



VILLAGE OF NORTH PALM BEACH REGULAR SESSION AGENDA

VILLAGE HALL COUNCIL CHAMBERS
501 U.S. HIGHWAY 1

THURSDAY, MARCH 13, 2025
6:00 PM

Susan Bickel
Mayor

Deborah Searcy
Vice Mayor

Lisa Interlandi
President Pro Tem

Kristin Garrison
Councilmember

Orlando Puyol
Councilmember

Chuck Huff
Village Manager

Leonard G. Rubin
Village Attorney

Jessica Green
Village Clerk

INSTRUCTIONS FOR "WATCH LIVE" MEETING

To watch the meeting live please go to our website page (link provided below) and click the "Watch Live" link provided on the webpage:

<https://www.village-npb.org/CivicAlerts.aspx?AID=496>

ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS, DELETIONS, AND MODIFICATIONS TO THE AGENDA

APPROVAL OF MINUTES

1. Minutes of the Regular Session held February 13, 2025

COUNCIL BUSINESS MATTERS

2. ADMINISTRATION OF COUNCILMEMBER OATHS
3. NOMINATION OF OFFICERS - MAYOR, VICE MAYOR, PRESIDENT PRO TEM
4. RESOLUTION APPOINTING COUNCIL OFFICERS
5. ADMINISTRATION OF OFFICER OATHS - MAYOR, VICE MAYOR, PRESIDENT PRO TEM

STATEMENTS FROM THE PUBLIC, PETITIONS AND COMMUNICATIONS

Members of the public may address the Council concerning items on the Consent Agenda or any non agenda item under Statements from the Public. **Time Limit: 3 minutes**

Members of the public who wish to speak on any item listed on the Regular Session or Workshop Session Agenda will be called on when the issue comes up for discussion. **Time Limit: 3 minutes**

Anyone wishing to speak should complete a Public Comment Card (on the table at back of Council Chambers) and submit it to the Village Clerk prior to the beginning of the meeting.

REPORTS (SPECIAL COMMITTEES AND ADVISORY BOARDS)

CONSENT AGENDA

The Consent Agenda is for the purpose of expediting issues of a routine or pro-forma nature. Councilmembers may remove any item from the Consent Agenda, which would automatically convey that item to the Regular Agenda for separate discussion and vote.

- 6. RESOLUTION** – Amending the Comprehensive Pay Plan adopted as part of the Fiscal Year 2025 Budget to reclassify the Full-Time Parks Supervisor position to the Full-Time Recreation Supervisor position, add One Full-Time Communications Specialist position and remove one Full-Time Fire Inspector position; Reclassify the Pay Grade of the Full-Time Facilities Manager position, reclassify the Full-Time Building Official position to a Full-Time Building Director position, and eliminate the Community Development Director position.
- 7.** Receive for file Minutes of the Golf Advisory Board meeting held 1/13/25.
- 8.** Receive for file Minutes of the Waterways Board meeting held 1/28/25.
- 9.** Receive for file Minutes of the Environmental Committee meeting held 2/10/25.

DECLARATION OF EX PARTE COMMUNICATIONS

PUBLIC HEARINGS AND QUASI-JUDICIAL MATTERS

- 10. 1ST READING OF ORDINANCE 2025-06 – CODE AMENDMENT – COUNTRY CLUB** Consider a motion to adopt on first reading Ordinance 2025-06 amending Chapter 9, "Country Club" of the Village Code of Ordinances by amending Sections 9-1 and 9-2 of Article I "In General" to update the General Rules and Regulations Applicable to the North Palm Beach Country Club and the Enforcement thereof.

OTHER VILLAGE BUSINESS MATTERS

- 11. RESOLUTION – ACCEPTANCE OF FY 2024 AUDIT REPORT** Consider a motion to adopt a resolution accepting the Annual Comprehensive Financial Report prepared by the Village Auditor for Fiscal Year ending September 30, 2024; and authorizing its filing with the State.

COUNCIL AND ADMINISTRATION MATTERS

MAYOR AND COUNCIL MATTERS/REPORTS

VILLAGE MANAGER MATTERS/REPORTS

ADJOURNMENT

If a person decides to appeal any decision by the Village Council with respect to any matter considered at the Village Council meeting, he will need a record of the proceedings, and for such purpose he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

In accordance with the Americans with Disabilities Act, any person who may require special accommodation to participate in this meeting should contact the Village Clerk's office at 841-3355 at least 72 hours prior to the meeting date.

This agenda represents the tentative agenda for the scheduled meeting of the Village Council. Due to the nature of governmental duties and responsibilities, the Village Council reserves the right to make additions to, or deletions from, the items contained in this agenda.



***DRAFT* MINUTES OF THE REGULAR SESSION
VILLAGE COUNCIL OF NORTH PALM BEACH, FLORIDA
FEBRUARY 13, 2025**

Present:

Susan Bickel, Mayor
Deborah Searcy, Vice Mayor
Lisa Interlandi, President Pro Tem
Kristin Garrison, Councilmember
Orlando Puyol, Councilmember
Chuck Huff, Village Manager
Len Rubin, Village Attorney
Jessica Green, Village Clerk

ROLL CALL

Mayor Bickel called the meeting to order at 6:00 p.m. All members of Council were present except for Vice Mayor Searcy who was arriving later. All members of staff were present.

PLEDGE OF ALLEGIANCE

Mayor Bickel led the public in the Pledge.

AWARDS AND RECOGNITION

Mayor Bickel presented an Appreciation for Years of Service Award to Retired Police Chief Richard Jenkins for serving the Village of North Palm Beach for 12 years.

Mr. Jenkins accepted his award and thanked Council.

Vice Mayor Searcy arrived to the meeting at approximately 6:07 p.m.

Resident Patricia Friedman Solodar and Village of North Palm Beach Police Sergeants Lou Pearson and Keith Koenig expressed their gratitude to Retired Police Chief Jenkins.

Mayor Bickel read a Proclamation for 211 Awareness Month. Ms. Patrice Schroeder, 211 Community Relations Specialist accepted the proclamation and thanked Council.

STATEMENTS FROM THE PUBLIC

Russell Beverstein, 415 U.S.1 #210, expressed his concerns regarding the Country Club restaurant's hours of operation.

Mary Phillips, Kendra Zellner and George Alger, on behalf of the Environmental Committee and Waterways Board gave an update and discussed the upcoming Oyster Garden Event on Saturday, February 15th at Anchorage Park and the free Speaker Series event on February 22nd at the Country Club regarding water conservation, oyster gardens and marine eco-systems.

STATEMENTS FROM THE PUBLIC *continued*

Rita Budnyk, on behalf of the Recreation Advisory Board, discussed the upcoming Heritage Day Festival on April 4th and 5th and encouraged residents to volunteer and participate.

CONSENT AGENDA APPROVED

Item 3 was removed from the Consent Agenda and placed on the Regular Agenda. Thereafter, Councilmember Puyol moved to approve the Consent Agenda as amended and President Pro Tem Interlandi seconded the motion, which passed unanimously. The following items were approved:

Resolution approving an Interlocal Agreement with Palm Beach County to Re-determine, Re-Adopt, and Ratify the Existing Distribution Formula for the Six (6) Cent Local Option Fuel Tax; and authorizing execution of the Agreement.

Receive for file Minutes of the Golf Advisory Board meeting held 10/14/24.

Receive for file Minutes of the Library Advisory Board meetings held 10/22/24 and 11/26/24.

Receive for file Minutes of the Waterways Board meetings held 10/22/24 and 1/29/25.

Receive for file Minutes of the Business Advisory Board meeting held 11/19/24.

Receive for file Minutes of the Planning, Zoning, and Adjustment Board meeting held 1/7/25.

RESOLUTION 2025-04 AMENDMENTS TO EXISTING CONTRACTS FOR TREE TRIMMING MANAGEMENT AND MAINTENANCE SERVICES

A motion was made by Vice Mayor Searcy and seconded by President Pro Tem Interlandi to adopt Resolution 2025-04 entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, APPROVING AMENDMENTS TO EXISTING CONTRACTS WITH PRECISION LANDSCAPE COMPANY OF PALM BEACH COUNTY, INC. AND SALGADO TREE TRIMMING, LLC FOR TREE TRIMMING, MANAGEMENT, AND MAINTENANCE SERVICES AND AUTHORIZING THE MAYOR AND VILLAGE CLERK TO EXECUTE THE AMENDMENTS; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

John Samadi, 512 Marlin Road, expressed his concerns with the tree trimming services throughout the Village.

Deborah Cross, 2560 Pepperwood Circle S., asked for clarification on the amendments to the contracts with Precision Landscape Company and Salgado Tree Trimming, LLC.

Marc Holloway, Field Operations Manager clarified that the two (2) contracts were not to exceed \$50,000 each and would be increased not to exceed \$100,000 each. Mr. Holloway also clarified that residents were responsible for trimming trees within their swales.

Thereafter, the motion to adopt Resolution 2025-04 passed unanimously.

PUBLIC HEARINGS AND QUASI-JUDICIAL MATTERS

PUBLIC HEARING AND SECOND READING OF ORDINANCE 2025-02- DISSOLVING OF THE GOLF ADVISORY BOARD AND FORM A NEW COUNTRY CLUB ADVISORY BOARD

PUBLIC HEARING AND SECOND READING OF ORDINANCE 2025-02- DISSOLVING OF THE GOLF ADVISORY BOARD AND FORM A NEW COUNTRY CLUB ADVISORY BOARD *continued*

A motion was made by Councilmember Puyol and seconded by President Pro Tem Interlandi to adopt and enact on second reading Ordinance 2025-02 entitled:

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, AMENDING CHAPTER 9, “COUNTRY CLUB,” OF THE VILLAGE CODE OF ORDINANCES BY REPEALING ARTICLE II, “GOLF ADVISORY BOARD,” IN ITS ENTIRETY AND ADOPTING A NEW ARTICLE II, “COUNTRY CLUB ADVISORY BOARD;” PROVIDING FOR BOARD CREATION, TERMS, COMPOSITION AND DUTIES; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Rubin stated that the ordinance passed on first reading at the last Council meeting. A modification was made to the composition of the Country Club Advisory Board between first and second reading. Mr. Rubin stated that the composition of the Board was revised to eliminate the requirement that that Board include one person with a social dining membership in favor of two (2) persons representing the community at large.

Mayor Bickel opened the Public Hearing.

There being no comments from the public, Mayor Bickel closed the Public Hearing.

Councilmember Puyol discussed the percentage of revenue generated by golf at the Country Club and expressed disapproval of the composition of the Country Club Advisory Board stating that the majority of members should have a golf membership.

President Pro Tem Interlandi stated that all of the Village’s Advisory Boards were advisory in nature only and could not make decisions on policy. Advisory Boards should not direct staff but bring recommendations to Council in order for Council to address issues and make decisions.

Based on comments made by Councilmember Puyol regarding the Village’s budget, Mayor Bickel clarified that the Village’s budget was balanced.

Thereafter, the motion to adopt and enact Ordinance 2025-02 on second reading passed 4 to 1 with Mayor Bickel, Vice Mayor Searcy, President Pro Tem Interlandi, and Councilmember Garrison voting aye and Councilmember Puyol voting nay.

ORDINANCE 2025-03- CODE AMENDMENT- PERMISSIBLE TIME FOR CONSTRUCTION ACTIVITY

A motion was made by President Pro Tem Interlandi and seconded by Vice Mayor Searcy to adopt on first reading Ordinance 2025-03 entitled:

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, AMENDING ARTICLE VI, “NOISE CONTROL,” OF CHAPTER 19,

ORDINANCE 2025-03- CODE AMENDMENT- PERMISSIBLE TIME FOR CONSTRUCTION ACTIVITY *continued*

“OFFENSES AND MISCELLANEOUS PROVISIONS,” OF THE VILLAGE CODE OF ORDINANCES BY AMENDING SECTION 19-104, “PERMISSIBLE TIME FOR CONSTRUCTION ACTIVITY,” TO MODIFY THE PERMISSIBLE HOURS FOR CONSTRUCTION ACTIVITY AND THE USE OF POWER-DRIVEN MACHINERY; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Rubin explained that during the first and second readings of the recent ordinance adopted regarding construction site standards, Council expressed that they wished to modify the permissible times for construction activity which was located within a different section of the Village’s Code of Ordinances. Mr. Rubin stated that the Code currently provides that “it shall be unlawful for any person to do, perform or engage in any construction work, building, excavating, hoisting, grading, pile driving, pneumatic hammering, demolition, dredging, building alteration or repair work between the hours of 8 p.m. of one day and 8 a.m. the next day if any such activity shall cause unreasonable noise as defined in section 19-99 above.” No construction activity shall be permitted on Sundays or legal holidays. Mr. Rubin further explained that the Code currently limits the use of any power-driven machinery, tools, or equipment in any residential zoning district to between the hours of 8 a.m. and 8 p.m. on weekdays and Saturdays and between the hours of 10:00 a.m. and 8:00 p.m. on Sunday. The proposed ordinance amends the permissible times for construction activity (Monday through Saturday) from 8:00 a.m. to 8:00 p.m. to 7:30 a.m. to 6:00 p.m. The permissible times for use of power-driven machinery and equipment has been changed from 8:00 a.m. to 8:00 p.m. on weekdays and Saturdays and 10:00 a.m. to 8:00 p.m. on Sundays to 7:30 a.m. to 6:00 p.m. on weekdays and Saturdays and 10:00 a.m. to 6:00 p.m. on Sundays.

Chris Ryder, 118 Dory Road S., expressed his concerns regarding the proposed revisions to the permissible hours for construction activity.

Rita Budnyk, 804 Shore Drive, expressed her concerns regarding the proposed revisions to the permissible hours for construction activity.

Rita Budnyk on behalf of Tom Gallagher, 704 Teal Way, expressed his concerns regarding the proposed revisions to the permissible hours for construction activity.

Lisa Jensen, 606 Shore Road, expressed her concerns regarding the proposed revisions to the permissible hours for construction activity.

John Samadi, 512 Marlin Road, expressed his concerns regarding the proposed revisions to the permissible hours for construction activity.

Discussion ensued between Mr. Rubin and Councilmembers regarding whether or not construction activity without noise could begin at a certain time.

A motion was made by Vice Mayor Searcy and seconded by President Pro Tem Interlandi to amend the permissible hours for construction activity to 8 a.m. to 6 p.m. on weekdays and 9 a.m. to 6 p.m. on Saturdays. Thereafter the motion passed 4 to 1 with Mayor Bickel, Vice Mayor Searcy, President Pro Tem Interlandi and Councilmember Garrison voting aye and Councilmember Puyol voting nay.

ORDINANCE 2025-03- CODE AMENDMENT- PERMISSIBLE TIME FOR CONSTRUCTION ACTIVITY *continued*

Councilmember Puyol explained that he did not support the motion to amend because he liked the idea of ending the permissible hours for construction activity at 5:30 p.m. rather than 6 p.m.

Discussion ensued between President Pro Tem Interlandi and Councilmember Puyol regarding ending the permissible hours for construction activity at 5:30 p.m. rather than 6 p.m.

Discussion ensued between Councilmembers, Mr. Huff and Public Works Director Girard regarding ending the permissible hours for construction activity at 5:30 p.m. rather than 6 p.m.

A motion was made by Vice Mayor Searcy and seconded by President Pro Tem Interlandi to amend the end time of permissible hours for construction activity for Monday through Saturday at 5:30 p.m. instead of 6 p.m. Thereafter, the motion passed unanimously.

Thereafter, the motion to adopt on first reading Ordinance 2025-03 as amended passed unanimously.

ORDINANCE 2025-04 - CODE AMENDMENT - PENSION AND CERTAIN OTHER BENEFITS FOR FIRE AND POLICE EMPLOYEES

A motion was made by Councilmember Puyol and seconded by Councilmember Garrison to adopt on first reading Ordinance 2025-04 entitled:

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA AMENDING DIVISION 4, "PENSION AND CERTAIN OTHER BENEFITS FOR FIRE AND POLICE EMPLOYEES," OF ARTICLE V, "PENSIONS AND RETIREMENTS SYSTEMS," OF CHAPTER 2, "ADMINISTRATION," OF THE VILLAGE CODE OF ORDINANCES TO IMPLEMENT CHANGES TO RETIREMENT BENEFITS RESULTING FROM COLLECTIVE BARGAINING WITH THE UNION REPRESENTING THE VILLAGE'S FIREFIGHTER EMPLOYEES (IAFF); PROVIDING FOR AMENDMENTS AFFECTING THE CALCULATION OF FIREFIGHTER EMPLOYEES' RETIREMENT BENEFITS WHEN THEY BECOME ELIGIBLE FOR SAME; INCREASING EMPLOYEE CONTRIBUTION RATES; CLARIFYING THE ENTRY WINDOW FOR PARTICIPATION IN THE DEFERRED RETIREMENT OPTION PLAN (DROP); APPLYING THE USE OF INSURANCE PREMIUM TAX REVENUE TO THE VILLAGE ANNUAL RETIREMENT CONTRIBUTION; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Rubin discussed and explained the purpose of the proposed ordinance. Mr. Rubin stated that the following amendments would be made to the Pension and Certain Other Benefits for Fire Police Employees of the Village Code of Ordinances:

- Changed the normal retirement age to 52 years of age or 25 years of credited service (in lieu of 55 years and 25 years of credited service).
- Increased the benefit accrual rate to 3 percent for all years of credited service on or after October 1, 2021.
- A new Section 2-161.1 was included to add a firefighter health insurance supplement equal to \$15.00 per year of credited service.

