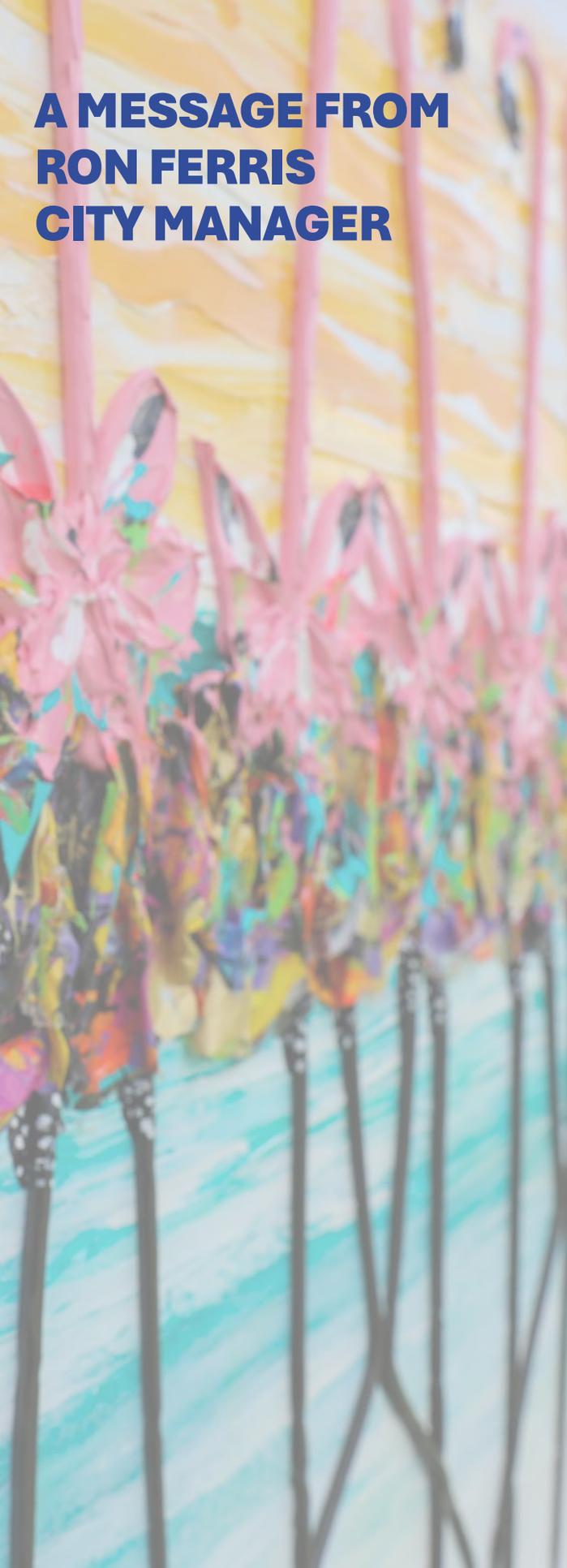




THE CITY OF PALM BEACH GARDENS, FLORIDA
POPULAR ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023



A MESSAGE FROM RON FERRIS CITY MANAGER

TO THE CITIZENS OF THE CITY OF PALM BEACH GARDENS

We are pleased to present the City of Palm Beach Gardens Fifth Popular Annual Financial Report (PAFR) for the Fiscal year ending September 30, 2023.

This report is designed to provide a brief analysis of the City's fiscal operations, highlight the City's strong financial health and display the City's various ongoing projects. We understand the importance of being accountable for the proper management of public funds and specifically designed this report to be readily accessible and easily understandable to the general public. The City is committed to improve communication with our citizens and to increase public confidence in the government. The report is reflective of our commitment to preserving our residents' trust and the city's long-term financial health.

The financial information in this report is derived in large part from the financial statements contained in the City's Annual Comprehensive Financial Report which is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by an independent certified public accounting firm. The financial section of this report focuses mainly on the City's governmental activities. The Annual Comprehensive Financial Report contains more detailed and extensive information, such as, the audited financial statements, notes, schedules, and other relevant information. A copy of the Annual Comprehensive Financial Report is available at the City of Palm Beach Gardens Municipal offices or on the City's website at www.pbgfl.com/629/financial-reports.com.

We hope you find this report to be informative and welcome your comments and questions.

Respectfully submitted,



City Manager



POPULAR ANNUAL FINANCIAL REPORT

THE CITY OF PALM BEACH
GARDENS, FLORIDA
FISCAL YEAR ENDING
SEPTEMBER 30, 2023

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AT A GLANCE

CITY OF PALM BEACH GARDENS ACCOMPLISHMENTS

The City maintains an excellent financial position, as evidenced by the General Fund's unassigned reserves in FY 2023 of \$56.3 million, or 40.5% of total general fund expenditures, which complies with Council's policy of a minimum balance of 17%. This amount includes the \$21 million budget stabilization fund.

