,939 | 115,709 | 5,542,336 | 5,392,299 |
| 2019 | 1,538,888 | 1,983,296 | 135,785 | 5,808,900 | 5,344,130 |
| 2020 | 1,590,949 | 1,913,129 | 112,970 | 5,473,521 | 7,468,226 |
| 2021 | 1,587,489 | 1,904,408 | 112,436 | 5,731,627 | 10,499,890 |
| 2022 | 1,577,931 | 2,004,552 | 112,402 | 6,777,359 | 12,194,137 |
| 2023 | 1,583,926 | 2,026,243 | 131,359 | 7,721,199 | 11,488,408 |

| | Non Ad Valorem Revenue Available for Debt Coverage | Debt Service | | Coverage |
|------|--|--------------|------------|----------|
| | | Principal | Interest | |
| 2014 | \$ 31,750,341 | \$ 2,696,732 | \$ 536,167 | 9.82 |
| 2015 | 35,281,790 | 2,755,476 | 479,293 | 10.91 |
| 2016 | 35,543,260 | 2,918,051 | 453,439 | 10.54 |
| 2017 | 40,525,386 | 5,488,075 | 440,911 | 6.84 |
| 2018 | 30,144,070 | 3,268,015 | 749,601 | 10.82 |
| 2019 | 31,750,341 | 6,160,231 | 962,061 | 6.68 |
| 2020 | 47,574,096 | 6,352,730 | 811,131 | 6.64 |
| 2021 | 60,579,788 | 5,043,379 | 651,442 | 10.64 |
| 2022 | 53,711,529 | 5,693,572 | 944,657 | 10.10 |
| 2023 | 75,266,766 | 6,162,706 | 784,020 | 10.83 |

Note: The City’s 2011 Public Improvement Revenue Bonds are obligations of the City payable solely from and secured solely by non ad valorem revenue. The original bonds were issued in November 2003 to refund certain prior obligations of the City. Additional bonds were issued in 2013, 2017 and 2021 to finance the cost of improvements to the City’s golf course, parks, and facilities.

Source: City of Palm Beach Gardens Finance Department

Table 12

| Inter- governmental | Charges for Services | Fines and Forfeitures | Investment Income | Miscellaneous | Non Ad Valorem Revenue Available for Debt Coverage |
|------------------------|----------------------------|-----------------------------|----------------------|---------------|---|
| \$ 7,531,570 | \$ 9,155,443 | \$ 253,206 | \$ 219,233 | \$ 1,917,223 | \$ 31,750,341 |
| 7,824,817 | 10,557,716 | 271,264 | 418,442 | 2,366,415 | 35,281,790 |
| 8,078,313 | 10,709,338 | 321,570 | 436,783 | 2,051,152 | 35,543,260 |
| 10,256,074 | 11,993,327 | 172,986 | 491,590 | 2,463,251 | 40,525,386 |
| 12,473,767 | 12,825,955 | 173,132 | 1,092,977 | 2,233,836 | 43,450,746 |
| 13,119,959 | 13,401,124 | 275,187 | 2,717,467 | 3,275,551 | 47,600,287 |
| 14,539,106 | 12,026,469 | 446,788 | 1,727,033 | 2,275,905 | 47,574,096 |
| 17,563,365 | 15,305,499 | 234,777 | 167,778 | 7,472,519 | 60,579,788 |
| 20,469,346 | 16,484,074 | 435,452 | (979,312) | 7,967,026 | 67,042,967 |
| 19,523,178 | 18,972,352 | 328,901 | 5,342,229 | 8,148,971 | 75,266,766 |

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

| Year | Population ⁽¹⁾ | Palm Beach County Personal Income ⁽²⁾ (In Thousands) | Palm Beach County Per Capita Income ⁽²⁾ | School Enrollment ⁽³⁾ | Unemployment Rate ⁽⁴⁾ |
|------|---------------------------|---|---|-------------------------------------|-------------------------------------|
| 2014 | 50,067 | \$ 93,526,272 | \$66,914 | 9,826 | 4.1% |
| 2015 | 50,521 | 97,806,900 | 68,743 | 9,878 | 4.0% |
| 2016 | 51,532 | 103,876,015 | 71,946 | 10,024 | 4.1% |
| 2017 | 52,591 | 109,973,732 | 74,754 | 10,295 | 3.4% |
| 2018 | 53,800 | 118,519,249 | 79,760 | 10,531 | 2.4% |
| 2019 | 55,621 | 124,632,614 | 83,268 | 10,472 | 2.3% |
| 2020 | 56,709 | N/A | N/A | 10,171 | 5.1% |
| 2021 | 59,755 | N/A | N/A | 9,792 | 3.0% |
| 2022 | 60,675 | N/A | N/A | 9,758 | 4.7% |
| 2023 | 60,675 | N/A | N/A | 10,157 | 3.3% |