ORDINANCE 2025-04 - CODE AMENDMENT - PENSION AND CERTAIN OTHER BENEFITS FOR FIRE AND POLICE EMPLOYEES *continued*

- Increase the employee contribution from 8.5% to 11% effective the first payroll after March 31m 2025.
- Amended to provide that effective April 1, 2025, an employee may elect to participate in the Deferred Retirement Option Plan (DROP) by the late of: (1) 30 days after reaching their latest normal retirement date; or (2) 90 days after April 1, 2025.

Thereafter, the motion to adopt on first reading Ordinance 2025-04 passed unanimously.

MOTION – Approving the Contract with Old Dixie Highway Realty LLC for the purchase of property located at 9555 Old Dixie Highway and the adjacent eastern parcel at a total cost of \$1,065,000; and authorizing the Village Manager to effectuate the purchase in accordance with Village policies and procedures.

Mr. Rubin explained and discussed the proposed purchase of the property located at 9555 Old Dixie Highway stating that the Village pursued the purchase of two parcels of property owned by Old Dixie Highway Realty and currently occupied by Precision Landscape Company. The property is located within the Village on both sides of Old Dixie Highway west of the FEC railroad tracks. The property is 1.72 acres in size, has a Future Land Use Designation of Industrial/Business and is currently located within the Village’s I-1 Light Industrial Zoning District. The Village was able to negotiate a purchase price of \$1,065,000 which was below appraisal value. The Village further agreed to lease the property back to the property owner for a period of three months, with a possible extension for an additional three months, for the sum of \$6,000 per month. This will provide the Village time to develop plans for the construction of a new Public Works Facility.

Discussion ensued between Mr. Huff and Councilmembers regarding the proposed purchase of the property.

Bryan Craig, 9525 Old Dixie Hwy, stated that he was a resident in the neighboring property and expressed his concerns with traffic and crime surrounding the neighborhood.

Russell Beverstein, 415 U.S.1 #210, asked what would be done with the building that the existing Public Works Department resides in.

Laura Burrow, 3022 95th Ct., expressed her concerns with the proposed construction of a new Public Works Facility and how it would affect her property.

Councilmember Garrison expressed her support and approval for the purchase of the property.

Vice Mayor Searcy expressed her support and approval for the purchase of the property.

President Pro Tem Interlandi expressed her support and approval for the purchase of the property.

Councilmember Puyol expressed concerns regarding the funds that would be utilized to purchase the property.

Deputy Manager Samia Janjua explained and discussed where in the budget the funds were coming from for the property purchase and concluding that the monies were coming from the Village’s reserves.

MOTION – PROPERTY PURCHASE *continued*

Mayor Bickel expressed her support and approval for the purchase of the property. Mayor Bickel stated that she did not know what would happen with the current Public Works Facility but hoped that it would be utilized to house the Community Development Department.

A motion was made by Councilmember Garrison and seconded by Vice Mayor Searcy to approve the Contract with Old Dixie Highway Realty LLC for the purchase of property located at 9555 Old Dixie Highway and the adjacent eastern parcel.

Therefore the motion passed unanimously.

ORDINANCE 2025-05 - CODE AMENDMENT- GENERAL FUND BUDGET AMENDMENT

A motion was made by Vice Mayor Searcy and seconded by President Pro Tem Interlandi to adopt on first reading Ordinance 2025-05 entitled:

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, AMENDING THE ADOPTED GENERAL FUND BUDGET TO PROVIDE FUNDING FOR THE PURCHASE OF REAL PROPERTY FOR A NEW PUBLIC WORKS DEPARTMENT FACILITY; TRANSFERRING \$1,065,000 FROM THE UNASSIGNED FUND BALANCE TO THE CAPITAL PROJECTS FUND PUBLIC WORKS LAND ACQUISITION CAPITAL ACCOUNT; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Rubin discussed and explained that the ordinance was necessary to amend the Fiscal Year 2025 Budget by transferring the funds from the Unassigned Fund Balance to the Capital Projects Fund to fund the purchase of the property located at 9555 Old Dixie Highway.

Councilmember Puyol stated that it was fiscally responsible of an organization to have reserves and reiterated that the funds for the property purchase was coming from the Village's reserves.

Thereafter, the motion to adopt on first reading Ordinance 2025-05 passed unanimously.

OTHER VILLAGE BUSINESS MATTERS

RESOLUTION 2025-06 FISCAL YEAR 2025 BLANKET PURCHASE ORDER FOR SIDEWALK REMOVAL

A motion was made by Vice Mayor Searcy and second by Councilmember Garrison to adopt Resolution 2025-06 entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA APPROVING A BLANKET PURCHASE ORDER WITH FLYING SCOT INC. FOR SIDEWALK REMOVAL AND REPLACEMENT UTILIZING PRICING ESTABLISHED IN AN EXISTING CITY OF PALM BEACH GARDENS CONTRACT IN THE AMOUNT OF \$200,000; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

RESOLUTION 2025-06 FISCAL YEAR 2025 BLANKET PURCHASE ORDER FOR SIDEWALK REMOVAL *continued*

Mr. Holloway explained the reasons for the blanket purchase order and the areas of sidewalk that would be replaced in the Village.

John Samadi, 512 Marlin Road, expressed his concerns with the quality of construction of the sidewalk repairs done throughout the Village.

Councilmember Puyol asked if staff could address Mr. Samadi's concerns.

Mr. Holloway discussed and explained the processes and types of concrete that are utilized when repairing sidewalks throughout the Village.

Thereafter, the motion to adopt Resolution 2025-06 passed unanimously.

DISCUSSION - Tree Preservation Process

Chris Ryder, 118 Dory Road South, expressed his concerns regarding a proposed tree preservation process.

Mary Phillips, and Kendra Zellner, on behalf of the Environmental Committee expressed and discussed their support for a tree preservation process.

Karen Marcus, 920 Evergreen Drive, expressed her support for a tree preservation process.

Deborah Cross, 2560 Pepperwood Circle S, expressed her support for a tree preservation process.

Mayor Bickel expressed her support for a tree preservation process.

President Pro Tem Interlandi discussed and expressed her support for a tree preservation process and recommending bringing back a draft of an ordinance to be considered by Council.

Councilmember Puyol expressed his support for a tree preservation process and stated that an ordinance should be drafted as soon as possible.

Mayor Bickel recommended that President Pro Tem Interlandi work with Mr. Rubin to draft an ordinance since it was President Pro Tem Interlandi's area of expertise as an Environmental Attorney.

Discussion ensued between Councilmembers regarding the drafting of an ordinance creating a tree preservation process.

Karen Marcus on behalf of the Environmental Committee stated that she would be happy to review past recommendations of the Environmental Committee and the Town of Lake Park's code related to tree preservation and pass the information on for drafting.

MAYOR AND COUNCIL MATTERS/REPORTS

Vice Mayor Searcy requested a workshop regarding the Advisory Boards and Committees appointment process and proposed code revisions to Advisory Boards and Committees.

MAYOR AND COUNCIL MATTERS/REPORTS *continued*

Council came to consensus to have a workshop on the Advisory Boards and Committees appointment process and proposed code revisions.

Vice Mayor Searcy proposed implementing additional events and activities for children such as pickleball week or a fishing club.

Mayor Bickel stated that she was getting several complaints from residents regarding sprinklers in medians going off, breaking or going off during rush hour, and sprinklers running at the parks on non-watering days. Mayor Bickel asked Public Works if they could address the sprinkler issues.

President Pro Tem Interlandi clarified that the Environmental Committee did not direct staff to draft a tree preservation ordinance but they came to Council and Council asked staff to move forward with the draft ordinance.

Councilmember Puyol stated that he liked that Council meetings were recorded so that residents can be updated on all that is going on.

Councilmember Puyol asked Mr. Huff for an update on the proposal of Prosperity Farms Road being extended to five (5) lanes instead of three (3) lanes.

Mr. Huff stated that the Village in conjunction with the City of Palm Beach Gardens sent a letter of opposition. Mr. Huff gave a brief history of the proposal and discussed the traffic concerns.

President Pro Tem Interlandi explained and discussed what the County was proposing or considering for Prosperity Farms Road and stated that it was not in the near future but approximately 30 years out.

Councilmember Puyol asked for an update on the 200 Yacht Club Drive property.

Mr. Huff stated that he believed that the property was in the process of being sold but had no further information to share.

Mayor Bickel asked if an expiration could be placed on site plans when a property transfers ownership.

Mr. Rubin stated that he did not believe a sale could be restricted if the site plan met the conditions of the Village code. Mr. Rubin stated that those types of restrictions may be imposed on Planned Unit Developments.

Councilmember Puyol asked for an update on the proposed Village Place Project at the former Twin Cities Mall site.

Mr. Huff stated that he did not have any new information regarding the proposed Village Place Project at the former Twin Cities Mall site.

Councilmember Puyol expressed his concerns with the proposed building cost of a new pavilion at the Country Club and stated that the Lessing's Florida Ventures LLC should move forward with the project at their cost.

MAYOR AND COUNCIL MATTERS/REPORTS *continued*

Discussion ensued between Mr. Huff and Councilmembers regarding the proposed pavilion at the Country Club.

Mr. Huff stated that Mr. Lessing was considering the cost and was holding off on the building of the pavilion.

Vice Mayor Searcy suggested that the Library consider doing an event for the 250th anniversary of Jane Austen's birthday.

Vice Mayor Searcy requested an update on the Lighthouse Drive bridge upgrades provided by 2GHO at the next Council meeting.

VILLAGE MANAGER MATTERS/REPORTS

Mr. Huff introduced the Village's new Building Official Valentino Perez.

Mr. Perez introduced himself and thanked Council and Mr. Huff.

DISCUSSION - March Meeting Calendar

Mr. Huff stated that the two (2) Council meetings scheduled for March were on the 13th and the 27th. Mr. Huff asked Council that since the 27th falls within spring break week if Council would like to combine the two (2) meetings to March 20th or have one meeting on March 13th and another meeting on March 20th.

Discussion ensued between Councilmembers regarding which dates to have Council meetings in March.

Council came to consensus to tentatively have Council meetings on March 13th and March 20th and a meeting will not take place on March 27th.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 8:28 p.m.

Jessica Green, MMC, Village Clerk

RESOLUTION 2025-___

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF
NORTH PALM BEACH, FLORIDA, APPOINTING THE MAYOR,
VICE MAYOR AND PRESIDENT PRO TEM FOR THE UPCOMING YEAR;
AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article III, Section 3 of the Village Charter provides that the Council shall elect from among its members a Mayor, a Vice Mayor, and a President Pro Tem to serve at the pleasure of the Council; and

WHEREAS, the election of the Mayor, Vice Mayor and President Pro Tem shall be conducted annually at the first regular Council meeting after the Village election.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, as follows:

Section 1. The Village Council hereby elects from among its membership the following persons to serve as Mayor, Vice Mayor, and President Pro Tem of the Village Council of the Village of North Palm Beach:

Mayor

Vice Mayor

President Pro Tem

Section 2. The above-named Mayor, Vice Mayor, and President Pro Tem shall hold office until their respective successors shall be elected in accordance with the provisions of the Village Charter.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2025.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

**VILLAGE OF NORTH PALM BEACH
HUMAN RESOURCES DEPARTMENT**

TO: Honorable Mayor and Members of the Village Council
THRU: Chuck Huff, Village Manager
FROM: Jennifer Cain, Human Resources Director
DATE: March 13th, 2025
SUBJECT: **RESOLUTION** – Amendment to the FY2024-2025 Comprehensive Pay Plan

Village Staff is recommending the Village Council’s adoption of a Resolution amending the FY2024-2025 Comprehensive Pay Plan with the following revisions to be effective on 4/1/2025: Reclassify one Full-Time Parks Supervisor position to one Full-Time Recreation Supervisor position; add one Full-Time Communications Specialist position and remove one Full Time Fire Inspector position; reclassify the pay grade of the Full-Time Facilities Manager position; reclassify the Full-Time Building Official position to a Full-Time Building Director position, eliminate the Full-Time Community Development Director position, and update the department to Building & Zoning.

Background:

The following Comprehensive Pay Plan changes will result in a decrease of one full-time position in the budget and pay plan.

1) Reclassify one Full-Time Parks Supervisor to one Full-Time Recreation Supervisor.

The Parks and Recreation Department was restructured at the beginning of the fiscal year. After evaluation of the new structure, with a new Department Director in place, it has been determined that the intent for the remaining vacant Parks Supervisor position will be better suited as a Recreation Supervisor position. Both positions fall into the same pay grade so this will be a title/structure change only with no financial impacts.

Excerpt from the Pay Plan:

Position Title	Grade	Annual (Min)	Annual (Max)
Recreation Supervisor	113	\$56,047.53	\$89,676.04
Parks Supervisor	113	\$56,047.53	\$89,676.04

2) Add one Full-Time Communications Specialist, remove one Full-Time Fire Inspector.

The Village Manager has identified a need for an additional communications position to enhance community outreach, support departmental programming, and boost social media engagement. We are able to offset the additional position by eliminating a vacant Full-Time Fire Inspector position that has not been utilized and is no longer needed. Human Resources completed a compensation and title study and recommends the title of Communications Specialist at pay grade 117.

Position Title	Grade	Annual (Min)	Annual (Max)
Communications Specialist	117	\$68,126.12	\$109,001.79
Fire Inspector	113	\$56,047.53	\$89,6776.04

Survey Data:

Entity	Position Title	Annual (Min)	Annual (Max)
Town of Palm Beach	Communications Specialist	\$66,344.56	\$106,203.06
City of Palm Beach Gardens	Communications Specialist	\$66,203.16	\$105,925.06
City of West Palm Beach	Digital Marketing Strategist	\$61,703.00	\$92,567.00
City of Delray Beach	Digital/Social Media Coordinator	\$44,366.40	\$70,969.60
City of Boca Raton	Communications & Digital Media Coordinator	\$65,915.00	\$110,614.00
Town of Jupiter	Communications Project Coordinator	\$68,883.25	\$113,657.37

Following the compensation study methodology, at the 60th percentile, the range would be \$66,231.44 - \$107,085.25. Slotting into our current pay plan, we would put it at pay grade 117, with a range of \$68,126.12 – 109,001.79.

3) Reclassify the pay grade of the Full-Time Facilities Manager position.

During the compensation study that was conducted last year, the pay grade for the Full-Time Facilities Manager was slotted two pay grades lower than the Full-Time Fleet Manager position based on the data collected from comparator agencies. After internal review of the positions and responsibilities, we recommend classifying the Full-Time Facilities Manager in the same pay grade as the Full-Time Fleet Manager position, Pay Grade 118, with a range of \$71,532.42 - \$114,451.88 annually. This pay grade change would create a salary adjustment for current staff to the minimum of the new pay grade.

Excerpt from the Pay Plan:

Position Title	Grade	Annual (Min)	Annual (Max)
Facilities Manager	116	\$64,882.02	\$103,811.23
Fleet Manager	118	\$71,532.42	\$114,451.88

4) Reclassify the Full-Time Building Official position to a Full-Time Building Director position, eliminate the Full-Time Community Development Director position, and update Department to Building & Zoning.

The Village Manager has identified the need to restructure the Community Development Department, retitling the department to Building & Zoning, reclassifying the Building Official position to Building Director, and eliminating the Community Development Director position. The department consists of 12 full-time and 5 part-time staff members, in the areas of Building (Building Inspectors and Permit & License Technicians), Code Compliance, and Planning. The Community Development Director currently oversees one Planner and the Code Compliance Officers. Reclassifying the Building Official to Building Director would allow the Building Director to oversee all staff in the Department, while contracting Planning services and providing support to the in-house Planner. With this additional oversight, we would reclassify the position title to Building Director and adjust the pay grade, from Pay Grade 126 (\$105,685.97 - \$169,097.55 annually) to Pay Grade 128 (\$116,518.78 – 186,430.05 annually). We would also provide a 10% increase in pay, per the Village’s promotion policy, for the additional duties.