The City's sound financial position is due to a currently strong economy and real estate market and pro-active financial management by the Council. New construction remains strong, with several significant projects either recently completed, underway, or in various stages of planning.

One measure of the City's financial condition is its bond rating. The rating agencies evaluate the City's management, economic conditions, financial performance and flexibility, and debt. The City's non-ad valorem debt is rated AAA by Standard and Poor's, AA+ by Fitch, and Aa1 by Moody's. These ratings reflect the strong investment quality of the City's bonds.

STRATEGIC GOALS

1. Sense of Community
2. Responsive and Fiscally Sound
3. Character of the City
4. Quality Education
5. Economic Vitality
6. Environmental Stewardship
7. Parks and Recreation
8. Quality and Affordable Housing
9. Water Management
10. Growth



ABOUT THIS REPORT

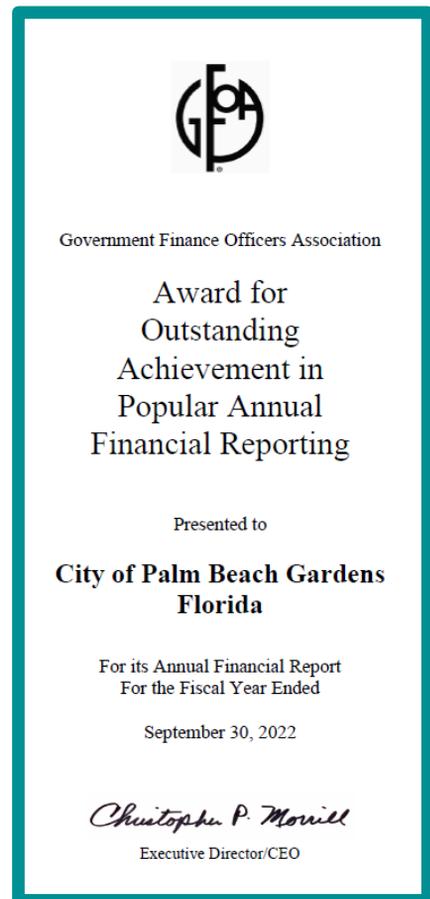


The City of Palm Beach Gardens is pleased to present the City's Fifth Popular Annual Financial Report. The Government Finance Officers Association (GFOA) established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to recognize government entities that provided the general public and other interested parties with an easy to understand and concise overview of information extracted from their comprehensive annual financial report.

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to The City of Palm Beach Gardens for its Popular Annual Financial Report for the fiscal year ended September 30, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of Palm Beach Gardens has received its fourth Popular Award for fiscal year ended 2022. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