Sources:

- (1) University of Florida Bureau of Business and Economic Research
- (2) U.S. Department of Commerce, Bureau of Economic Analysis
- (3) Palm Beach County School Board Budget Office
- (4) U.S. Bureau of Labor Statistics

N/A: Information not available

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS PRIOR

| Employer | 2023 | | | 2014 | | |
|--|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Palm Beach County School Board (estimated) | 922 | 1 | 1.52% | 1,193 | 2 | 2.41% |
| Tenet Healthcare Corp (estimated) | 900 | 2 | 1.48% | 855 | 4 | 1.73% |
| HCA Florida Healthcare (estimated) | 700 | 6 | 1.15% | | | |
| South Florida Mater Mgmt. District (estimated) | 290 | 10 | 0.48% | | | |
| Bank of America (estimated) | 296 | 9 | 0.49% | | | |
| TBC Corporation (Headquarters) | 870 | 3 | 1.43% | 600 | 6 | 1.21% |
| City of Palm Beach Gardens | 606 | 7 | 1.00% | 455 | 8 | 0.92% |
| ZimVie Dental & Spine | 854 | 4 | 1.41% | | | |
| Belcan Engineering Group | 306 | 8 | 0.50% | 329 | 9 | 0.67% |
| G4S (Headquarters) (estimated) | 850 | 5 | 1.40% | 3,000 | 1 | 6.07% |
| Westport Senior Living Investment Fund | | | | 1,000 | 3 | 2.02% |
| PGA National Resort & Spa | | | | 700 | 5 | 1.42% |
| Zimmer Biomet | | | | 476 | 7 | 0.96% |
| Synthes Anspach Companies | | | | 256 | 10 | 0.52% |
| | <u>6,594</u> | | <u>10.87%</u> | <u>8,864</u> | | <u>17.93%</u> |

Source: 2022 Business Development Board of Palm Beach County and City of Palm Beach Gardens' Economic Development Program

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Number of Employees | | | | | | | | | | |
| General Government | 73 | 75 | 81 | 84 | 86 | 92 | 94 | 96 | 101 | 103 |
| Public Safety | 278 | 280 | 283 | 298 | 309 | 317 | 317 | 322 | 350 | 355 |
| Culture and Recreation | 36 | 38 | 41 | 43 | 43 | 42 | 42 | 42 | 63 | 66 |
| Physical Environment | 67 | 67 | 67 | 71 | 77 | 78 | 79 | 79 | 82 | 82 |
| Total Number of Employees | 454 | 450 | 472 | 496 | 515 | 529 | 532 | 539 | 596 | 606 |

Source: City of Palm Beach Gardens Finance Department

CITY OF PALM BEACH GARDENS, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

| Function/Program | Fiscal Year | | | |
|---|----------------|----------------|----------------|----------------|
| | 2014 | 2015 | 2016 | 2017 |
| General Government | | | | |
| Information Technology: | | | | |
| Number of online inspections scheduled | 3,569 | 3,647 | 9,000 | 9,583 |
| City Clerk: | | | | |
| Public records request | 207 | 148 | 316 | 157 |
| Finance: | | | | |
| A/P checks/ACH/EFT issued | 3,391 | 3,174 | 2,969 | 2,610 |
| Public Safety | | | | |
| Police personnel and officers | 160 | 160 | 163 | 168 |
| Fire personnel | 118 | 120 | 120 | 130 |
| Number of police foot patrols | 8,771 | 9,516 | 9,631 | 14,319 |
| Number of police service calls | 30,540 | 33,827 | 34,833 | 41,577 |
| Number of fire rescue calls | 9,594 | 9,899 | 10,876 | 10,800 |
| Culture and Recreation | | | | |
| Special event attendees | 170,000 | 170,000 | 186,461 | 191,125 |
| General program participants | 16,000 | 16,000 | 16,010 | 17,706 |
| Total program participants | N/A | N/A | N/A | N/A |
| Youth camp registrations | 3,591 | 3,495 | 5,287 | 4,900 |
| Tennis members | 453 | 453 | 413 | 547 |
| Rounds of golf played | 32,742 | 32,742 | 39,781 | -- |
| Athletic field utilization (hours) | N/A | N/A | N/A | N/A |
| General pool admissions | 34,130 | 34,130 | 26,128 | 9,924 |
| Physical Environment | | | | |
| Curb miles swept | 2,605 | 2,364 | 2,000 | 2,364 |
| Linear feet of storm drains cleaned/repared | 58 | 462 | 814 | 800 |
| Permits issued | 7,712 | 7,565 | 8,248 | 8,883 |
| Value of permits | \$ 232,474,244 | \$ 406,243,050 | \$ 294,899,950 | \$ 560,765,434 |
| Inspections performed | 22,882 | 20,814 | 23,399 | 24,397 |