The current pay range for the Building Official position is provided below:

Position Title	Grade	Annual (Min)	Annual (Max)
Building Official	126	\$105,685.97	\$169,097.55

The recommended pay range for the Building Director is provided below:

Position Title	Grade	Annual (Min)	Annual (Max)
Building Director	128	\$116,518.78	\$186,430.05

Survey Data:

Entity	Position Title	Annual (Min)	Annual (Max)
Village of Tequesta	Building Director	\$103,508.00	\$155,263.00
City of Stuart	Development Director	\$103,313.60	\$165,235.20
Town of Palm Beach	Director of Planning, Zoning, Building	\$133,102.72	\$213,068.21
City of Riviera Beach	Development Services Director	\$107,326.00	\$160,987.00
City of Palm Beach Gardens	Building Official	\$102,702.84	\$164,324.54
City of West Palm Beach	Development Services Director	\$136,315.00	\$204,472.00
City of Greenacres	Building Official	\$107,961.00	\$181,419.00
City of Delray Beach	Development Services Director	\$112,112.00	\$179,337.60
City of Boca Raton	Development Services Director	\$131,705.00	\$220,916.00
Town of Jupiter	Building Official	\$119,541.17	\$197,242.25

Following the compensation study methodology, at the 60th percentile, the range would be \$116,569.50 - \$190,912.95. Slotting into our current pay plan, we would put it at pay grade 128, with a range of \$116,518.78 – \$186,430.05 annually. Additionally, Village Staff will be bringing forth an Ordinance amending to the Village Code to reflect the new Building and Zoning Department, with the Building Director serving as the department head.

The Comprehensive Pay Plan is included within the overall Village Budget for Fiscal Year 2025, as approved by the Village Council through the adoption of Ordinance No. 2023-15. Section 5 of Ordinance No. 2023-15 specifically authorizes the Village Council to revise the Comprehensive Pay Plan by Resolution during the Fiscal Year without need to amend the Ordinance.

The attached Resolution has been prepared and/or reviewed by the Village Attorney for legal sufficiency.

Recommendation:

Village Staff Requests Council consideration and approval of the attached Resolution amending the Fiscal Year 2025 Comprehensive Pay Plan by reclassifying one Full-Time Parks Supervisor position to one Full-Time Recreation Supervisor position; adding one Full-Time Communications Specialist position and removing one Full Time Fire Inspector position; reclassifying the pay grade of the Full-Time Facilities Manager position; reclassifying the Full-Time Building Official position to a Full-Time Building Director position, eliminating the Full-Time Community Development Director position, and updating the department to Building & Zoning effective April 1st, 2025 in accordance with Village policies and procedures.

RESOLUTION 2025-_____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA AMENDING THE COMPREHENSIVE PAY PLAN ADOPTED AS PART OF THE FISCAL YEAR 2025 BUDGET TO RECLASSIFY THE FULL-TIME PARKS SUPERVISOR POSITION TO THE FULL-TIME RECREATION SUPERVISOR POSITION, ADD ONE FULL-TIME COMMUNICATIONS SPECIALIST POSITION AND REMOVE ONE FULL-TIME FIRE INSPECTOR POSITION; RECLASSIFY THE PAY GRADE OF THE FULL-TIME FACILITIES MANAGER POSITION, RECLASSIFY THE FULL-TIME BUILDING OFFICIAL POSITION TO A FULL-TIME BUILDING DIRECTOR POSITION, AND ELIMINATE THE COMMUNITY DEVELOPMENT DIRECTOR POSITION; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, through the adoption of Ordinance No. 2024-15 (“Budget Ordinance”) on September 26, 2024, the Village Council adopted a Comprehensive Pay Plan as part of the annual budget for Fiscal Year 2025; and

WHEREAS, Section 5 of the Budget Ordinance authorizes the Village Council to revise the Comprehensive Pay Plan by Resolution during the course of the Fiscal Year; and

WHEREAS, at the recommendation of Village Staff, the Village Council wishes to reclassify the Parks Supervisor position, add a Communications Specialist position, remove a Fire Inspector position, reclassify the pay grade of the Facilities Manager position; reclassify the Building Official position, eliminate the Community Development Director position, and update the Community Development Department to the Building and Zoning Department; and

WHEREAS, the Village Council determines that the adoption of this Resolution is in the best interests of the Village and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA as follows:

Section 1. The foregoing recitals are ratified as true and incorporated herein.

Section 2. The Village Council hereby amends the Comprehensive Pay Plan for Fiscal Year 2025 as follows:

- A. Reclassify the full-time Parks Supervisor position to a full-time Recreation Supervisor position at the existing **Pay Grade 113** (\$56,047.53 to \$89,676.04 annually);
- B. Add one full-time Communications Specialist position at **Pay Grade 117** (\$68,126.12 to \$109,001.79 annually);
- C. Eliminate one-full time Fire Inspector position at **Pay Grade 113** (\$56,047.53 to \$89,676.04 annually);

- D. Reclassify the pay grade for the full-time Facilities Manager position from **Pay Grade 116** (\$64,882.02 to \$103,811.23 annually) to **Pay Grade 118** (\$71,532.42 to \$114,451.88 annually); and
- E. Reclassify the full-time Building Official position at **Pay Grade 126** (\$105,685.97 to \$169,097.55 annually) to a full-time Building Director Position at **Pay Grade 128** (\$116,518.78 to \$186,430.05 annually). In addition to the foregoing, all references to the Community Development Department shall be changed to the Building and Zoning Department.

Section 3. All other provisions of the Comprehensive Pay Plan, to the extent not specifically modified herein, shall remain in full force and effect.

Section 4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2025.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

VILLAGE OF NORTH PALM BEACH
GOLF ADVISORY BOARD
Minutes of January 13, 2025

I. CALL TO ORDER

A. The meeting was called to order by Chairman Rich Pizzolato at 6:00 p.m.

II. ROLL CALL

A. <u>Board:</u>	Present	Absent
Rich Pizzolato – Chairman	X	
David Norris – Vice Chairman	X	
Curtis Witters – Secretary	X	
Landon Wells – Member	X	
Sandra Felis – Member	X	
Karen O’Connell – Member	X	
Steve Mathison – Member		X
B. <u>Staff Members:</u>		
Allan Bowman, Director of Golf	X	
Beth Davis, General Manager	X	
Lenore Dingle, Membership Coordinator		

C. Council Members:

Orlando Puyol

D. Public Present:

A question was put forth from a member of the public regarding group play. Allan

Bowman responded that the Club is not doing away with group play but that no

tee times would be set aside for group play during February. The goal is to provide equal access to tee times for all members during that very busy month.

III. APPROVAL OF MEETING MINUTES

Minutes of the October 14, 2024 GAB Meeting were approved 6-0.

IV. ADMINISTRATIVE REPORTS

Golf Report. Allan Bowman, Director of Golf, delivered his report.

Golf revenue is up; we are off to a good year. We are ahead of budget projections.

Golf rounds are way up. November and December set records.

We are using 9-minute tee time intervals in the morning, 10-minute intervals at noon, and 11-minute intervals in the afternoon.

We now have 185 members and no new members will be added until April. Our member play most recently was 1,676 per month. With 185 members, this equates to 9.06 rounds per month, per member.

Rich Pizzolato asked Allan if the tee time interval should be longer in the morning to lessen congestion and speed play.

Current plan is to add 10 members in April; 8 will be Village residents and 2 will be nonresidents.

Maintenance.

The wash plant is going out for bid.

The cart path on Hole 6 is to be completed, connecting the existing sections, so that the path is continuous on that hole. This will assist with the cart traffic we are experiencing for the boat parade. We will have more lights on the course for the boat parade in future years. We had a cart flip on Hole 3 at the boat parade in December.

Our greens are currently too wet; too much organic material has accumulated. To alleviate the wetness, we will be taking cores from the greens using ¾” and ¼” holes. We will also use the wet jet procedure once or twice.

The fairway on Hole 2 is contaminated with common Bermuda grass. Beginning in April, we plan to re-grass the first one-half of the fairway to remove this grass. We will reconfigure the bunker on the right side of the fairway, reducing its size by one-half. We will also widen the fairway along the right-hand side of the hole, to give us more playing area. While this work is done, we will play the hole as a par three, placing a temporary tee just beyond the current right-hand bunker.

We continue to work reinforcing bunker faces. We will add more yellow stacks and rakes to encourage proper care of the bunkers.

The golf course has experienced vandalism by electric bikes being operated on the property at night. A private cart was driven across the 1st green one night.

Chuck Huff is meeting with the Village attorney to discuss a new ordinance closing the golf course property at night.

Beth Davis addressed the Board.

The 2024 year-end financial report is not yet ready.

The Village Council has considered at first reading an ordinance to create a Country Club Advisory Board. It is expected to pass on its second reading on February 13th.

This is the final meeting of the Golf Advisory Board.

Applications for the new Country Club Advisory Board will go out soon. The Board will be composed of seven members; 2 gold members, one WGA member, one pool member, one tennis member, and two community members at large.

The new restaurant operation is going well. We have five hundred dining members.

IV. DISCUSSION TOPICS

V. ADJOURNMENT

The meeting was adjourned at 7:05 p.m.

Minutes by Curtis L. Witters, Secretary.

MINUTES
Village of North Palm Beach
Waterways Advisory Board Meeting
Village Council Hall Chambers
January 28, 2025

I. Attendees:

- Mark Michels, MD, Chair
- Diane Wimbrow, Vice Chair
- Marty Domenech, Secretary
- George Alger, Board Member
- Paul Bartlett, Board Member
- Bruce Crawford, Board Member
- Jerry Sullivan, Board Member
- Caryn Gardner-Young, Village Liaison
- Lisa Interlandi, Council Member
- Ashley Shipman, Recreation Director

II Minutes from previous meeting. Approved without changes.

III Public Comments

- a. Mary Phillips made comment about collaboration with the Environmental committee on the Oyster project. Also, discussed need for volunteers for many activities that are happening at the village in the coming months.

IV. New Business

- a. New Village Liaison Caryn Gardner-Young was introduced. Community development director.
- b. New Marine Code Enforcement officer Sam Dorval introduced. No boat dedicated to code enforcement yet, using NPB police vessel for now.
- c. Discussed becoming more familiar with code enforcement provisions. Chapter 5 of Village code would be good to review. Caryn Gardner-Young to send copies.

V. Old Business

- a. Dredging plan. **Motion** was put to a vote: Recommend the Village Council to map the waterways to ensure dredging, if required is identified, planned, and conducted proactively. The Waterways board can provide further specific guidance and suggestions if requested. Motion passed 6-0.

MINUTES
Village of North Palm Beach
Waterways Advisory Board Meeting
Village Council Hall Chambers
January 28, 2025

b. Derelict Vessels – Update by Diane Wimbrow. Less volume of vessels has been observed in the Old Port Cove/Little Lake Worth area.

c. Clean Vessel Act / Pump out services – Update by Dr. Michels. After discussions with industry, water advocacy groups, and consultants on this issue, there appears to be little appetite to setup a state sponsored pump out service. A private pump out program may become available in the coming months.

d. Oyster project- Update by George Alger.

Coastal conservation will host activity to drill and string oysters on February 15 at 10AM, followed by an Oyster hanging ceremony on April 12th. Volunteers needed for both events as there are many activities across the village in the coming months. FishFlorida provided funding for fishing supplies for kids under 15 that take a 30 minute fishing lesson. Discussed need for signage or advertising the event in Village paper to drive awareness and volunteers to both events.

e. Funding status for NPB Marina, south docks - Update by Ashley Shipman, Recreation Director.

South dock restorations are not in the 2025 budget plan. Only the design plan is included for this year. Next in line for the marina renovation is the boat ramp restoration scheduled to begin 2/10 and take approximately 90 days. Board members expressed concern and need for more timely decisions on the south dock restoration, since the issue has been known for several years with no real progress on a plan. With current funding constraints and applications for other ways to fund via grants, estimated timeline and cost are possibly 18-24 month and approx.. \$2MM.

The current condition of the docks was also discussed, as containing possible hazards and/or conditions that may not be safe. A **Motion** was put to vote: Recommend the Village have an expert evaluate the conditions of the south dock, and provide for any temporary repair or fix needed to ensure safe operation of the docks as a priority. Motion passed 6-0.

VI Staff comments. None.

Meeting adjourned



THE VILLAGE OF
NORTH PALM BEACH
Village Manager's Office

"THE BEST PLACE TO LIVE UNDER THE SUN"

Environmental Committee Meeting

MINUTES

Anchorage Park

Monday, Feb 10, 2025

6:00pm

1. Call to Order: Karen Marcus called the meeting to order at 6:01pm.
2. Roll Call:
 - Present: Karen Marcus, Kendra Zellner, Mary Phillips, Juliette Desfeux, Ellen Allen, Brian Bartels
 - Absent: Shawn Woods
 - Also Present: Marc Holloway, Field Operations Manager
3. The Minutes of the Jan , 2024, regular meeting was approved.
4. Public Comments –
 - a.
5. Community Garden Update- no update. Movie in the garden is their next event.
6. Volunteer board request- Shawn has no update as she was not present.
7. Oyster Project- Mary and Kendra said they are prepared for the event. They will schedule a meeting with Ashley and Julie to discuss details about the event.
8. Lakeside Park erosion proposal- Marc has no update.
9. Wind and Heat Vulnerability Assessment- Marc said the study is almost complete. Public Works is looking into check valves at the pipe located at the golf course to prepare for sea level rise. Kendra requested that the company performing the study presents their findings to our committee.

10. Parks Master Planning update- Ashley has no update. Removing from the next agenda.
11. Tree removal permit- This is on the agenda for Thursday for the council to discuss. This was removed from first reading and will now be up for discussion. Some committee members will attend the meeting to explain the need for this permit.
12. Arbor Day Application- Ashley submitted the application and the Village received the certificate. Removing from the next agenda.
13. Earth Day- Kendra and Mary are coordinating the event. Earth Day/Arbor Day is scheduled for April 26th. Karen will coordinate with firefighters and source food. Kendra will reach out to Ashley and Julie to follow up on the details of the event.
14. Residential landscape code- no update. Marc will email Caryn to see if this is being prioritized for this year.
15. Speaker Series- Kendra advised that there is little interest in the event on Facebook. She will create a flyer and go door-to-door. Ellen is going to write the email and send a photo to Ed for advertisement for the next speaker series on April 19th.
16. Previous newsletter about Oyster water cleaning information. The next newsletter about Arbor Day and Earth Day.
17. Member Comment-
 - a. Ellen was inquiring about a curb being removed at Osborne Park. Karen advised that this was a safety repair. The Committee is requesting that Stephen Poh come to the next meeting so we can discuss any maintenance being done to parks.
18. Staff Comment-
 - a.
19. Next meeting- The next meeting will be on March 3, 2025 at 6:00 pm at Anchorage Park.
20. Adjournment- the meeting adjourned at 6:56pm

**VILLAGE OF NORTH PALM BEACH
NORTH PALM BEACH COUNTRY CLUB**

TO: Honorable Mayor and Council

FROM: Beth Davis, CCM, General Manager Country Club

DATE: March 13, 2025

SUBJECT: **ORDINANCE 1ST READING- Amend Chapter 9, "Country Club," of the Village Code of Ordinances by amending Article 1, "In General", sections 9-1 and 9-2.**

Due to an overwhelming and costly amount of vandalism to the North Palm Beach Country Club golf course, staff requests that the Village Council approve an amendment to Chapter 9, "Country Club," of the Village Code of Ordinances by amending Sections 9-1 and 9-2 of Article 1, "In General", to update and clarify the general rules and regulations, including operating hours and prohibitions, applicable to the North Palm Beach Country Club facilities and provide enforcement thereof.

The staff has reported several evening incidents where the course has been damaged by kids riding motorized vehicles, electric bikes, and bicycles across the greens and through the bunkers, while also running and sliding down the bunker faces. To date, the Club has spent well over \$20,000 to repair damages, which includes materials and labor. After discussion with the Village Manager and Village Police Department, Staff determined that the adoption of an Ordinance amending Sections 9-1 and 9-2 of the Village Code to update and clarify the general rules and regulations, including operating hours, and prohibitions, applicable to the North Palm Beach Country Club facilities and provide for enforcement is in the best interests of the Village and its residents.

The attached Ordinance has been prepared and/or reviewed by the Village Attorney for legal sufficiency.

There is no fiscal impact.