PALM BEACH GARDENS GOVERNANCE



Mayor
Chelsea Reed



Vice Mayor
Carl Woods



Council Member
Marcie Tinsley



Council Member
Robert
Permuroso



Council Member
Dana Middleton

OUR CITY GOVERNMENT

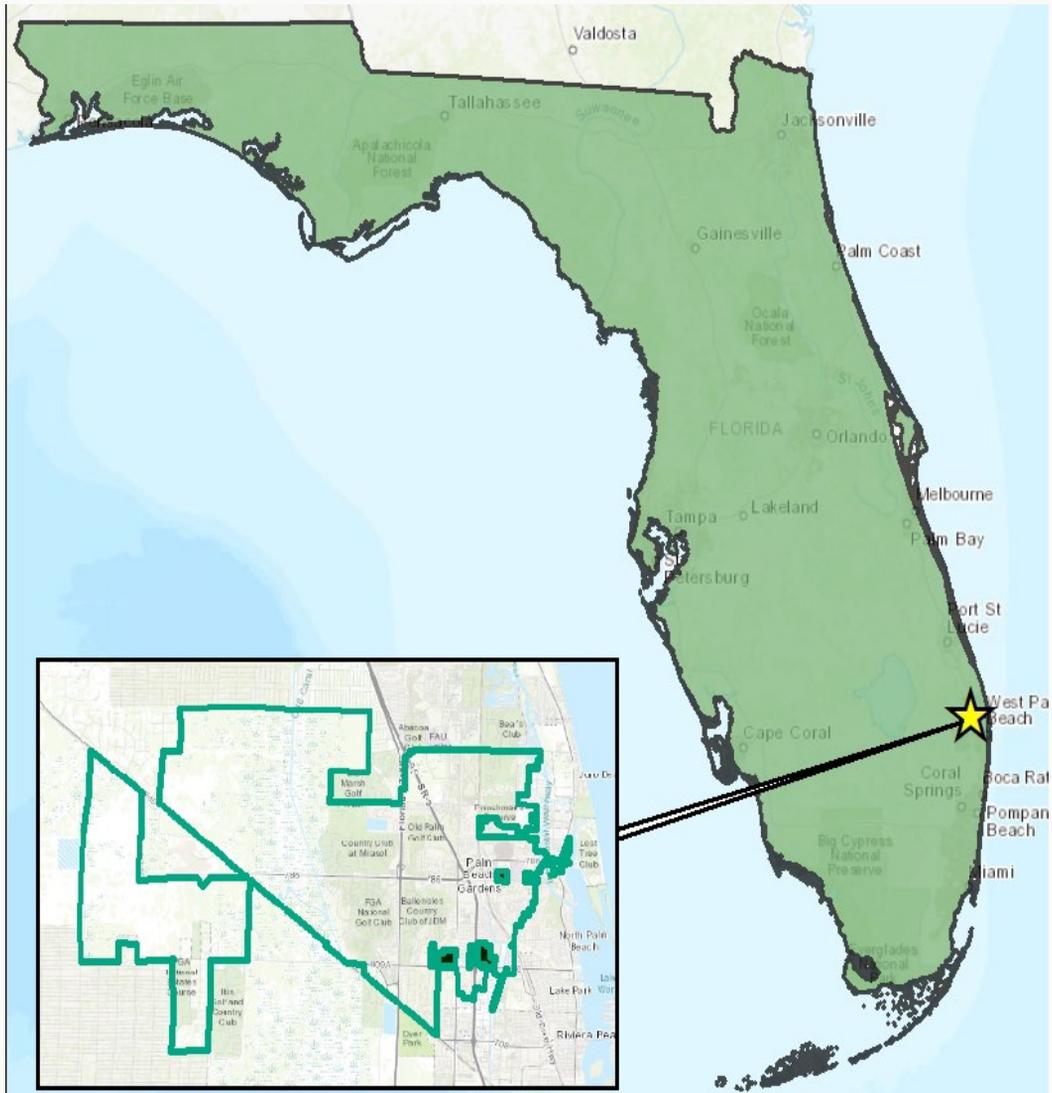
On March 20, 1959, John D. MacArthur, multimillionaire insurance magnate and landowner, announced his plan to develop approximately 4,000 acres and provide homes for 55,000 people in a new community. This land would be developed under his careful supervision. Mr. MacArthur's chosen name for the city was Palm Beach City. However, permission to use that name was denied, so MacArthur, in keeping with his "garden city" plan, decided to call the city Palm Beach Gardens. He wanted this new city to be a place to raise a family and make a living, to realize the American dream. He envisioned winding streets lined with lush native and transplanted foliage named after flowers and trees. He set to work carving the City of Palm Beach Gardens from empty miles of dairy cattle grazing land.

The City of Palm Beach Gardens has grown steadily during its sixty plus years in existence. In 1999, the John D. and Catherine T. MacArthur Foundation sold approximately 14,000 acres of land including approximately 5,000 acres in the City of Palm Beach Gardens. The City Council, entrusted with the responsibility of ensuring quality development, was able to reach an agreement with the purchasers to manage this new growth.

The City of Palm Beach Gardens operates with a Council-Manager form of government, pursuant to the city Charter. Residents are served by five at-large elected officials who are responsible for developing policy for the City.

These elected officials, the City Council, in turn, appoint the City Manager who is tasked with overseeing all administrative duties and the daily business operations of the city.

OUR CITY



The City of Palm Beach Gardens is located in Palm Beach County, Florida in the southeast part of the state. The City is approximately 7 miles north of West Palm Beach and 70 miles north of Miami. Current land area is 56.17 square miles, making it the largest land area in Palm Beach County.

Palm Beach Gardens has been fortunate to have land mass that is 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.

LOCAL ECONOMY

HOW MUCH DO YOU KNOW ABOUT

THE LOCAL ECONOMY?

SOME SIGNIFIGANT PROJECTS TAKING PLACE:

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.

Florida Power & Light

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.

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.

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.

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.

PRINCIPAL PROPERTY TAXPAYERS

Taxpayer	Taxable Assessed		Total Taxable Assessed		Taxable Assessed		Total Taxable Assessed	
	Value	Rank	Value ⁽¹⁾		Value	Rank	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%		110,649,576	2	1.27%	
Centaur (Palm Beach) Owner LLC	151,859,686	3	1.16%				0.00%	
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 Gadens Square					45,935,560	5	0.53%	
Northalke 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>	



PROPERTY TAX

Did You Know....