Sources: Various City Departments

Table 16

| Fiscal Year | | | | | |
|----------------|----------------|----------------|----------------|----------------|------------------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| 11,000 | N/A | N/A | N/A | N/A | N/A |
| 207 | 161 | 181 | 215 | 250 | 249 |
| 2,605 | 4,606 | 3,640 | 2,002 | 4,175 | 4,155 |
| 176 | 183 | 183 | 186 | 189 | 193 |
| 133 | 134 | 134 | 138 | 161 | 159 |
| 11,797 | 13,405 | 10,377 | 8,392 | 6,428 | 6,428 |
| 34,618 | 32,260 | 25,316 | 29,020 | 30,012 | 30,341 |
| 12,098 | 12,098 | 12,048 | 12,700 | 12,909 | 13,700 |
| 200,681 | 506,840 | 367,182 | 139,184 | 441,998 | 454,390 |
| 20,913 | N/A | N/A | N/A | N/A | N/A |
| N/A | 90,390 | 41,113 | 41,113 | 41,113 | 70,000 |
| 3,497 | 3,744 | 1,080 | 739 | 739 | 4,724 |
| 567 | N/A | N/A | N/A | N/A | 361 |
| -- | 44,209 | 33,339 | 43,237 | 50,387 | 50,359 |
| N/A | 35,362 | 44,289 | 52,000 | 11,600 | 52,000 |
| 24,907 | N/A | N/A | N/A | N/A | 27,389 |
| 1,762 | 2,529 | 2,169 | 2,169 | 2,532 | 2,169 |
| 2,200 | 121 | 124 | 191 | 1,198 | 3,958 |
| 10,575 | 10,516 | 10,833 | 15,785 | 14,631 | 13,598 |
| \$ 360,719,935 | \$ 344,059,889 | \$ 531,463,180 | \$ 674,039,640 | \$ 740,836,576 | \$ 1,030,783,182 |
| 24,397 | 30,210 | 30,104 | 38,000 | 45,132 | 11,742 |

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|------|------|------|------|------|------|------|------|------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Government | | | | | | | | | | |
| Number of general government buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Safety | | | | | | | | | | |
| Fire stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Transportation | | | | | | | | | | |
| Miles of streets | 57 | 57 | 59 | 59 | 61 | 61 | 61 | 61 | 61 | 64 |
| Culture and Recreation | | | | | | | | | | |
| Parks acreage | 172 | 201 | 222 | 222 | 222 | 312 | 312 | 312 | 312 | 312 |
| Parks | 11 | 14 | 16 | 16 | 16 | 17 | 17 | 18 | 18 | 18 |
| Golf courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Golf course acreage | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 156 |
| Multipurpose fields | 11 | 15 | 15 | 15 | 17 | 17 | 17 | 17 | 17 | 17 |
| Multipurpose rinks | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Baseball/softball fields | 17 | 17 | 17 | 17 | 17 | 17 | 18 | 18 | 18 | 18 |
| Tennis courts | 19 | 24 | 24 | 26 | 26 | 26 | 28 | 28 | 28 | 26 |
| Pickleball courts | 0 | 0 | 6 | 12 | 18 | 18 | 18 | 18 | 18 | 18 |
| Playgrounds | 9 | 10 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 20 |
| Basketball courts | 13 | 15 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Racquetball courts | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Skatepark | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Swimming pools | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |

Sources: Various City Departments

REPORTING SECTION

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Palm Beach Gardens, Florida (the "City") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 30, 2024. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 City’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 City’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 City’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
May 30, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Palm Beach Gardens, Florida (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2023. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the fiscal year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provision of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, as listed in the table of contents. We issued our report thereon dated May 30, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marcum LLP