Recommendation:

Village Staff requests Council consideration and approval on the first reading of the attached Ordinance amending Chapter 9, "Country Club," of the Village Code of Ordinances by amending Article 1, "In General", sections 9-1 and 9-2, to update and clarify the general rules and regulations, including operating hours, and prohibitions applicable to the North Palm Beach Country Club in accordance with Village policies and procedures.

1 materials, lawn, sod, water line, charging stations, or other
2 public utilities; and parts of or appurtenances thereof, signs,
3 notices, or placards, whether temporary or permanent, or any
4 other structures, equipment, facilities or country club
5 property or appurtenances thereto, either real or personal.
6

7 b. Dig or remove or disfigure any of the tee areas, fairways,
8 greens, bunkers, ~~or~~ rough, driving ranges, cart paths,
9 buildings, or equipment on the North Palm Beach Country
10 Club ~~G~~golf ~~C~~course.
11

12 c. Dig or remove or disfigure any of common areas, walkways,
13 lawns, tennis courts, lights, fences, buildings, or equipment
14 at the North Palm Beach Country Club tennis center.
15

16 d. Dig or remove or disfigure any of the common areas,
17 walkways, pool deck, diving boards, ladders, splash pad
18 flooring, splash pad water features, buildings, or equipment
19 at the North Palm Beach Country Club swimming pool.
20

21 e. Dig or remove or disfigure any of the common areas,
22 walkways, lawns, lights, fences, parking areas, buildings, or
23 equipment at the North Palm Beach Country Club
24 clubhouse.
25

26 e f. Damage, cut, carve, transplant, or remove any tree or plant
27 or injure the bark or pick the flowers or seeds of any tree or
28 plant. Nor shall any person attach any rope, wire or any
29 contrivance to any tree or plant. A person shall not dig in or
30 otherwise disturb grassy areas or in any other way injure or
31 impair the natural beauty or usefulness of any area.
32

33 (2) Operation of motorized vehicles and other equipment.
34

35 a. Operate any form of motorized or electric vehicles,
36 including, but not limited to, motorized scooters, electric
37 bicycles, motorcycles, dirt bikes, all-terrain vehicles
38 (ATV's), or personal golf carts at the North Palm Beach
39 Country Club, other than within designated parking areas or
40 vehicular travel lanes.
41

42 b. Operate any form of bicycle, skateboard, roller skates or
43 roller blades, stroller, carriage, or wagon on the North Palm
44 Beach Country Club golf course.
45
46
47

1 (2 3) *Hours.* Be physically present on:
2

3 a. The golf course at the Village of North Palm Beach Country
4 Club, including all tees, fairways, greens, bunkers, cart
5 paths, ponds, and rough areas ~~during the period from one (1)~~
6 ~~hour after~~ after sunset ~~to one (1) hour~~ or before sunrise each
7 day.
8

9 b. ~~Other areas at the North Palm Beach Country Club,~~
10 ~~including the clubhouse, tennis facilities, swimming pool~~
11 ~~area and winter club except during daylight hours and during~~
12 ~~the hours of one (1) hour after sunset and one (1) hour before~~
13 ~~sunrise as the premises are lighted and use thereof has been~~
14 ~~expressly approved by the village for the country club~~
15 ~~restaurant, bar facilities, swimming pool area, tennis courts,~~
16 ~~golf course, driving range and the winter club. The opening~~
17 ~~and closing hours for such latter areas shall be posted at the~~
18 ~~main entrance to the facilities for public information. One~~
19 ~~(1) hour after sunset and one (1) hour before sunrise, all~~
20 ~~portions of the North Palm Beach Country Club which are~~
21 ~~not lighted and permitted for use as described above shall be~~
22 ~~closed to the public, and no person or persons shall walk or~~
23 ~~be upon any portion of the country club premises which is~~
24 ~~closed to the public during those hours. Any other areas of~~
25 ~~the North Palm Beach Country Club, including the~~
26 ~~clubhouse facility, tennis center facilities, swimming pool~~
27 ~~facilities, and the driving range facilities outside of posted~~
28 ~~operating hours.~~
29

30 **Sec. 9-2. Same – Signs; enforcement; penalties.**
31

32 (a) The village manager ~~or the manager's designee shall~~ may place appropriate
33 signs advising the public of the ~~of the operating hours of various facilities~~
34 ~~and the prohibitions set forth above at appropriate locations throughout~~
35 ~~closing of country club facilities at each entrance to the North Palm Beach~~
36 ~~Country Club and at each of the North Palm Beach Country Club facilities~~
37 ~~main entrances.~~
38

39 (b) All employees at the North Palm Beach Country Club and the village's
40 police department shall, in connection with their duties imposed by law,
41 diligently enforce the provisions of section 9-1 ~~and 9-2~~. The ~~All persons~~
42 ~~employed at the North Palm Beach Country Club~~ village manager or the
43 ~~manager's designee~~ shall have the authority to ~~eject~~ reject from the country
44 club premises any person acting in violation of sections 9-1 ~~and 9-2~~. The
45 North Palm Beach Police Department and any North Palm Beach law
46 enforcement officer shall have the authority to enforce sections 9-1 ~~and 9-~~

ORDINANCE NO. 5-80

AN ORDINANCE OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, REGULATING CONDUCT AT THE NORTH PALM BEACH COUNTRY CLUB, PROVIDING FOR ENFORCEMENT, REGULATING HOURS OF USE OF VARIOUS COUNTRY CLUB FACILITIES, AND PRESCRIBING PENALTIES FOR THE VIOLATION OF ITS PROVISIONS.

BE IT ORDAINED BY THE VILLAGE COUNCIL OF NORTH PALM BEACH, FLORIDA:

Section 1. That the Village of North Palm Beach Code is hereby amended by adding a new section to be numbered Section 9-21 which said section shall read as follows:

"Section 9-21. Country Club Premises. No person (other than Village employees or persons authorized by the Village) on the premises of the North Palm Beach Country Club, including the North Palm Beach Country Club Golf Course, Tennis Club and tennis facilities, driving range, swimming pool area, dining room, bar, Winter Club facilities and all other premises, included within the property acquired by the Village of North Palm Beach as part of the North Palm Beach Country Club, both under the original purchase and under the option by which it acquired the tennis club area, shall:

"1. Building and Other Property.

"(a) Disfiguration and Removal. Willfully mark, deface, disfigure, injure, tamper with or displace or remove any building, paving or paving materials, lawn, sod, water line or other public utilities, parts of appurtenances thereof, signs, notices or placards, whether temporary or permanent, or any other structures, equipment, facilities or Country Club property or appurtenances thereto, either real or personal.

"(b) Dig or remove or disfigure any of the tee areas, fairways, greens or rough on the North Palm Beach Country Club Golf Course.

"(c) Damage, cut, carve, transplant or remove any tree or plant or injure the bark or pick the flowers or seeds of any tree or plant. Nor shall any person attach any rope, wire or any contrivance to any tree or plant. A person shall not dig in or otherwise disturb grassy areas or in any other way injure or impair the natural beauty or usefulness of any area.

"2. Hours.

"(a) Be physically present on:

"(1) The golf course at the Village of North Palm Beach Country Club, including all tees, fairways, greens and rough areas during the period from one (1) hour after sunset to one (1) hour before sunrise each day.

"(2) Other areas at the North Palm Beach Country Club, including the clubhouse, tennis facilities, swimming pool area and Winter Club except during daylight hours, and during the hours of one (1) hour after sunset and one (1) hour before sunrise as the premises are light and use thereof has been expressly approved by the Village for the Country Club Restaurant, bar

facilities, swimming pool area, tennis courts, golf course, driving range and the Winter Club. The opening and closing hours for such latter areas shall be posted at the main entrance to the facilities for public information. One (1) hour after sunset and one (1) hour before sunrise, all portions of the North Palm Beach Country Club which are not lighted and permitted for use as described above, shall be closed to the public, and no person or persons shall walk or be upon any portion of the Country Club premises which is closed to the public during those hours.

Section 2. That the Village of North Palm Beach Code is hereby amended by adding a new section to be numbered Section 9-22 which said section shall read as follows:

"Village Manager shall place appropriate signs advising the public of the closing of Country Club facilities at each entrance to the North Palm Beach Country Club and at each of the North Palm Beach Country Club facilities main entrances.

"1. Enforcement. All employees at the North Palm Beach Country Club and the Public Safety Department and Public Safety Office at the Village of North Palm Beach shall, in connection with their duties imposed by law, diligently enforce the provisions of this Ordinance.

"The North Palm Beach Country Club Manager and all persons employed at the North Palm Beach Country Club shall have the authority to reject from the Country Club premises any person acting in violation of this Ordinance. The North Palm Beach Public Safety Department and any North Palm Beach Public Safety Officer shall have the authority to enforce this Ordinance and to arrest any persons trespassing upon the Country Club property in violation of the hours of use and other provisions of this Ordinance.

"2. Penalties. Violation of any provision of this Code Section shall be punished by a fine not exceeding \$500.00 or imprisonment for a term not exceeding six months or by both such fine and imprisonment."

Section 3. This Ordinance shall take effect immediately upon passage.

PLACED ON FIRST READING THIS 28TH DAY OF FEBRUARY, 1980.

PLACED ON SECOND, FINAL READING AND PASSED THIS 13TH DAY OF MARCH, 1980.

/s/ W. H. BROWN
MAYOR

ATTEST:

/s/ DOLORES R. WALKER
VILLAGE CLERK

ARTICLE I. IN GENERAL

Sec. 9-1. Premises—General regulations.

No person, other than village employees or persons authorized by the village, on the premises of the North Palm Beach Country Club, including the North Palm Beach Country Club Golf Course, tennis club and tennis facilities, driving range, swimming pool area, dining room, bar, winter club facilities and all other premises included within the property acquired by the village as part of the North Palm Beach Country Club, both under the original purchase and under the option by which it acquired the tennis club area, shall:

- (1) *Disfiguration and/or removal of building and other property.*
 - a. Willfully mark, deface, disfigure, injure, tamper with or displace or remove any building, paving or paving materials, lawn, sod, water line or other public utilities, parts of appurtenances thereof, signs, notices or placards, whether temporary or permanent, or any other structures, equipment, facilities or country club property or appurtenances thereto, either real or personal.
 - b. Dig or remove or disfigure any of the tee areas, fairways, greens or rough on the North Palm Beach Country Club Golf Course.
 - c. Damage, cut, carve, transplant or remove any tree or plant or injure the bark or pick the flowers or seeds of any tree or plant. Nor shall any person attach any rope, wire or any contrivance to any tree or plant. A person shall not dig in or otherwise disturb grassy areas or in any other way injure or impair the natural beauty or usefulness of any area.
- (2) *Hours.* Be physically present on:
 - a. The golf course at the Village of North Palm Beach Country Club, including all tees, fairways, greens and rough areas during the period from one (1) hour after sunset to one (1) hour before sunrise each day.
 - b. Other areas at the North Palm Beach Country Club, including the clubhouse, tennis facilities, swimming pool area and winter club except during daylight hours and during the hours of one (1) hour after sunset and one (1) hour before sunrise as the premises are lighted and use thereof has been expressly approved by the village for the country club restaurant, bar facilities, swimming pool area, tennis courts, golf course, driving range and the winter club. The opening and closing hours for such latter areas shall be posted at the main entrance to the facilities for public information. One (1) hour after sunset and one (1) hour before sunrise, all portions of the North Palm Beach Country Club which are not lighted and permitted for use as described above shall be closed to the public, and no person or persons shall walk or be upon any portion of the country club premises which is closed to the public during those hours.

(Ord. No. 5-80, § 1, 3-13-80)

Editor's note(s)—Ordinance No. 5-80, § 1, adopted Mar. 13, 1980, amended the Code with the addition of a new § 9-21. However, in order to maintain Code format, the editor has redesignated the provisions as § 9-1.

Sec. 9-2. Same—Signs; enforcement; penalties.

- (a) The village manager shall place appropriate signs advising the public of the closing of country club facilities at each entrance to the North Palm Beach Country Club and at each of the North Palm Beach Country Club facilities main entrances.
- (b) All employees at the North Palm Beach Country Club and the village's police department shall, in connection with their duties imposed by law, diligently enforce the provisions of section 9-1 and 9-2. The All persons employed at the North Palm Beach Country Club shall have the authority to reject from the country club premises any person acting in violation of sections 9-1 and 9-2. The North Palm Beach Police Department and any North Palm Beach law enforcement officer shall have the authority to enforce sections 9-1 and 9-2 and to arrest any person trespassing upon the country club property in violation of the hours of use and other provisions of sections 9-1 and 9-2.
- (c) *Penalties.* Violation of any provision of this Code section shall be punished as provided in section 1-8 of this Code.

(Ord. No. 5-80, § 2, 3-13-80; Ord. No. 2011-21, § 9, 11-10-11)

Editor's note(s)—Ordinance No. 5-80, § 2, adopted Mar. 13, 1980, amended the Code with the addition of a new § 9-22. At the editor's discretion, in order to maintain Code format, the provisions have been redesignated as § 9-2.

Secs. 9-3—9-15. Reserved.

**VILLAGE OF NORTH PALM BEACH
FINANCE DEPARTMENT**

TO: Honorable Mayor and Council

THRU: Charles Huff, Village Manager

FROM: Samia Janjua, Deputy Village Manager
Erica Ramirez, Director of Finance

DATE: March 13, 2025

SUBJECT: **RESOLUTION – Acceptance of Fiscal Year 2024 Audit Report**

The September 30, 2024 year-end annual comprehensive financial report will be distributed by our auditors at this coming week’s Council meeting. This report is published to provide the Village Council, Village staff, our citizens, our lenders, and other interested parties with detailed information concerning the financial condition and activities of the Village government. This annual financial report reflects continuing improvement in our Village’s financial operations and overall financial condition.

The attached Resolution has been prepared and/or reviewed by the Village Attorney for legal sufficiency.

Recommendation:

Village Staff requests Council consideration and approval of the attached Resolution authorizing the Mayor and Village Clerk to accept the annual comprehensive financial report prepared by the Auditor for the fiscal year ending September 30, 2024 and to file the report with the state as required by law.

RESOLUTION 2025-_____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT PREPARED BY THE VILLAGE AUDITOR FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024 AND AUTHORIZING ITS FILING WITH THE STATE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, as required by Chapter 218, Florida Statutes, the Village Council selected the firm of Nowlen, Holt & Miner, P.A. (“Auditor”) to prepare an Annual Comprehensive Financial Report, including an audit report, for the fiscal year ending September 30, 2024; and

WHEREAS, the Village Council wishes to accept the annual financial report and authorize its filing with the State as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF NORTH PALM BEACH, FLORIDA as follows:

Section 1. The foregoing recitals are ratified as true and correct and are incorporated herein.

Section 2. The Village Council hereby authorizes the Mayor and Village Clerk to accept the Annual Comprehensive Financial Report prepared by the Auditor for the fiscal year ending September 30, 2024 and to file said report with the state as required by law.

Section 3. This Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2025.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

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Village of North Palm Beach, FL



Annual Comprehensive Financial Report

Fiscal year ended September 30, 2024



3/8/25 Final Draft

The Village of North Palm Beach, Florida



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2024

**Prepared by:
Finance Department**

**Erica Ramirez
Director of Finance**

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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INTRODUCTORY SECTION



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THE VILLAGE OF NORTH PALM BEACH

“THE BEST PLACE TO LIVE UNDER THE SUN”

March 13, 2025

To the Honorable Mayor, Esteemed Members of the Village Council, and Valued Residents
Village of North Palm Beach, Florida

With pleasure, the Finance Department and Village Manager's Office present the Annual Comprehensive Financial Report (Annual Report) for the Village of North Palm Beach, Florida, covering the fiscal year ended on September 30, 2024.

This report aims to furnish the Village Council, Village staff, our citizens, lenders, and other stakeholders with comprehensive insights into the financial status and undertakings of the Village government. The Village shoulders the responsibility for the accuracy of the data presented herein and for ensuring the completeness and fairness of the presentation, inclusive of all disclosures.

Enclosed within are data that, to the best of our knowledge and belief, are materially accurate and presented in a manner that reflects the financial position and operational outcomes of the Village across its various funds. We are confident that all necessary disclosures have been provided to enable readers to gain a thorough understanding of the Village's financial matters.

THE REPORT

We are pleased to share that Nowlen, Holt & Miner, P.A., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Village of North Palm Beach's financial statements for the fiscal year concluding on September 30, 2024. The independent auditor's report precedes the Management's Discussion and Analysis (MD&A), which offers a narrative, overview, and analysis of the fundamental financial statements. The MD&A complements this transmittal letter and should be reviewed in conjunction with it.