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 Fiscal year 2023 millage rate is based upon the certified property valuation received from the Palm Beach County Property Appraiser in the amount of \$15,559,147,237 this includes new construction of \$302,894,494, and represents an increase of 15.06% from last year's valuation. This is the tenth consecutive year that the City's property valuation has increased.

Using the final property valuation number, the total millage rate is 5.32 which is the 4.15% less than last year's rate of 5.55 mills. This rate represents a 8.14% increase over the roll-back rate of 4.9195 mills.

WHERE DOES YOUR TAX DOLLAR GO?



CITY REVENUES AND EXPENDITURES

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	132,613,837	478,456	5,409,265	19,197,127	157,698,685
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	125,493,352	1,989,287	2,248,941	20,836,296	150,567,876
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,120,485	(1,510,831)	3,160,324	(1,639,169)	7,130,809
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)	5,339,113	2,700,000	14,414,095	2,427,146	24,880,354
Net Change in Fund Balances	12,459,598	1,189,169	17,574,419	787,977	32,011,163
Fund Balances - Beginning	77,005,235	92,257	5,521,918	24,473,701	107,093,111
Fund Balances - Ending	\$ 89,464,833	\$ 1,281,426	\$ 23,096,337	\$ 25,261,678	\$ 139,104,274

GOVERNMENTAL FUNDS

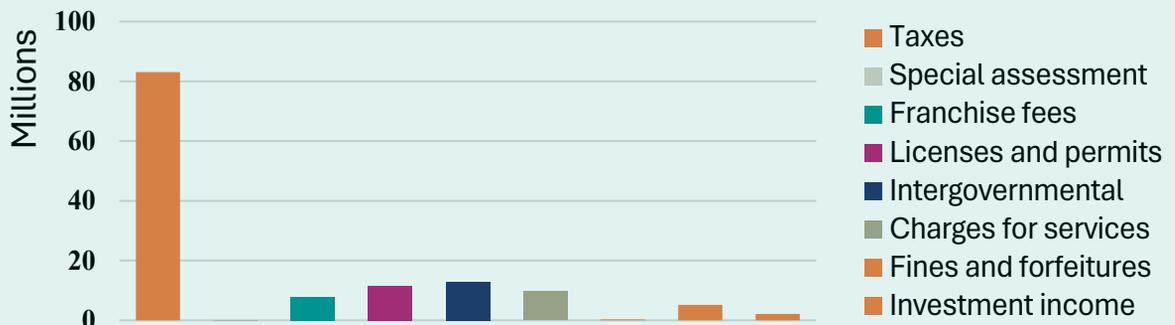
Typically used to account for tax-supported activities, the governmental funds of the City of Palm Beach Gardens include the following activities: Police, Fire, Public Facilities, Construction Services, Planning and Zoning, and Culture/Recreation. Also included are the various administrative programs such as Council, Administration, Legal, Clerk, Engineering, Purchasing and Contracts Management, Finance, Information Technology, Human Resources, and General Services.

Property Taxes comprise 62.7% of the General Fund operating revenues. This high percentage is because the City does not impose garbage/trash collection fees, utility service taxes, fire assessments, or storm water utility taxes. Most of the expenditures in the General fund are personnel related, due to the labor-intensive nature of providing general government services. As illustrated in the chart above, Public Safety expenditures represent the largest portion of the budget, at slightly more than \$67 million.

SUMMARY OF FINANCIAL INFORMATION

Revenue Sources	2023 Amount	Percent of Total	2022 Amount	Percent of Total	Increase (Decrease) From 2022	Percentage of Increase (Decrease)
Taxes	\$ 83,166,085	62.7%	\$ 75,913,071	63.5%	\$ 7,253,014	9.6%
Special assessment	131,359	0.1%	112,436	0.1%	18,923	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	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%	\$ 119,499,289	100%	\$ 13,114,548	11.0%

The revenues for governmental activities total **\$132,613,837** for **2023**.



Taxes comprise of all funds most of the City's revenue, 62.7% Taxes increased by \$7.2 million or 9.6% as a result of an increase in property values and new construction.

Special assessments revenue collections are related to the Neighborhood Improvement Assessment Program (NIAP) project for infrastructure improvements.

Franchise fee include both electric and solid waste franchise fees.

Licenses and permits account for 8.7% of Governmental Fund revenues includes city business license taxes. Licenses and permits decreased by \$705 thousand or (5.8)% due to a decrease in building permit activity.