West Palm Beach, FL
May 30, 2024

CITY OF PALM BEACH GARDENS, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

| Federal Grantor, Pass-through Entity, Federal Program | Assistance Listing Number (ALN) | Grant/Contract Number | Expenditures |
|---|--|----------------------------|--------------------------|
| U.S. Department of Housing and Urban Development: | | | |
| Direct Programs: | | | |
| CDBG - Entitlement Grants Cluster: | | | |
| Community Development Block Grant (CDBG) | 14.218 | B-20-MW-12-0065 | \$ 84,515 |
| Community Development Block Grant (CDBG) | 14.218 | B-19-MC-12-0065 | 172,855 |
| Community Development Block Grant (CDBG) | 14.218 | B-20-22-MC-12-0065 | 354,626 |
| Total Community Development Block Grant - Entitlement Grants Cluster | | | <u>611,996</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>611,996</u> |
| U.S. Department of Justice: | | | |
| Direct Programs: | | | |
| Edward Byrne Memorial Justice Assistance Grant - (BJA) | 16.738 | JLEO-20-0308 | 17,219 |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 3,903 |
| Total U.S. Department of Justice | | | <u>21,122</u> |
| U.S. Department of Health and Human Services | | | |
| Direct Program: | | | |
| Elder Abuse Prevention Interventions Program | 93.747 | 1563 | 19,800 |
| CCDF Cluster: | | | |
| Child Care and Development Block Grant | 93.575 | 90TP0068-02-00 | 147,597 |
| Total CCDF Cluster | | | <u>147,597</u> |
| Total U.S. Department of Treasury | | | <u>167,397</u> |
| U.S. Department of Homeland Security | | | |
| <i>Passed through Florida Division of Emergency Management</i> | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | PA-04-FL-4673-PW-00064(29) | 55,877 |
| Total U.S. Department of Homeland Security | | | <u>55,877</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 856,391</u> |

See notes to Schedule of Expenditures of Federal Awards

CITY OF PALM BEACH GARDENS, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditure activity of all federal awards of the City of Palm Beach Gardens, Florida (the “City”) for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF PALM BEACH GARDENS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditors’ report issued on compliance for major program:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of the Major Federal Program:

| <u>ALN</u> | <u>Federal Program</u> |
|------------|--|
| 14.218 | Community Development Block Grant - Entitlement Grants Cluster |

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes No

CITY OF PALM BEACH GARDENS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF PALM BEACH GARDENS, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

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

To the Honorable Mayor, City Council, and City Manager
City of Palm Beach Gardens, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Palm Beach Gardens, Florida (the “City”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 30, 2024. We did not audit the financial statements of the City’s Police Officers’ Pension Fund and the City’s Firefighters’ Pension Fund. Those statements were audited by other auditors whose reports have been furnished to us. This management letter does not include any matters reported on separately by those auditors in their management letter, if any.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated May 30, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City has made these disclosures in the notes to 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 City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the City 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 City. It is management's responsibility to monitor the City'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. This 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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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, Federal and other granting agencies, the Honorable Mayor and City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marum LLP

West Palm Beach, FL
May 30, 2024



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

We have examined the City of Palm Beach Gardens, Florida (the "City")'s compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2023. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City'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 City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City 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 City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2023.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
May 30, 2024



IMPACT FEE AFFIDAVIT

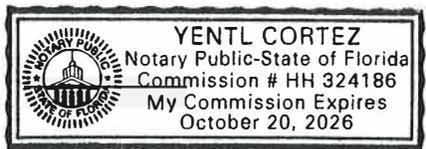
BEFORE ME, the undersigned authority, personally appeared Arienne Panczak, who being duly sworn, deposes and says on oath that:

1. I am the Finance Administrator for the City of Palm Beach Gardens, which is a local governmental entity of the State of Florida;
2. The City of Palm Beach Gardens adopted Ordinance 5, 2023, implementing an impact fee; and
3. The City of Palm Beach Gardens has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


 Arienne Panczak, Finance Administrator

STATE OF FLORIDA
 COUNTY OF PALM BEACH
 SWORN TO AND SUBSCRIBED before me this 7th day of May 2024.




 NOTARY PUBLIC
 Yentl Cortez

Print Name

Personally known or produced identification

Type of identification produced: _____

My Commission Expires: 10/20/2026