The Annual Report serves as a tool for economic, social, and political decision-making, as well as for assessing accountability to our citizenry by:

- Comparing actual financial outcomes with the approved budget, as applicable;
- Evaluating financial condition and operational results;
- Ensuring compliance with finance-related laws, rules, and regulations;
- Assessing the efficiency and effectiveness of Village operations.

The Village

The Village of North Palm Beach, incorporated in 1956, primarily serves as a residential community. The registered population stands at approximately 13,162 surging to around 18,000 during winter months as residents designate their northern homes as their official residences. The populace generally falls within middle to upper-income brackets.

Located in northeastern Palm Beach County, Florida, the Village is known for its abundance of waterfront property (lakes, canals, and the Atlantic Ocean) as well as other assets: Country Club with a golf course, driving range, pool, tennis courts and restaurant; four parks; marina; library; police and fire rescue stations; and a public elementary school.

The governing body of the Village consists of a five-member Village Council, each of whom is elected to two-year overlapping terms. The Mayor is selected by majority vote of the Council and serves for a term of one year. Day-to-day affairs of the Village are under the leadership of the Village Manager who is appointed by the Council.

FINANCIAL DATA

Financial Reporting System and Budgetary Controls

The Village's financial records for its general governmental operations are maintained on the modified accrual basis, which means that revenues are recorded when available and measurable and expenditures are reported when goods and services are received and the related liabilities are incurred.

Financial reporting for its Enterprise Funds (i.e., the Country Club & Stormwater Utility) is presented using the full accrual basis of accounting required by Generally Accepted Accounting Principles (GAAP) for its annual financial report. The Country Club & Stormwater Utility Fund annual budgets are adopted using a modified accrual basis of accounting (identical to the general government operations mentioned above) which is consistent with how general ledger financial records are maintained throughout the year by the Village administration.

In developing and evaluating the Village's financial and accounting system, consideration is given to the adequacy of internal accounting controls which are designed to provide reasonable, but not absolute, assurance regarding: (a) the safeguarding of assets against loss from unauthorized use or disposition and (b) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (a) the cost of a control should not exceed the benefits likely to be derived and (b) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Village's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The General Fund is the only budgeted Governmental Fund. The Village of North Palm Beach maintains budgetary controls through the annual budget public hearing and approval process for the GAAP-based budget. The formal budget approval for each fiscal year is accomplished in a manner compliant with Florida State Statute 200.065, commonly referred to as Truth-in-Millage (TRIM). The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

Property Values

The Village relies significantly on ad valorem property taxes, constituting 67% of its annual General Fund financial resources. While the area experienced substantial growth in gross assessed property values in recent years, economic downturns and real estate fluctuations have impacted the Village's financial resources. However, the community has witnessed significant residential property investments in recent years, with notable increases in gross taxable property values in 2024. The Village's gross taxable property values increased in 2024 to \$3,375,264,084 or nearly 14.30%, over 2023's valuation.

In 2016, following the completion of a design charrette process in which North Palm Beach residents described their vision for the community's future, the Village adopted the Citizens' Master Plan. It is anticipated that a viable Master Plan that identifies the highest and best use of properties on U.S. 1 and Northlake Boulevard and Alternate A1A will encourage investment in the community that will create an enhanced sense of place, active uses and an increase in Village revenues. Significant initiatives included the creation of a form-based code to encourage redevelopment in the Village's commercial corridors, which was completed in 2020 and has resulted in the submittal of applications and concept plans for the redevelopment of a number of underutilized commercial properties; the study of the US1 Corridor to determine if two of the roadway's six lanes should be repurposed for landscaping and bicycle/pedestrian traffic; and the redesign of the US1 and Prosperity Farms Road Bridges to serve as architectural features signaling the entry into the community.

Investment Revenues

The Great Recession had a significant impact on Village investment revenues. In the short-term, the Village reacted by modifying its investment strategies by directing investments towards the Treasury market to better protect and ensure the availability of the Village's investment balances. This move proved successful in safeguarding Village investments during this market free fall but impacted the interest/dividend revenues to the Village. The Village, with the assistance of the Village's Audit Committee, adopted a "revised" Investment Policy designed to provide safety and liquidity while maximizing investment return(s). The newly adopted policy provided numerous investment strategies, parameters, and safeguards. The policy additionally provided for 1/12 of the annual operating budget to be deposited in a liquid interest-bearing account so as not to impede operations should other funds be temporarily unavailable. The Audit Committee and staff, along with the Village's Investment Advisor, continue to explore other investment opportunities that will improve yields in future years while still ensuring the safety of our investments.

Personnel Costs

In recent years, the Village has implemented several retirement plan amendments followed by significant salary adjustments, which have magnified the impact and cost of retirement changes. However, these adjustments, alongside improvements in the financial markets, have positively influenced retirement plans.

Due to legislative changes and catastrophic claims losses, the Village has experienced substantial increases in annual health insurance costs over the past few years. In response, in 2018, the Village introduced a high deductible insurance plan and funded health savings accounts to manage escalating expenses. Additionally, the Village continues to prioritize Employee Wellness initiatives to mitigate healthcare costs and improve savings opportunities with providers.

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The financial considerations related to personnel salaries and benefits will persistently influence the future financial planning and service direction of our Village. Around 58% of the yearly budget is designated for wages and fringe benefits, signifying their critical role in determining staffing levels, public services, and community projects. These expenditures will continue to play a central role in defining our Village's financial framework and operational approaches in the upcoming fiscal period. As we anticipate the challenges ahead in Fiscal Year 24/25, it is evident that personnel costs, including salaries and benefits, will remain a focal point of our financial deliberations.

INITIATIVES AND FUTURE PROJECTS

For Fiscal Year 2024-25, the Village Council reiterated its vision to sustain the Village as the “Best Place to Live Under the Sun.” As part of that vision, the Council developed the following strategic themes and objectives to guide the Village’s financial plan in 2024 that is carried into 2025:

Community Culture and Character

Maintaining and respecting the quaint village ambiance, cultural heritage, and charm of North Palm Beach stands as a paramount concern for the Village Council across its policy deliberations. Examples of this commitment include safeguarding the traditional boat and RV storage at Anchorage Park, carefully regulating the size and scale of new housing developments to harmonize with the village's character, and fostering small-scale events to foster community cohesion. These initiatives underscore the Council's dedication to nurturing the distinct cultural identity and character of the community

Community Engagement

The Village Council endeavors to foster trust and strong relationships that encourage community engagement through transparent and effective communication channels. In pursuit of this objective, the Village is dedicated to enhancing communication with both residents and businesses. A notable initiative, which is growing in popularity, includes the weekly e-newsletter, which provides timely updates on upcoming meetings, Village Council discussions, construction projects, and events. Additionally, the Village prioritizes attentive listening to residents' perspectives by organizing "Public" meetings aimed at gathering individual feedback on redevelopment matters affecting the community.

Quality of Life

Quality of Life remains a paramount focus for the Village, aiming to deliver exceptional amenities, robust programming, and dependable infrastructure while prioritizing safety and well-being within the community. To achieve this goal, the Village is committed to maintaining safe, clean, and reliable infrastructure, offering high-quality and market-driven amenities and programming, and leveraging the community's distinctive natural assets, particularly our waterways. A greater focus on recreation programming, an increase in maintenance and capital investment in existing infrastructure, pedestrian improvements to the US1 and Earman River bridges and plans to improve Lighthouse Drive are all examples of initiatives taking place this year to address Quality of Life issues.

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All Neighborhoods are Safe and Desirable Places to Live

The Village Council is committed to fostering a living environment where every corner of the Village reflects a place where we would proudly have our families reside. To achieve this, the Council prioritizes excellent public safety measures, promotes and maintains aesthetic standards, and upholds codes that align with community values and needs. Emphasizing code compliance is pivotal in attaining this objective. The Citizens' Master Plan Report underscored the significance of this approach, citing "stressed" neighborhoods characterized by neglected landscapes, faded exteriors, and overgrown lawns. To address these concerns, the Village has adjusted staff schedules to ensure weekend coverage and deployed a Marine Unit Code Officer to patrol the village waterways. Furthermore, collaboration between Code and the Neighborhood Enhancement Team will engage residents in resolving quality of life issues.

People and Organizational Performance

Through this goal, the Village seeks to ensure that Village services are responsive to the community's needs and are equitably and efficiently delivered. This will be done, in part, by recruiting and retaining qualified staff. This goal is also intended to emphasize financial sustainability and fiscal responsibility through a diversified revenue stream and efficient management of resources.

Annexation of adjacent unincorporated areas and implementation of the Citizens' Master Plan Report (adopted in October, 2016), which will encourage mixed use development along the Village's commercial corridors, will assist the Village in achieving this strategic goal as well.

Economic Vitality

The Village Council is actively promoting commercial services and retail options that align with the needs and expectations of our community. Building upon insights from the Citizens' Master Plan Report, the Council has initiated the development and adoption of new regulations aimed at revitalizing our commercial districts, securing a sustainable financial future, and enriching the small-town ambiance that defines North Palm Beach.

In alignment with the Master Plan, the Village has meticulously reviewed and revised the Comprehensive Plan and Land Development regulations to streamline the development process. The introduction of the new commercial code has sparked substantial interest from developers, with the Village anticipating the review of at least one significant development application along US1 in the forthcoming year. All proposed projects will undergo thorough evaluation to ensure alignment with the objectives outlined in the Master Plan, Comprehensive Plan, and Land Development regulations.

Concurrently, the Village's Business Advisory Board will collaborate with existing businesses to assess their needs and contribute to the rejuvenation of our commercial corridors. This collaborative effort underscores our commitment to fostering a vibrant and thriving commercial landscape reflective of our community's values and aspirations.

Independent Audit

Article 11, Section 2.18 of the Village Charter requires an annual audit of the books of account, financial records and transactions of all administrative departments of the Village by independent, certified public accountants selected by the Village Council. To substantiate that this requirement has been met, the independent auditor's report is included in this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a ***Certificate of Achievement of Excellence in Financial Reporting*** to the Village of North Palm Beach for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. The Village has received this award since 1988. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the governmental unit must publish an easily readable and efficiently organized Annual Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We expect our current Annual Report will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The GFOA also presented a ***Distinguished Budget Presentation Award*** to the Village for its annual budget for the fiscal year beginning October 1, 2024. The Village has received this award since 2010. The Distinguished Budget Presentation Award is a prestigious national award that recognizes conformance with the highest principles of governmental budgeting. In order to qualify for the Distinguished Budget Presentation Award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services from the entire staff of the Finance Department.

We would like to thank the Mayor and Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of North Palm Beach's finances.

Respectfully submitted,

Charles Huff

Charles Huff
Village Manager

Samia Janjua

Samia Janjua
Deputy Village Manager

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

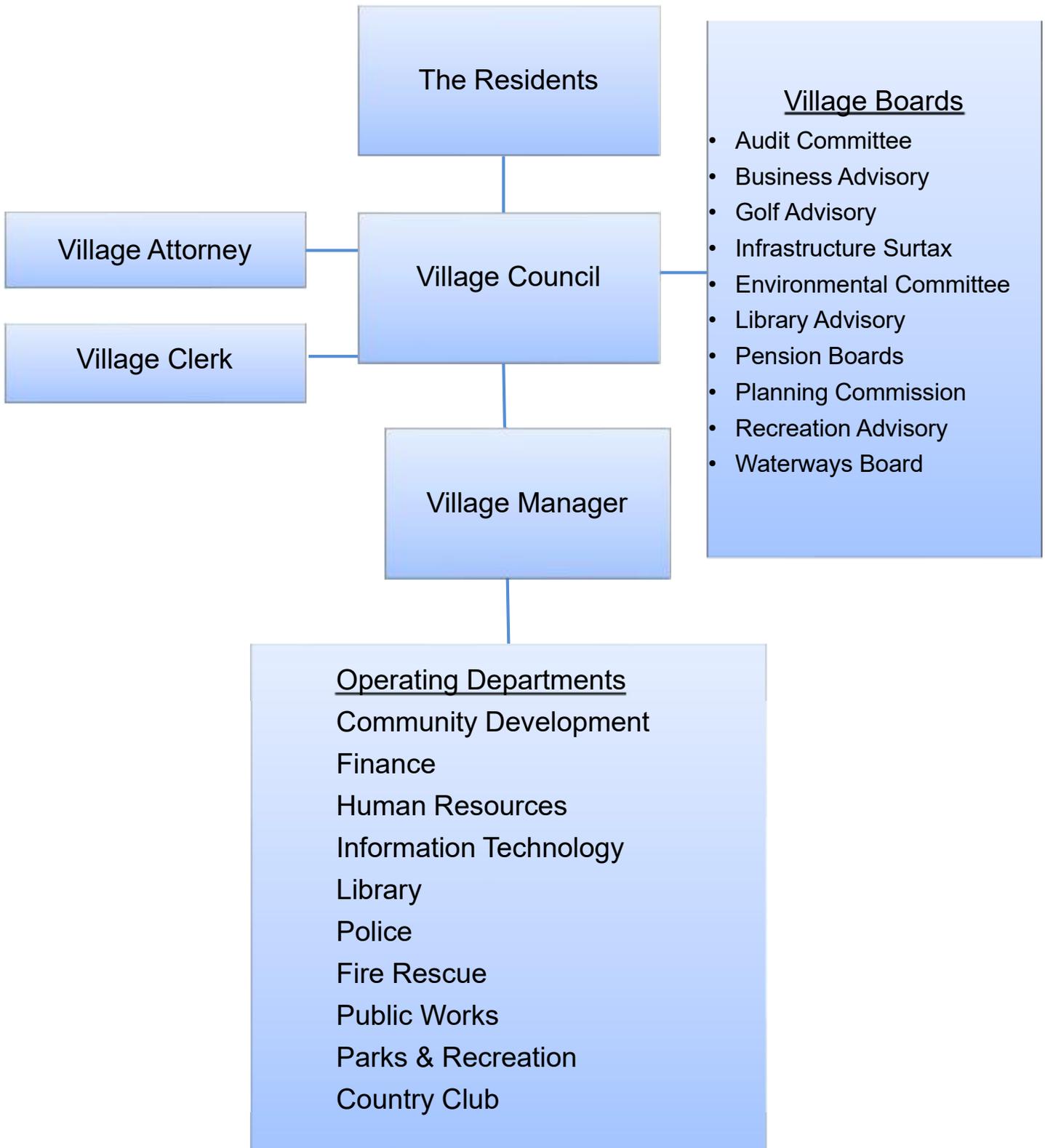
PRINCIPAL VILLAGE OFFICIALS

SEPTEMBER 30, 2024

<u>Title</u>	<u>Name</u>
Mayor	Susan Bickel
Vice Mayor	Deborah Searcy
President Pro Tem	Lisa Interlandi
Council Member	Kristin Garrison
Council Member	Orlando Puyol
Village Manager	Charles Huff
Deputy Village Manager	Samia Janjua
Director of Finance	Erica Ramirez
Village Clerk	Jessica Green

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Village of North Palm Beach Organizational Structure



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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of North Palm Beach
Florida**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the Village Council
The Village of North Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Palm Beach, Florida as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of North Palm Beach, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Palm Beach, Florida, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of North Palm Beach, Florida 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.

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Emphasis of Matter

As discussed in Note 18 to the financial statements, the beginning net position of the Governmental Activities, the General Fund, and the Country Club Fund were restated for unrecorded accrued liabilities.

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 Village of North Palm Beach, Florida'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.

Auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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

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expressing an opinion on the effectiveness of the Village of North Palm Beach, Florida'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 Village of North Palm Beach, Florida'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 14, Pension and Other Postemployment Benefit trend information on pages 84 through 90, and budgetary comparison information on pages 91 through 92 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 Village of North Palm Beach, Florida's basic financial statements. The accompanying other supplementary information 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 other

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supplementary information 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 section and the statistical section 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 March 7, 2025, on our consideration of the Village of North Palm Beach, Florida'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 Village of North Palm Beach, Florida'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 Village of North Palm Beach, Florida's internal control over financial reporting and compliance.

West Palm Beach, Florida
March 7, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Village of North Palm Beach, Florida's (the Village) Administration provides readers with this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2024. Please review it in conjunction with the accompanying transmittal letter starting on page i, as well as the accompanying basic financial statements.