Intergovernmental category includes federal and state grants, ½ cent sales tax, and state shared revenues. Intergovernmental revenue decreased by \$1.4 million or (10.1)% due to the City receive \$2.9 million the prior year as part of the American Rescue Plan Act that are no longer being dispersed.

Impact fees are fees charged on new residential construction and can only be used for capital expenditures that are a direct result of the demand for services attributed to the new development.

Charges for services contribute 7.3% of the total Governmental Fund revenues. Revenues included in this category are EMS Fees, dispatch service charges, and fire inspection fees.

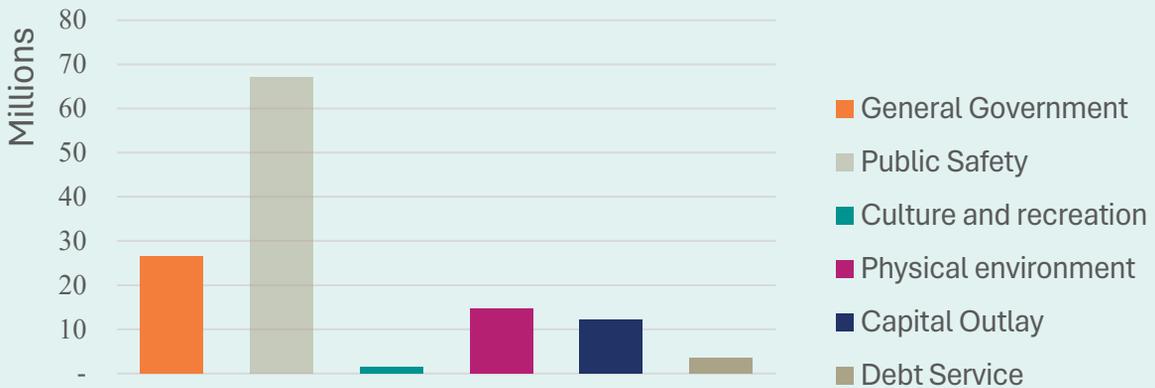
Fines and forfeitures revenues include court and code enforcement fines.

Investment earnings include favorable interest rates and unrealized gains resulting from City held investments. Investment income increased by \$5.1 million or 612.5% due to favorable interest rates and recognized earnings.

Expenditure by Function

Expenditures	2023 Amount	Percent of Total	2022 Amount	Percent of Total	Increase (Decrease) From 2022	Percentage of Increase (Decrease)
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	1,509,652	1.2%	1,121,932	0.9%	387,720	34.6%
Physical environment	14,720,429	11.7%	13,469,681	11.1%	1,250,748	9.3%
Capital outlay	12,066,179	9.6%	17,087,742	14.1%	(5,021,563)	(29.4)%
Debt service	3,600,399	2.9%	3,247,863	2.7%	352,536	10.9%
Total expenditures	\$ 125,493,350	100.0%	\$ 121,595,325	100%	\$ 3,898,025	3.2%

The expenditures for governmental activities total **\$125,493,352** for **2023**.



The expenditures for governmental activities total \$125,493,352 for 2023. The largest category is for public safety and represents 53.4% of all governmental activities.

General Government expenditures comprise departments whose responsibilities are related to the legislative and administrative services for the benefit of the public and the city unit. In fiscal year 2023, total General Fund expenditures increased \$3.9 million or 3.2% compared to the prior year. the recruitment of 21 additional firefighters to fully staff Fire Station 6, along with the acquisition of necessary capital equipment for its operation. Construction is projected to be completed early 2025.

Public Safety expenditures provide services for the security of persons and property.

Culture and Recreation include expenditures toward maintaining recreational facilities for the benefit of citizens and visitors. This includes various parks, the aquatic complex, tennis courts and golf course.

Physical environment include expenditures for services that provide a suitable living environment by controlling and utilizing elements of the environment. This would comprise of sustaining safe streets and roadways, as well as subsidiary facilities such as sidewalks and bridges.

Transportation include expenditures to provide safe and adequate flow of vehicles and pedestrians through the construction and maintenance of roads, bridges, traffic signals, pathways, and sidewalks.

Capital outlay expenditures stand at 9.6% of the total and include capital expenditures that cost more than \$5,000 and result in a fixed asset for the City. Also included in this category are capital improvement projects that results in a capital asset or improvement that costs at least \$50,000 and have a useful lifespan of five (5) years.

Debt service includes principal and interest payments for the acquisition, construction, or improvement of major capital projects or equipment.