TABLE 1
FINANCIAL HIGHLIGHTS
(in millions)

	September 30,		Increase/ (Decrease)	Statemen Page #
	2024	2023		
Total net position	\$55.57	\$49.79	\$5.78	15
Unrestricted net position available for future use	\$22.48	\$19.27	\$3.21	15
Governmental net position	\$47.76	\$43.00	\$4.76	15
Total revenues from all sources	\$46.94	\$43.62	\$3.32	16 - 17
Governmental revenues	\$38.57	\$35.66	\$2.91	16 - 17
Total cost of all Village programs	\$41.15	\$38.91	\$2.24	16
Governmental transfers to Business-type	\$0.45	\$1.28	(\$0.83)	17
Governmental change in net position	\$4.76	\$2.58	\$2.18	17
Proprietary change in net position	\$1.03	\$1.28	(\$0.25)	23
General fund revenues over (under) expenditures	\$5.40	\$3.37	\$2.03	20
General fund unassigned fund balance	\$19.55	\$15.27	\$4.28	18
As a percent of general fund expenditures	63.35%	52.47%	10.88%	
Change in total long-term debt for the Village	(\$1.73)	(\$1.96)	\$0.23	

USING THIS ANNUAL REPORT

This annual report comprises a series of financial statements, delineated into three components:

1. Government-wide financial statements, encompassing the Statement of Net Position and the Statement of Activities, which offer insights into the comprehensive activities of the Village.
2. Fund financial statements, elucidating the financing of services in the short term and outlining remaining resources for future expenditure. These statements also provide a detailed account of the Village's operations, focusing on its most significant funds.
3. Notes to the basic financial statements, which extend upon the information presented in the government-wide and governmental fund statements.

REPORTING ON THE VILLAGE AS A WHOLE

Statement of Net Position and the Statement of Activities (Government-wide)

A commonly asked question concerning the Village's financial health revolves around whether the year's activities positively impacted overall financial well-being. The Statement of Net Position and the Statement of Activities provide insight into the Village as a whole and its activities, aiding in addressing this question. These statements encompass all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, utilizing the accrual basis of accounting, akin to practices employed by most private-sector companies. They consider all revenues and expenses for the current year, irrespective of cash receipt or payment timing.

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These two statements present the Village's net position and changes therein. Net position, defined as the variance between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, serves as a metric for assessing the Village's financial health or position. Changes in net position over time indicate whether the financial health is improving or deteriorating.

The Statement of Net Position and the Statement of Activities provide information on the following:

- **Governmental activities:** All basic services offered by the Village fall under governmental activities, encompassing general government, community development, public safety, public services, library, and recreation. These activities are primarily funded through property taxes, sales taxes, utility taxes, and franchise fees.
- **Proprietary activities/Business-type activities:** The Village charges customers a fee to cover some or most of the costs associated with the services provided. The Village's Country Club Fund and the Stormwater Utility Fund fall under this category.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the Village as a whole. Some funds are required to be established by State law. However, management establishes other funds that aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Village's three types of funds—governmental, proprietary, and fiduciary—use different accounting approaches as explained below.

• **Governmental Funds**

Most of the Village's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out, with balances available for spending remaining at year-end. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can be converted to cash readily. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

The Village maintains nine individual governmental funds: the General Fund, two Capital Projects Funds, and six Special Revenue Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the Infrastructure Surtax Fund, and the Special Projects Fund, all of which are considered *major* funds (generally accepted accounting principles define a fund as major based on that fund's size relative to the other funds of the government; a fund may also be reported as major if the government's officials believe that fund is particularly important to financial statement users). The remaining funds are considered *non-major funds*, and data from these governmental funds are combined into a single column for an aggregated presentation. The basic governmental fund financial statements can be found on pages 18-21 of this report.

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- **Proprietary Funds**

Proprietary funds report any activity for which the costs of providing goods and services to the general public on a continuing basis are primarily financed or recovered through user charges. These funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. This is similar to that found in the private sector and provides a periodic measurement of net income.

Proprietary activities are accounted for in enterprise funds for the Country Club and Stormwater operations. The Country Club fund was the only major enterprise fund for the year ended September 30, 2024. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

- **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The funds in this category are the Village's Pension Trust Funds and Custodial Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village'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 25-26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously mentioned, the net position can serve as a valuable indicator of a government's financial standing over time. In the Village's case, its net position stood at \$55.57 million at the end of the latest fiscal year.

A considerable portion of the Village's net position (55.81%) represents its investment in capital assets, such as land, buildings, machinery, and equipment. This figure deducts any associated debt still outstanding, which was utilized to procure these assets. The Village utilizes these capital assets to deliver services to its citizens. Consequently, these assets are not liquid and cannot be utilized for future expenditure.

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Table 2
Village of North Palm Beach
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 36,550	\$ 32,853	\$ 3,151	\$ 2,401	\$ 39,701	\$ 35,254
Capital assets	35,556	35,307	7,074	6,638	42,630	41,945
Total assets	72,106	68,160	10,225	9,039	82,331	77,199
Deferred outflows of resources:	5,895	9,910	2	2	5,897	9,912
Liabilities:						
Current liabilities	2,051	1,870	2,074	1,489	4,125	3,359
Long-term liabilities	23,732	26,553	307	575	24,039	27,128
Total liabilities	25,783	28,423	2,381	2,064	28,164	30,487
Deferred inflows of resources:	4,456	6,643	37	193	4,493	6,836
Net position:						
Net investment in capital assets	24,107	22,361	6,908	6,236	31,015	28,597
Restricted	2,075	1,923			2,075	1,923
Unrestricted	21,580	18,720	901	548	22,481	19,268
Total net position	\$ 47,762	\$ 43,004	\$ 7,809	\$ 6,784	\$ 55,571	\$ 49,788

The fiscal year 2023 long-liabilities and unrestricted net position have been restated to reflect the prior period adjustment to increase the accrued payroll liability, see Note 18 for additional information.

Governmental Activities

The cost of all governmental activities this year was \$33.36 million. As shown in Table 3, Changes in Net Position, grants and those who directly benefited from the programs covered \$5.59 million of this cost, while \$27.77 million was financed through general revenues. Governmental activities increased the Village's net position by \$4.76 million, accounting for 82% of the total increase in the Village's net position.

Additional detail is shown in Table 3, which follows on the subsequent page.

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Table 3
Village of North Palm Beach
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 4,894	\$ 4,077	\$ 7,953	\$ 7,861	\$ 12,847	\$ 11,938
Operating grants and contributions	675	601			675	601
Capital grants and contributions	26	1,152	200		226	1,152
General revenues:						
Property taxes	22,472	20,000			22,472	20,000
Local option gas taxes	292	306			292	306
Local option infrastructure surtax	1,316	1,288			1,316	1,288
Utility service taxes	3,052	3,001			3,052	3,001
Sales and use taxes	1,883	1,942			1,883	1,942
Franchise taxes	1,601	1,654			1,601	1,654
Investment earnings	2,070	1,394	211	96	2,281	1,490
Miscellaneous	288	73			288	73
Gain on asset disposals	-	169				169
Total revenues	<u>38,569</u>	<u>35,657</u>	<u>8,364</u>	<u>7,957</u>	<u>46,933</u>	<u>43,614</u>
Expenses:						
Program expenses:						
General Government	4,356	3,781			4,356	3,781
Public Safety	15,916	14,963			15,916	14,963
Public Works	6,280	6,173			6,280	6,173
Community Development	2,061	1,497			2,061	1,497
Leisure Services	4,379	4,942			4,379	4,942
Interest on long-term debt	369	435			369	435
Country Club			7,333	6,941	7,333	6,941
Stormwater			456	182	456	182
Total expenses	<u>33,361</u>	<u>31,791</u>	<u>7,789</u>	<u>7,123</u>	<u>41,150</u>	<u>38,914</u>
Transfers	(450)	(1,282)	450	1,282		
Increase (decrease) in net position	4,758	2,584	1,025	2,116	5,783	4,700
Net position - beginning of year	43,004	40,420	6,784	4,668	49,788	45,088
Net position - end of year	<u>\$ 47,762</u>	<u>\$ 43,004</u>	<u>\$ 7,809</u>	<u>\$ 6,784</u>	<u>\$ 55,571</u>	<u>\$ 49,788</u>

The fiscal year 2023 program expenses and beginning net position have been restated to reflect the prior period adjustment to increase the accrued payroll liability, see Note 18 for additional information.

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The Village's programs include General Government, Public Safety, Public Works, Community Development, and Leisure Services. The net cost of each program (total cost minus revenues generated by the activities) is presented below. This net cost demonstrates the degree to which the Village's general taxes support each program.

Table 4
Village of North Palm Beach
Cost of services
(In Thousands)

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 4,356	\$ (4,139)	\$ 3,781	\$ (3,514)
Public safety	15,916	(14,688)	14,963	(13,746)
Public works	6,280	(5,657)	6,173	(5,687)
Community development	2,061	759	1,497	680
Leisure services	4,379	(3,672)	4,942	(3,227)
Interest on long-term debt	369	(369)	435	(435)
	<u>\$ 33,361</u>	<u>\$ (27,766)</u>	<u>\$ 31,791</u>	<u>\$ (25,929)</u>

At the end of the current year, as compared to the prior year, the total cost of services increased by \$1.60 million. This increase is primarily attributed to the rise in personnel costs for Public Safety and General Government.

Business-Type Activities

At the end of the current year, as compared to the prior year, Charges for Services (revenues) for the Business-type activities increased by \$0.09 million, while expenses increased by \$0.67 million. The net position of the Proprietary Funds at September 30, 2024, was \$7.80 million, reflecting an increase of \$1.02 million. This growth is mainly due to increased golf activity at the Country Club.

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FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The primary focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information aids in assessing the Village's financing requirements. Specifically, the unrestricted (unassigned/assigned) fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the close of the current fiscal year, the combined fund balance for all Governmental Funds was \$31.77 million, reflecting a \$5.30 million increase from the 2023 fund balance of \$26.47 million. Approximately 88% of the combined ending fund balance (\$27.85 million) constitutes unrestricted (unassigned/assigned) fund balance, available for discretionary government spending. The remaining fund balance (\$3.92 million) is restricted (non-spendable/restricted) to indicate commitments for various restricted purposes, thus not available for new spending.

General Fund

The General Fund serves as the primary operating fund for the Village. At the close of the current fiscal year, the unassigned fund balance of the General Fund stood at \$19.55 million, with the total fund balance reaching \$22.28 million. To gauge the General Fund's liquidity, it is pertinent to compare both the unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance constitutes 63% of total general fund expenditures, while the total fund balance represents 72% of the same amount.

The increase in the unassigned fund balance (\$19.55 million) from the 2023 figure of \$15.26 million amounts to \$4.29 million. The principal contributors to this increase are outlined below:

- Ad-Valorem taxes increased \$2.47 million due to the increase in property taxable value from \$3.38 billion to \$3.64 billion (this includes \$36.70 million in new construction).
- Investment Revenues increased \$0.69 million due to higher interest rates.
- The Village received an unbudgeted insurance reimbursement of \$0.89 million for a claim filed in the prior year related to EF-2 tornado damage from April 2023.
- Revenues for Licenses and Permits increased by \$0.46 million from last year. This is primarily a result of an increase in Building Permits.

The boost in the aforementioned revenues, coupled with effective containment of operating costs, were pivotal factors contributing to the positive impact on the Village's General Fund.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to \$439,959 and can be summarized as follows:

- Prior Year Open Purchase Order Carryover: \$439,959

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General Fund Budget Analysis

As indicated on pages 93-95 of this report, in the Schedule of Departmental Expenditures – Budget and Actual, there was an overall favorable budget-to-actual cost variance of \$0.72 million in General Fund Departmental Expenditures.

Special Projects Fund

The Village's Special Projects Fund is utilized to account for specific capital projects sanctioned by the Village Council. Appropriations within this fund remain active and carry over to subsequent years until intended expenditures are fulfilled or until they are revised or nullified. At the conclusion of the present fiscal year, the total fund balance amounted to \$4.61 million.

Infrastructure Surtax Fund

The Village's Infrastructure Surtax Fund is utilized to track surtax proceeds. On November 8, 2016, PBC voters approved a one-cent sales surtax, increasing the sales tax from 6% to 7%, effective January 1, 2017. The surtax is set to expire on December 31, 2026. The utilization of surtax proceeds is specifically earmarked for financing, planning, and constructing infrastructure, among other purposes. Appropriations within this fund remain active and carry over to subsequent years until planned expenditures are fulfilled, amended, or revoked. As of the conclusion of the current fiscal year, the total fund balance stands at \$1.70 million.

Proprietary Funds

Proprietary funds offer a more detailed breakdown of the information presented in the government-wide financial statements. As previously stated, the primary proprietary fund for the Village is the Country Club Fund. At the conclusion of the current fiscal year, the unrestricted net position for the Country Club amounted to \$0.18 million, whereas the total net position for the Country Club stood at \$6.57 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the Village are those assets used in the performance of Village functions, including equipment, buildings, land, park facilities, etc. The Village has elected to retroactively apply the capitalization requirements of GASB Statement No. 34 to major general infrastructure assets acquired in fiscal years ending after June 30, 1980, or significantly reconstructed or improved during that multiyear period.

As of September 30, 2024, and 2023, the Village's investment in capital assets for its governmental and business-type activities amounts to \$42.63 million and \$41.94 million, respectively (net of accumulated depreciation).

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Table 5
Village of North Palm Beach
Capital Assets
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 2,056	\$ 2,056	\$ 1,051	\$ 1,051	\$ 3,107	\$ 3,107
Construction in progress	2,620	2,667	191	109	2,811	2,776
Buildings and improvements	41,192	39,070	13,998	12,867	55,190	51,937
Furniture, fixtures and equipment	12,826	11,844	1,226	1,059	14,052	12,903
Total assets	58,694	55,637	16,466	15,086	75,160	70,723
Less accumulated depreciation	(23,139)	(20,331)	(9,392)	(8,448)	(32,531)	(28,779)
Net position	\$ 35,555	\$ 35,306	\$ 7,074	\$ 6,638	\$ 42,629	\$ 41,944

Additional information on the Village's capital assets can be found in Note 5 on pages 48 to 50 of this report.

Debt

Currently, the Village utilizes debt financing on an as-needed basis each year. At the end of the current fiscal year, the Village had a total long-term debt of \$11.62 million, with \$11.45 million in governmental activities and \$0.17 million in business-type activities. None of the Village's long-term debt consists of debt backed by the full faith and credit of the government.

Table 6
Village of North Palm Beach
Outstanding Debt
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Loans payable	\$ 9,010	\$ 9,980	\$	\$ 195	\$ 9,010	\$ 10,175
Lease liability			166	207	166	207
Financing contracts	2,439	2,965			2,439	2,965
Total	\$ 11,449	\$ 12,945	\$ 166	\$ 402	\$ 11,615	\$ 13,347

Additional information on the Village's debt can be found in Note 6 on pages 50 through 54 of this report.

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NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The Village's Unassigned Fund Balance is considered by the Administration as a gauge of Village financial stability. The unassigned general fund balance increased to \$19.55 million during the 2024 fiscal year primarily due to increases in several revenue categories.

The FY 2024/25 Budget reflects ongoing enhancements to citizen services, public safety, and public facility maintenance while placing emphasis on improving community appearance and financial stability. Most importantly, the budget provides essential resources for the Village of North Palm Beach to maintain and further enhance services for residents without dipping into the General Fund Unassigned Fund Balance. The Village's operating millage rate was increased to \$7.40 mils.

The Village's financial plan embodies an assertive approach to adequately sustain infrastructure and address organizational gaps to deliver services to the community. While the budget allocates resources to enhance the Village's ability to handle service and maintenance demands annually, there are also notable capital investments planned for the upcoming fiscal year. Enhancing the dry storage area in Anchorage Park and providing funding to Palm Beach County to incorporate aesthetic features and pedestrian amenities into their design of the Prosperity Farms Road Bridge Replacement Project are distinctive investments for the upcoming year.

These forthcoming investments will result in increased expenditures; however, rising property valuations and sustained state and national economic growth will mitigate the impact of these projects on the annual financial plan.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is intended to offer our citizens, taxpayers, customers, investors, and creditors a comprehensive overview of the Village's finances, demonstrating the Village's accountability for the funds it receives. If you have inquiries regarding this report or require further financial details, please reach out to the Finance Department of the Village of North Palm Beach, located at 501 U.S. Highway 1, North Palm Beach, Florida 33408.

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BASIC FINANCIAL STATEMENTS

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Statement of Net Position

September 30, 2024

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 20,346,049	\$ 4,388,254	\$ 24,734,303
Investments	10,473,428		10,473,428
Accounts receivable	561,784	118,038	679,822
Lease - receivable current portion	81,420		81,420
Accrued interest	82,336		82,336
Inventories	94,324	124,962	219,286
Prepays	48,888	19,557	68,445
Due from other governments	394,207	199,999	594,206
Internal balances	1,700,000	(1,700,000)	
Non-current assets			
Lease - receivable	2,767,936		2,767,936
Capital assets:			
Nondepreciable	4,676,276	1,242,576	5,918,852
Depreciable (net of depreciation)	30,879,670	5,831,659	36,711,329
Total assets	<u>72,106,318</u>	<u>10,225,045</u>	<u>82,331,363</u>
Deferred outflows of resources			
Other postemployment benefits related items	26,384	1,595	27,979
Pension related items	5,868,179		5,868,179
Total deferred outflows of resources	<u>5,894,563</u>	<u>1,595</u>	<u>5,896,158</u>
Liabilities			
Accounts payable	970,631	577,951	1,548,582
Deposits		76,469	76,469
Accrued liabilities	738,930	64,594	803,524
Unearned revenue	234,374	1,355,426	1,589,800
Accrued interest payable	107,691		107,691
Noncurrent liabilities:			
Due within one year	2,954,821	224,915	3,179,736
Due in more than one year	20,776,676	81,667	20,858,343
Total liabilities	<u>25,783,123</u>	<u>2,381,022</u>	<u>28,164,145</u>
Deferred inflows of resources			
Deferred revenue	218,610		218,610
Leases	2,614,006		2,614,006
Other postemployment benefits related items	905,971	36,405	942,376
Pension related items	717,157		717,157
Total deferred inflows of resources	<u>4,455,744</u>	<u>36,405</u>	<u>4,492,149</u>
Net position			
Net investment in capital assets	24,106,574	6,907,891	31,014,465
Restricted for:			
Infrastructure	1,697,294		1,697,294
Public safety	144,472		144,472
Enforcement of the Florida Building Code	131,966		131,966
Other purposes	101,912		101,912
Unrestricted	21,579,796	901,322	22,481,118
Total net position	<u>\$ 47,762,014</u>	<u>\$ 7,809,213</u>	<u>\$ 55,571,227</u>

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Statement of Activities For the Year Ended September 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Government:		
Governmental activities		
General government	\$ 4,355,400	\$ 189,169
Public safety	15,916,330	630,561
Public works	6,280,133	566,205
Community development and planning	2,060,806	2,819,348
Leisure services	4,379,178	688,903
Interest expense	369,135	
Total governmental activities	<u>33,360,982</u>	<u>4,894,186</u>
Business-type activities - country club	7,332,550	7,486,328
Business-type activities - stormwater	455,998	466,472
Total business-type activities	<u>7,788,548</u>	<u>7,952,800</u>
Total government	<u>\$ 41,149,530</u>	<u>\$ 12,846,986</u>

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Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 27,450	\$	\$ (4,138,781)	\$	\$ (4,138,781)
576,346	21,203	(14,688,220)		(14,688,220)
56,667		(5,657,261)		(5,657,261)
		758,542		758,542
14,170	4,330	(3,671,775)		(3,671,775)
		(369,135)		(369,135)
<u>674,633</u>	<u>25,533</u>	<u>(27,766,630)</u>		<u>(27,766,630)</u>
	49,999		203,777	203,777
	150,000		160,474	160,474
	<u>199,999</u>		<u>364,251</u>	<u>364,251</u>
<u>\$ 674,633</u>	<u>\$ 225,532</u>	<u>(27,766,630)</u>	<u>364,251</u>	<u>(27,402,379)</u>
General Revenues:				
Taxes:				
Property taxes		22,472,458		22,472,458
Local option gas taxes		291,717		291,717
Local option infrastructure surtax		1,316,252		1,316,252
Utility service taxes		3,052,329		3,052,329
Franchise taxes		1,600,774		1,600,774
Sales and use taxes		1,883,159		1,883,159
Investment income - unrestricted		2,070,430	210,779	2,281,209
Miscellaneous		287,572		287,572
Transfers		<u>(450,000)</u>	<u>450,000</u>	
Total general revenues and transfers		<u>32,524,691</u>	<u>660,779</u>	<u>33,185,470</u>
Change in net position		4,758,061	1,025,030	5,783,091
Net position - beginning, as previously presented		43,526,574	6,848,777	50,375,351
Prior period adjustment		(522,621)	(64,594)	(587,215)
Net position - beginning, as restated		<u>43,003,953</u>	<u>6,784,183</u>	<u>49,788,136</u>
Net position, end of year		<u>\$ 47,762,014</u>	<u>\$ 7,809,213</u>	<u>\$ 55,571,227</u>

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Balance Sheet Governmental Funds September 30, 2024

	General	Infrastructure Surtax Fund	Special Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 10,570,529	\$ 1,563,551	\$ 4,925,958	\$ 3,286,011	\$ 20,346,049
Investments	10,473,428				10,473,428
Accounts receivable	561,784				561,784
Lease receivable	2,849,356				2,849,356
Accrued interest	82,336				82,336
Inventories	94,324				94,324
Prepays	48,888				48,888
Advances to other funds	1,700,000				1,700,000
Due from other governments	260,464	133,743			394,207
Total assets	\$ 26,641,109	\$ 1,697,294	\$ 4,925,958	\$ 3,286,011	\$ 36,550,372
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ 550,997	\$	\$ 319,329	\$ 100,305	\$ 970,631
Accrued liabilities	738,930				738,930
Unearned revenue	234,374				234,374
Total liabilities	1,524,301		319,329	100,305	1,943,935
Deferred inflows of resources					
Deferred revenue	218,610				218,610
Leases	2,614,006				2,614,006
Total deferred inflows of resources	2,832,616				2,832,616
Fund balances					
Nonspendable:					
Inventories and prepaids	143,212				143,212
Advances to other funds	1,700,000				1,700,000
Restricted for:					
Recreation	3,592				3,592
Infrastructure		1,697,294			1,697,294
Streets and roads	92,219				92,219
Public safety	144,472				144,472
Enforcement of the Florida Building Code	131,966				131,966
Library	3,328				3,328
Other purposes	2,773				2,773
Assigned for:					
Small business grants	16,435				16,435
Neighborhood enhancement team	111,200				111,200
Subsequent year's expenditures	385,081		1,254,049		1,639,130
Special revenue funds				196,202	196,202
Capital project funds			3,352,580	2,989,504	6,342,084
Unassigned	19,549,914				19,549,914
Total fund balances	22,284,192	1,697,294	4,606,629	3,185,706	31,773,821
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,641,109	\$ 1,697,294	\$ 4,925,958	\$ 3,286,011	\$ 36,550,372

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position September 30, 2024

Fund balances - total governmental funds \$ 31,773,821

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:

Governmental capital assets	\$ 58,694,702	
Less: accumulated depreciation	<u>(23,138,756)</u>	
		35,555,946

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. Long term liabilities at year-end consist of:

Accrued interest payable	(107,691)	
Revenue notes	(9,010,000)	
Contracts that transfer ownership	(2,439,372)	
Net pension liability	(10,003,131)	
Other postemployment benefits	(588,479)	
Accrued compensated absences	<u>(1,690,515)</u>	
		(23,839,188)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Other postemployment benefits deferred outflows	26,384	
Other postemployment benefits deferred inflows	(905,971)	
Pension related deferred outflows	5,868,179	
Pension related deferred inflows	<u>(717,157)</u>	
		<u>4,271,435</u>

Net position of governmental activities \$ 47,762,014

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	General	Infrastructure Surtax Fund	Special Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 27,417,278	\$	\$	\$	\$ 27,417,278
Licenses and permits	2,171,127				2,171,127
Intergovernmental	1,983,694	1,316,252		872,449	4,172,395
Charges for services	2,423,911				2,423,911
Fines and forfeitures	241,367				241,367
Investment	1,730,635	88,917	250,878		2,070,430
Miscellaneous	289,355				289,355
Total revenues	<u>36,257,367</u>	<u>1,405,169</u>	<u>250,878</u>	<u>872,449</u>	<u>38,785,863</u>
Expenditures					
Current					
General government	4,203,715				4,203,715
Public safety	13,491,811			572,449	14,064,260
Public works	5,395,273				5,395,273
Community development and planning	1,993,644				1,993,644
Leisure services	3,462,501				3,462,501
Capital outlay	419,400	1,457,294	910,927	201,233	2,988,854
Debt service					
Principal	1,496,211				1,496,211
Interest	398,106				398,106
Total expenditures	<u>30,860,661</u>	<u>1,457,294</u>	<u>910,927</u>	<u>773,682</u>	<u>34,002,564</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,396,706</u>	<u>(52,125)</u>	<u>(660,049)</u>	<u>98,767</u>	<u>4,783,299</u>
Other financing sources (uses)					
Insurance proceeds	972,932				972,932
Transfers in			725,000	700,194	1,425,194
Transfers out	(1,875,194)				(1,875,194)
Total other financing sources (uses)	<u>(902,262)</u>		<u>725,000</u>	<u>700,194</u>	<u>522,932</u>
Net change in fund balances	4,494,444	(52,125)	64,951	798,961	5,306,231
Fund balances					
Beginning of year, as previously presented	18,312,369	1,749,419	4,541,678	2,386,745	26,990,211
Prior period adjustment	(522,621)				(522,621)
Beginning of year, as restated	<u>17,789,748</u>	<u>1,749,419</u>	<u>4,541,678</u>	<u>2,386,745</u>	<u>26,467,590</u>
End of year	<u>\$ 22,284,192</u>	<u>\$ 1,697,294</u>	<u>\$ 4,606,629</u>	<u>\$ 3,185,706</u>	<u>\$ 31,773,821</u>

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds \$ 5,306,231

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:

Expenditures for capital assets	\$ 3,286,095	
Less: current year depreciation	(2,990,002)	
Net book value for retired assets	<u>(46,623)</u>	249,470

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets of governmental activities:

Principal payments on debt	1,496,211
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Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability:

Prior year unavailable grant revenue	(1,174,035)
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Expenses that do not use current financial resources are not reported on the governmental funds but are included in the statement of activities:

Change in accrued interest payable	28,971	
Change in long-term compensated absences	(83,467)	
Change in net pension liability and related deferred amounts	(1,427,440)	
Change in other postemployment benefits and deferred amounts	<u>362,120</u>	<u>(1,119,816)</u>

Change in net position \$ 4,758,061

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Statement of Net Position

Proprietary Funds

September 30, 2024

	<u>Country Club Enterprise Fund</u>	<u>Nonmajor Enterprise Fund</u>	<u>Total Enterprise Funds</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 3,794,118	\$ 594,136	\$ 4,388,254
Accounts receivable	115,174	2,864	118,038
Due from other governments	49,999	150,000	199,999
Inventories	124,962		124,962
Prepays	19,557		19,557
Total current assets	<u>4,103,810</u>	<u>747,000</u>	<u>4,850,810</u>
Non-current assets			
Capital assets, net	<u>6,556,399</u>	<u>517,836</u>	<u>7,074,235</u>
Total non-current assets	<u>6,556,399</u>	<u>517,836</u>	<u>7,074,235</u>
Total assets	<u>10,660,209</u>	<u>1,264,836</u>	<u>11,925,045</u>
Deferred outflows of resources			
Other postemployment benefits related items	<u>1,595</u>		<u>1,595</u>
Total deferred outflows of resources	<u>1,595</u>		<u>1,595</u>
Liabilities			
Current liabilities			
Accounts payable	552,934	25,017	577,951
Accrued liabilities	64,594		64,594
Deposits	76,469		76,469
Unearned revenue	1,355,426		1,355,426
Lease liability - current portion	166,344		166,344
Compensated absences - current portion	58,571		58,571
Loans payable - current portion			
Total current liabilities	<u>2,274,338</u>	<u>25,017</u>	<u>2,299,355</u>
Non-current liabilities			
Other postemployment benefits	35,571		35,571
Compensated absences	46,096		46,096
Advances from other funds	1,700,000		1,700,000
Total non-current liabilities	<u>1,781,667</u>		<u>1,781,667</u>
Total liabilities	<u>4,056,005</u>	<u>25,017</u>	<u>4,081,022</u>
Deferred inflows of resources			
Other postemployment benefits related items	<u>36,405</u>		<u>36,405</u>
Total deferred inflows of resources	<u>36,405</u>		<u>36,405</u>
Net position			
Net investment in capital assets	6,390,055	517,836	6,907,891
Unrestricted	179,339	721,983	901,322
Total net position	<u>\$ 6,569,394</u>	<u>\$ 1,239,819</u>	<u>\$ 7,809,213</u>

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2024

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Operating revenue			
Greens fee/cart rentals/golf membership fees	\$ 4,869,635	\$	\$ 4,869,635
Golf shop revenues	762,474		762,474
Driving range revenues	600,505		600,505
Restaurant revenues	271,374		271,374
Tennis revenues	692,721		692,721
Pool revenues	212,843		212,843
Stormwater assessments		466,472	466,472
Miscellaneous	76,776		76,776
Total operating revenues	<u>7,486,328</u>	<u>466,472</u>	<u>7,952,800</u>
Operating expenses			
Golf course maintenance expenses	1,871,122		1,871,122
Clubhouse grounds expenses	574,076		574,076
Golf shop expenses	1,893,310		1,893,310
Food and beverage expenses	350,990		350,990
Tennis expenses	709,858		709,858
Pool expenses	354,457		354,457
Administrative and general	460,674	1,329	462,003
Repairs and maintenance		419,685	419,685
Amortization	162,279		162,279
Depreciation	910,768	34,984	945,752
Total operating expenses	<u>7,287,534</u>	<u>455,998</u>	<u>7,743,532</u>
Operating income	<u>198,794</u>	<u>10,474</u>	<u>209,268</u>
Nonoperating revenues (expenses)			
Interest revenue	177,013	33,766	210,779
Interest expense	(45,016)		(45,016)
Total nonoperating revenues (expenses)	<u>131,997</u>	<u>33,766</u>	<u>165,763</u>
Income (loss) before capital contributions and transfers	330,791	44,240	375,031
Capital contributions	49,999	150,000	199,999
Transfers in	<u>450,000</u>		<u>450,000</u>
Change in net position	830,790	194,240	1,025,030
Net position - beginning, as previously presented	5,803,198	1,045,579	6,848,777
Prior period adjustment	(64,594)		(64,594)
Net position - beginning, as restated	<u>5,738,604</u>	<u>1,045,579</u>	<u>6,784,183</u>
Net position - ending	<u>\$ 6,569,394</u>	<u>\$ 1,239,819</u>	<u>\$ 7,809,213</u>

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Statement of Cash Flows

Proprietary Fund

For the Year Ended September 30, 2024

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 7,629,687	\$ 466,109	\$ 8,095,796
Payments to suppliers for goods or services	(3,848,088)	(443,560)	(4,291,648)
Payments to employees for services	(1,988,641)		(1,988,641)
Net cash Provided by operating activities	<u>1,792,958</u>	<u>22,549</u>	<u>1,815,507</u>
Cash flows from non-capital financing activities:			
Transfers in	<u>450,000</u>		<u>450,000</u>
Net cash provided by non-capital financing activities:	<u>450,000</u>		<u>450,000</u>
Cash flows from capital and related financing activities:			
Principal paid on long term debt	(356,546)		(356,546)
Interest paid on debt	(45,016)		(45,016)
Acquisition of capital assets	(1,357,108)	(66,183)	(1,423,291)
Net cash provided (used) by capital and related financing activities	<u>(1,758,670)</u>	<u>(66,183)</u>	<u>(1,824,853)</u>
Cash flows from investing activities:			
Interest and dividends on investments	<u>181,139</u>	<u>33,766</u>	<u>214,905</u>
Net increase (decrease) in cash and cash equivalents	665,427	(9,868)	655,559
Cash and cash equivalents at beginning of year	3,128,691	604,004	3,732,695
Cash and cash equivalents at end of year	<u>\$ 3,794,118</u>	<u>\$ 594,136</u>	<u>\$ 4,388,254</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>\$ 198,794</u>	<u>\$ 10,474</u>	<u>\$ 209,268</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,073,047	34,984	1,108,031
Change in OPEB liability and related deferred amounts	278		278
Change in assets and liabilities			
Increase in accounts receivable	(29,815)	(363)	(30,178)
(Increase) decrease in inventory	(20,184)		(20,184)
(Increase) decrease in prepaids	1,327		1,327
Increase (decrease) in accounts payable	370,465	(22,546)	347,919
Increase (decrease) in compensated absences payable	25,872		25,872
Increase (decrease) in deposits	17,809		17,809
Increase (decrease) in deferred revenue	155,365		155,365
Total adjustments	<u>1,594,164</u>	<u>12,075</u>	<u>1,606,239</u>
Net cash provided by operating activities	<u>\$ 1,792,958</u>	<u>\$ 22,549</u>	<u>\$ 1,815,507</u>
Noncash investing, capital and financing activities			
Assets acquired through a right to use lease	<u>\$ 122,748</u>	<u>\$</u>	<u>\$ 122,748</u>