FIVE YEAR SUMMARY

The five (5) year financial summary shows the total revenues and expenditures for all governmental funds. The City maintains fifteen (15) governmental funds: the General Fund, five (5) Special Revenue Funds, and nine (9) Capital Projects Funds. The City adopts an annual balanced budget for all funds and maintains a fund balance for each of those funds, the largest of which is the General Fund with a minimum unassigned fund balance of 17% of expenditures. The complete audited Annual Comprehensive Financial Report for the fiscal year ending September 30, 2023, is available on the City's website at www.pbgfl.gov

ALL GOVERNMENTAL FUNDS

Governmental Revenues	2019	2020	2021	2022	2023
Taxes	\$ 65,684,725	\$ 71,092,788	\$ 73,423,415	\$ 75,913,071	\$ 83,166,085
Special Assessment	135,785	112,970	112,436	112,402	131,359
Franchise Fees	5,808,900	5,473,521	5,731,627	6,777,359	7,721,199
Licenses and Permits	5,344,130	7,468,226	10,499,890	12,194,137	11,488,409
Intergovernmental	8,427,563	10,091,901	12,325,700	14,246,821	12,810,208
Charges for Services	6,505,181	7,353,394	7,429,263	8,607,838	9,648,684
Fines and Forfeitures	265,396	437,638	222,458	423,133	318,257
Investment Income (loss)	2,035,193	1,542,513	150,654	(1,006,918)	5,160,098
Miscellaneous	1,983,359	1,690,216	1,753,877	2,231,412	2,169,539
Total Revenues:	\$ 96,190,232	\$ 105,263,167	\$ 111,649,320	\$ 119,499,255	\$ 132,613,838

Governmental Expenditures	2019	2020	2021	2022	2023
General Government	\$ 20,752,846	\$ 21,419,757	\$ 21,802,557	\$ 26,737,073	\$ 26,583,656
Public Safety	50,920,055	52,588,700	55,416,990	59,931,034	67,013,035
Culture and Recreation	846,384	800,757	902,850	1,121,932	1,509,653
Physical Environment	11,766,857	13,569,137	13,873,167	13,469,681	14,720,431
Capital Outlay	5,530,348	10,249,870	4,483,499	17,087,742	12,066,177
Debt Service	4,153,878	3,612,507	2,205,500	3,247,863	3,600,400
Total Expenditures:	\$ 93,970,368	\$ 102,240,728	\$ 98,684,563	\$ 121,595,325	\$ 125,493,352

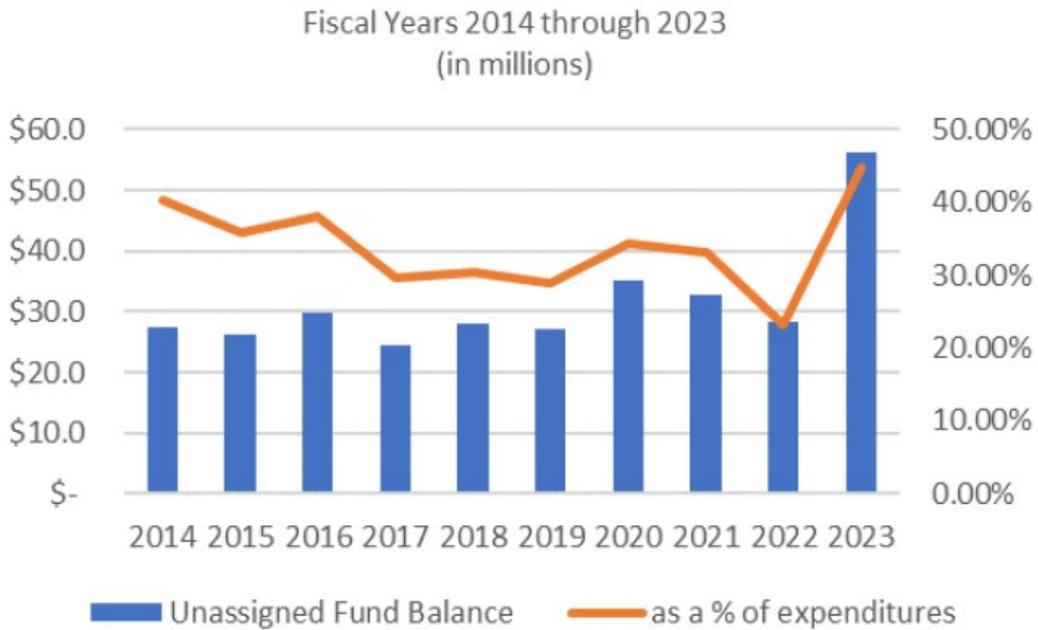
Increase (Decrease) In Fund Balance :	\$ 2,219,864	\$ 3,022,439	\$ 12,964,757	\$ (2,096,070)	\$ 7,120,486
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GENERAL FUND RESERVES

GENERAL FUND RESERVES AND HISTORICAL DATA

During the current fiscal year, unassigned fund balance in the General Fund was \$56.3 million. It is approximately equal to three months of the General Fund expenditures. The current year balance includes approximately \$21 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.



CAPITAL ASSETS

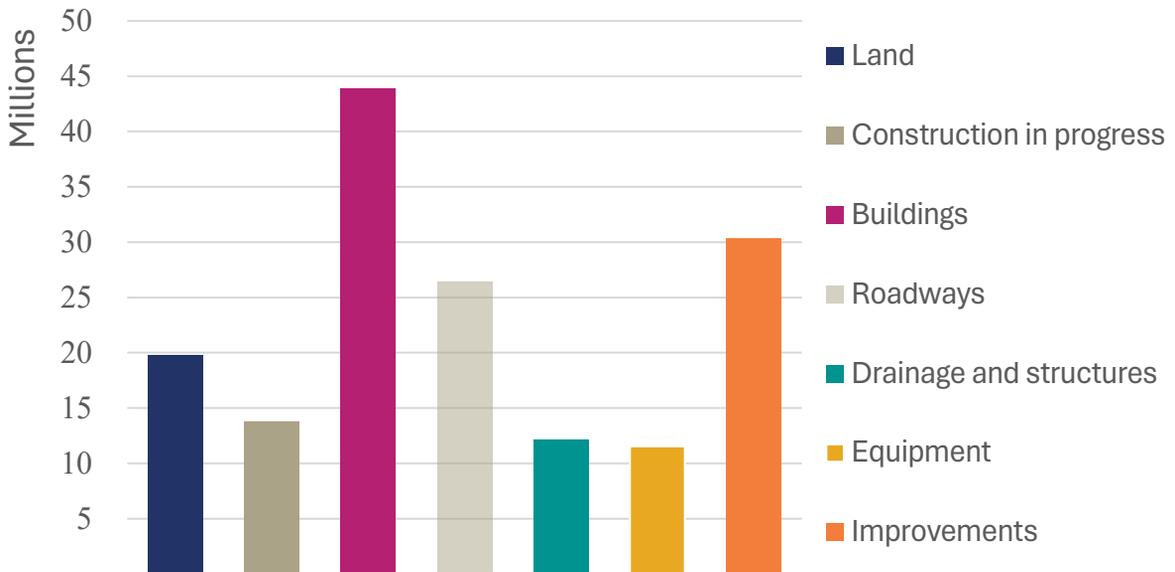
The City of Palm Beach Gardens recognizes the need to keep pace with the growth of the community and the needs of the City’s residents. The City prioritizes projects according to guidelines set forth by the Capital Improvements Element of the Comprehensive Plan. The Capital Budget is designed to balance the need for public facilities and infrastructure as stated in the City’s Comprehensive Plan.

As of September 30, 2023, the City’s capital assets for both governmental and business type activities amounted to \$162,643,688 (net depreciation). Capital assets include land, roadways, drainage and structures, equipment, improvements, buildings, and construction in progress.

	Governmental Activities	
	2023	2022
Land	\$ 19,779,365	\$ 19,779,365
Construction in progress	12,906,928	22,843,096
Buildings	43,889,708	38,331,350
Roadways	26,435,189	23,322,288
Drainage and structures	12,107,235	12,278,999
Machinery and equipment	11,552,374	11,054,317
Improvements other than buildings	30,331,481	21,191,666
Lease (Right -of-use asset)*	4,790,563	3,214,067
Total	\$ 157,002,280	\$ 152,015,148

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



SIGNIFICANT CAPITAL PROJECTS

Non- Recurring Capital Projects



1

BRCC Renovation

Project Location: Burns Road Recreation Center

Budget Cost: \$21,279,202

Funding is for the development of a complete set of construction documents and cost estimates, by phase, for the renovation and expansion of the Burns Road Community Center.

2

Golf Course Expansion

Project Location: Sandhill Crane Golf Course

Budget Cost: \$17,948,792

Funding was approved for the design and construction of an 18 hole Par-3 golf course with a 14,000 square foot clubhouse. The 3,100 yard, Par-3 course design includes 18 holes plus a 19th "Shoot-out"/tie breaker island green hole, 18 feet of elevation changes, and holes ranging from 69 - 253 yards.

3

Fire Station 6

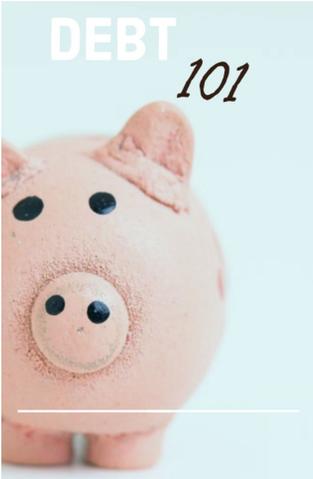
Project Location: Avenir Fire Station 6

Budget Cost: \$6,000,000

This project will have no material impact on operating costs for the current year budget, but will include ongoing maintenance that will be provided by Community Services Divisions reoccurring Maintenance Budget. The construction of Fire Station 6 which will consist of a 13,200 sq ft, 5 bay facility to service the residence and visitors of our western communities.

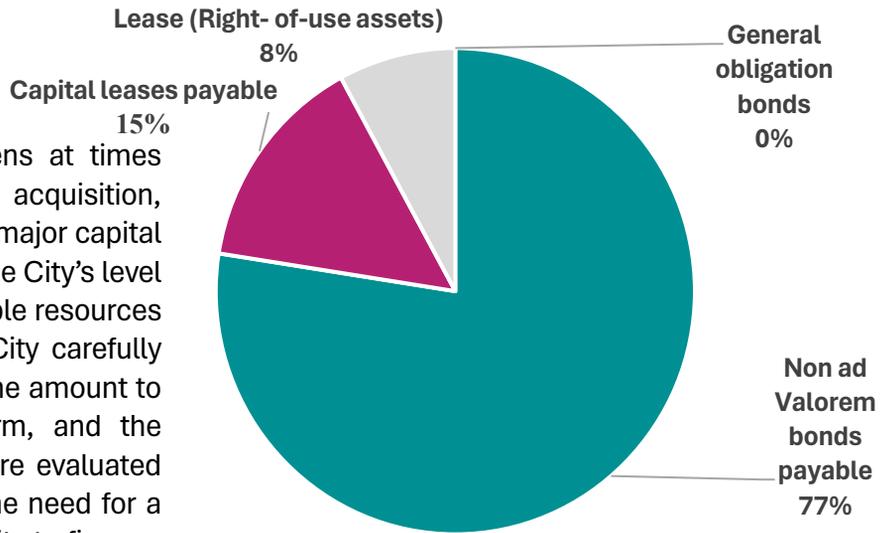
As part of its budget process, the City prepares and submits to the City Council a Five-Year Capital Improvement Plan beginning with the next fiscal year. The City included several significant non-recurring projects budgeted for FY 2023. A project is considered significant if the costs are projected to exceed \$100,000 or it potentially has a considerable impact on the current or future operating budgets. Funding for the significant capital projects listed below are from General Fund, Capital Projects Fund, Special Revenue, and Internal Service Funds.

DEBT



	Governmental Activities	
	2023	2022
Debt payable:		
Non ad valorem bonds payable	\$ 45,895,000	\$ 29,995,403
Capital leases payable	7,947,708	5,507,347
	5,435,799	2,959,195
Total	\$ 53,842,708	\$ 35,502,750

The City of Palm Beach Gardens at times needs to incur debt to fund the acquisition, construction, or improvement of major capital projects or equipment. To keep the City's level of indebtedness within its available resources while holding down costs, the City carefully analyzes each new borrowing. The amount to be borrowed, interest rate, term, and the existing debt service structure are evaluated to achieve a balance between the need for a capital project and the City's ability to finance it.



Much of the City's debt requirements are met through the issuance of general obligation bonds, public improvement bonds, bank notes, and capital leases. General obligation bonds are voter approved and backed by the full faith, credit, and taxing power of the City. They are payable out of ad valorem taxes. The City currently has no general obligation debt. Public improvement bonds and notes are pledged with non-ad valorem revenues. One measure of the City's financial condition is its bond rating. The rating agencies evaluate the City's management, economic conditions, financial performance and flexibility, and debt. The City's non-ad valorem debt is rated AAA by Standard and Poor's, AA+ by Fitch, and Aa1 by Moody's. These ratings reflect the strong investment quality of the City's bonds.

The City of Palm Beach Gardens is committed to consistent capital planning through the adoption and periodic amendments to a Comprehensive Plan. The City's Comprehensive Plan provides that its total debt service expenditures shall not exceed 20% of total annual revenues and that total outstanding debt is limited to no more than 10% of the City's property tax base.

The above 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 \$59,226,573 million. All of the City's outstanding debt is secured by specified revenue sources.



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