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Statement of Fiduciary Net Position

Fiduciary Funds

September 30, 2024

	Employee Retirement Funds	Custodial Fund
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	\$ 1,708,535	\$ 356,112
Investments:		
Domestic common equity securities	11,767,503	
International common equity securities	3,888,630	
U.S. Government and agencies	8,941,202	
Municipal bonds	933,741	
Domestic corporate bonds	4,532,000	
International corporate bonds	432,581	
Domestic equity exchange traded funds	3,305,326	
International equity exchange traded funds	842,249	
Fixed income mutual funds	2,225,802	
Domestic equity mutual funds	15,417,737	
International equity mutual funds	3,271,978	
Real estate investment fund	2,988,698	
Money market mutual funds	678,711	
Accrued interest and dividends	118,540	
Accounts receivable	111,200	
Accounts receivable, broker-dealers	2,212,276	
Prepays	8,578	
Total assets	<u>63,385,287</u>	<u>356,112</u>
Liabilities		
Accounts payable	71,219	
Total liabilities	<u>71,219</u>	
Net position		
Restricted for pensions	63,314,068	
Restricted for individuals, organizations, and other governments		356,112
	<u>\$ 63,314,068</u>	<u>\$ 356,112</u>

See notes to the financial statements.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended September 30, 2024

	Employee Retirement Funds	Custodial Fund
Additions		
Contributions		
Employer	\$ 1,191,511	\$
Plan members	661,305	
DROP contributions	25,263	
State on-behalf payments	551,246	
Total contributions	<u>2,429,325</u>	
Investment earnings		
Dividends and interest	1,372,441	16,821
Change in fair value of investments	<u>10,451,005</u>	
Total investment earnings	11,823,446	16,821
Less: investment expenses	<u>245,817</u>	
Total net investment earnings	<u>11,577,629</u>	<u>16,821</u>
Total additions	<u>14,006,954</u>	<u>16,821</u>
Deductions		
Administrative expense	181,206	
Lump sum DROP distributions	4,801	
Benefits	2,052,197	
Total deductions	<u>2,238,204</u>	
Change in net position	11,768,750	16,821
Net position - beginning	<u>51,545,318</u>	<u>339,291</u>
Net position - ending	<u>\$ 63,314,068</u>	<u>\$ 356,112</u>

See notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Village of North Palm Beach, Florida (“the Village”) was incorporated in 1956 pursuant to Chapter 31481, Laws of Florida, Extraordinary Session 1956. The Village is located in the northeast portion of Palm Beach County, Florida. Its municipal area comprises approximately 1,900 acres of land and 1,200 acres of lakes, canals and lagoons. The Village’s nonseasonal population consists of approximately 13,000 residents, which increases during the winter months to approximately 18,000 people. The Village operates under the Council-Manager form of government and provides the following services to its residents: public safety, planning and zoning, sanitation, library, parks, marinas, and a country club. The Village Council (the “Council”) is responsible for legislative and fiscal control of the Village.

As required by generally accepted accounting principles, these financial statements include the Village (the primary government) and its component units. Component units are legally separate entities for which the Village is financially accountable. The Village is financially accountable if:

- it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village, or
- the organization is fiscally dependent on the Village and (1) there is a potential for the organization to provide specific financial benefits to the Village or (2) impose specific financial burdens on the Village.

Organizations for which the Village is not financially accountable are also included when doing so is necessary in order to prevent the Village’s financial statements from being misleading.

Based upon application of the above criteria, the Village of North Palm Beach has determined that there are two legally separate entities to consider as potential component units. The Village of North Palm Beach General Employees’ Retirement Fund and the Village of North Palm Beach Fire and Police Retirement Fund are component units as they are fiscally dependent on and impose a specific financial burden on the Village. They are reported in the Village’s financial statements as pension trust funds in the fiduciary fund’s financial statements.

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 non-fiduciary activities of the Village. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

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 are offset by program revenues. Direct expenses are those 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 operational 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 and the major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and proprietary fund financial statements are reported using the accrual basis of accounting and the economic resources measurement focus. Fiduciary funds use the accrual basis of accounting and the economic resources measurement focus. 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 revenue 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 enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 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 claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, licenses, intergovernmental revenue, investment income, and charges for services are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenues are considered to be measurable and available only when received in cash by the Village.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Village reports the following major governmental funds:

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 Village except those required to be accounted for in another fund.

Infrastructure Surtax Fund

The Infrastructure Surtax Fund is a special revenue fund used to account for the surtax proceeds which are restricted to, among other things, the financing, planning and construction of infrastructure.

Special Projects Fund

The Special Projects Fund is a capital projects fund.

The Village reports the following major proprietary fund:

Country Club Enterprise Fund

The fund accounts for the activities related to the Country Club.

The Village reports the following nonmajor proprietary fund.

Stormwater Utility Fund

The Stormwater Utility Fund is used to account for the charges and related expenses for the Village's stormwater drainage system.

Additionally, the Village reports the following fund types:

Special Revenue Funds

The Village has four special revenue funds to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific sources. The funds are the Public Safety Fund, Northlake Boulevard Fund, Recreation, and On-Behalf Pension Contributions.

Capital Projects Fund

The capital projects fund is used to account for the cost of acquiring, constructing, and placing into service those capital improvements, which are associated with activities in the General Fund.

Employee Retirement Funds

The pension trust funds are fiduciary funds that account for the activities of the General Employees Retirement Fund and the Fire and Police Officers Retirement Fund, which accumulate resources for pension benefits to qualified employees.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Custodial Funds

The Custodial Funds account for assets that are held for individuals, organizations and other governments, that cannot be used to finance the Village's own programs, and are not required to be reported in another fiduciary fund type. The custodial fund is the Manatee Protection Fund, in which the assets are held for the protection of manatees through the enforcement of boat speed zones on the intracoastal and inland waterways.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's country club and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds 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 non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as needed.

D. Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash, deposits in checking accounts, money market mutual funds, investments with Florida Prime managed by the State of Florida, State Board of Administration and Florida Public Assets for Liquidity Management (FL Palm) sponsored by Florida School Boards Association and the Florida Association of District School Superintendents

For purposes of determining cash equivalents, the Village has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased, as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Accounts Receivable

Accounts receivable of the General Fund consists of billed and unbilled receivables.

Concentration of Credit Risk

The Village performs ongoing credit evaluations of its customers and does not require collateral. The Village maintains an allowance for uncollectible accounts at a level which management believes is sufficient to cover potential credit losses.

Investments

Investments are reported at fair value as required by generally accepted accounting principles. The fair value of an investment is the amount that the Village could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. Purchases and sales of investments are recorded on a trade date basis.

Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to” or “due from other funds”. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Transfers and interfund balances totally within governmental activities and those that are totally within business-type activities are eliminated and not presented in the government-wide financial statements. Transfers and balances between governmental and business-type activities are presented in the government-wide financial statements.

Inventories and Prepaid Items

Inventories are valued at cost determined on a first-in, first-out basis (FIFO). The costs of governmental fund type inventory are recorded as expenditures when consumed rather than when purchased. Inventories in the Enterprise Fund consist of goods for sale to the public. The initial cost is recorded as an asset at the time the individual inventory items are purchased and are charged against operations in the period when used.

Payments made to vendors for services that will benefit future periods are reported as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting an expenditure in the year in which the services are consumed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Capital Assets and Depreciation

Capital assets, which include property, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The Village capitalizes all land purchases. The capitalization policy for other assets are items with an estimated life in excess of one year and an initial individual cost of \$250,000 for infrastructure, \$25,000 for land improvements, \$50,000 for buildings and building improvements, and \$5,000 for equipment and vehicles. The Village has elected to retroactively apply the capitalization requirements of GASB Statement No. 34 to major general infrastructure assets acquired in fiscal years ending after June 30, 1980, or that were significantly reconstructed or improved during that multi-year period. Infrastructure is reported in buildings and improvements.

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by the fund's measurement focus. General capital assets are assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost, except for intangible right-to-use lease assets, the measurement of which is discussed in note 7. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

Capital assets of the Enterprise Fund are capitalized in the fund. The valuation basis for Enterprise Fund capital assets is the same as those used for General capital assets.

Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, lease assets, and infrastructure are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings, improvements and infrastructure	5-30 years
Golf course improvements	5-30 years
Machinery and Equipment	3-15 years
Vehicles	3-20 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Leases

Lease contracts that provide the Village with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as an intangible right to use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right to use asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Lease assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Lease contracts that provide an external entity with control of the Village's non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a lease receivable with a related lease deferred inflow of resources. The lease receivable is recorded at the present value of future lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. The lease deferred inflow of resources is recorded for the same amount as the related lease receivable less any lease incentives. Lease deferred inflow of resources are amortized over the lease term. The lease receivable is reduced for lease payments made, less the interest portion of the lease payment.

Deferred Outflows and Inflows of Resources

The statement of net position includes a separate section for deferred outflows of resources. This represents the usage of net assets applicable to future periods and will not be recognized as expenditures until the future period to which it applies.

The Village reports deferred pension items in connection with its two Retirement Systems. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods. The Village also reports deferred OPEB items in connection to Other Post-Employment Benefits, which are amortized in a systemic and rational method and recognized as an expense in future periods.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Deferred Outflows and Inflows of Resources (Continued)

The statement of net position also includes a separate section, listed below total liabilities, for deferred inflows of resources. This represents the acquisition of net assets applicable to future periods and will not be recognized as revenue until the future period to which it applies. The Village currently has four types of deferred inflows. The first is local business tax revenues received prior to the period for which the taxes are levied, these are recognized as income in the period for which they are levied. The second is deferred pension items in connection with its two Retirement Systems. The third is deferred OPEB items in connection to Other Post-Employment Benefits. The fourth are the deferred lease revenues receivable. These items are amortized in a systemic and rational method and recognized as a reduction of expense in future periods.

Unearned Revenue

The Village reports unearned revenue on its statements of net position and governmental funds balance sheet. Unearned revenue arises when resources are obtained prior to revenue recognition. In subsequent periods, when revenue recognition criteria are met the unearned revenue is removed and revenue is recognized.

Compensated Absences

The Village's employees are granted compensated absence pay for vacation and sick leave in varying amounts based on length of service. Unused compensated absences are payable upon separation from service. Vacation is accrued as a liability when the employee earns benefits. This means that the employee has rendered services that give rise to a vacation liability, and it is probable that the Village will compensate the employee in some manner, e.g., in cash or paid time-off, now or upon termination or retirement. The Village uses the vesting method in accruing sick leave liability. Under the vesting method, the liability for sick leave is accrued for employees who are eligible to receive termination payments upon separation.

Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if the amounts have matured, for example, as a result of employee resignations or retirements. For the governmental funds, compensated absences are liquidated by the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type 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.

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, are reported as debt service expenditures.

Fund Net Position

Fund Net Position in the government-wide statement of net position and the proprietary fund is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Restricted net position is reported when there are legal limitations imposed on their use by Village legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

Fund Balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following categories:

- Nonspendable fund balance represents amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance represents amounts that can be spent only for specific purposes stipulated by external providers (e.g. creditors, grantors, contributor, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Fund Balance (Continued)

Fund Balance (Continued)

- Committed fund balance represents amounts that can be used only for the specific purposes pursuant to constraints imposed by Village Commission by the adoption of an ordinance, the Village's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Village removes or changes the specified use by the adoption of an ordinance.
- Assigned fund balance includes spendable fund balance amounts that are intended to be used for specific purposes, as expressed by the Village Commission or Village Manager, in accordance with the Villages fund balance policy, that are neither considered restricted nor committed. The Small Business Grants is a program the Village Council approved to provide matching grants of up to \$7,500 for improvements to small business properties. The Neighborhood Enhancement Team was established to address properties in the Village needing support.
- Unassigned fund balance is the residual fund balance classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed. The Village will first use committed fund balance, then assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred inflows and outflows, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include the collectability of accounts receivable, the use and recoverability of inventory, the useful lives and impairment of tangible assets, and the realization of net pension assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Formal budgetary integration is employed as a management control device during the year for the General Fund and the Enterprise Fund. The only governmental fund with a legally adopted annual budget is the General Fund.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Data (Continued)

This budget is adopted on a basis consistent with generally accepted accounting principles. Except for budgeting capital expenditures and not budgeting for depreciation, the annual appropriated budgets for the Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles. For budgeting purposes, current year encumbrances are not treated as expenditures.

The procedures for establishing budgetary data are as follows:

- In July of each year, the Village Manager submits a proposed operating budget to the Council for the next fiscal year commencing the following October 1st. The proposed budget includes expenditures and the means of financing them.
- During the months of July, August and September, the Council holds public meetings to obtain taxpayer comments.
- Upon completion of the public hearings and prior to October 1st, a final operating budget is legally enacted through the passage of an ordinance. Estimated beginning fund balances are considered in the budgetary process.
- Any change to the total fund expenses must be approved by the Village Council.
- Appropriations along with encumbrances lapse on September 30th.

Budgeted amounts are as originally adopted, or as amended by appropriate action. During the year, several supplementary appropriations were necessary.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders or contracts) outstanding at year end are reported assigned fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The General Fund had \$385,081 the Infrastructure Surtax Fund had \$102,407, and the Special Projects Fund had \$1,105,493 in outstanding encumbrances at year-end.

B. 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 the County Tax Collector. 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 rolls meet all of the appropriate requirements of State law.

The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The tax levy of the Village is established by the Council prior to October 1st of each year during the budget process.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. Property Taxes (Continued)

The Palm Beach County Property Appraiser incorporates the Village'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 Village for the year ended September 30, 2024, was 6.9000 (\$6.9000 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 1 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. The certificate holder may make application for a tax deed on any unredeemed tax certificate after a period of two years. The County holds unsold certificates. 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, 2024, unpaid delinquent taxes are not material and have not been recorded by the Village.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2024, the carrying amount of the Village's deposits (including fiduciary funds) was \$5,199,358 and the bank balances totaled \$5,359,094. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Village's deposits at year end are considered insured for custodial credit risk purposes.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

A reconciliation of deposit and investments as shown on the statement of net position and statement of fiduciary net position for the Village is as follows:

By Category:

Deposits	\$ 5,199,358
Petty cash	4,056
Investments	<u>91,295,122</u>
Total deposits and investments	<u>\$96,498,536</u>

Presented in the statement of net position

Governmental activities	
Cash and cash equivalents	\$20,346,049
Investments	10,473,428
Business-type activities	
Cash and cash equivalents	<u>4,388,254</u>
Total statements of net position	<u>35,207,731</u>

Presented in the statement of fiduciary net position

Pension trust funds	
Cash and cash equivalents	1,708,535
Investments	59,226,158
Custodial funds	
Cash and cash equivalents	<u>356,112</u>
Total fiduciary funds	<u>61,290,805</u>

Total deposits and investments \$96,498,536

Investments

The Village categorizes its investments according to the fair value hierarchy established GASB *Statement No. 72, Fair Value Measurement and Application*. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The money market mutual funds consist of investments with financial institutions in open end, institutional, money market funds complying with Securities and Exchange Commission (SEC) Rule 2a7. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount.

The Florida Public Assets for Liquidity Management (FL Palm) and Florida PRIME are external investment pools which meet the requirements with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which allows reporting the investments at amortized cost. For both funds as of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. However, the Trustees of the funds can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

Money market mutual funds, FL Palm and Florida Prime are exempt from the GASB 72 fair value hierarchy disclosures.

Equity securities, exchange traded funds, and mutual funds classified in Level 1 of the fair value hierarchy are valued based on prices quoted in active markets for those securities. Debt securities classified in level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing values securities based on the securities relationship to benchmark quoted prices.

The American Core Realty Fund, LLC is a diversified open-end commingled fund that invests primarily in high quality core income-producing office, industrial, retail, and multi-family properties. This fund is an alternative investment vehicle valued using the net asset value (NAV) provided by the investment manager of this fund. The NAV is based on the value of the underlying assets owned by the fund minus its liabilities and then divided by the number of shares or percentage of ownership outstanding. The NAV's unit price is quoted on a private market that is not active. Investments valued at NAV are excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund's reported NAV.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Redemptions from the fund may be made quarterly upon ten days' notice. The units that are subject to a redemption notice may be redeemed in full or in installments on a pro-rata basis as funds become available for such redemptions and are subject to the availability of cash flow arising from investment transactions, sales and other fund operations occurring in the normal course of business. The fund is not required to liquidate or encumber assets or defer investments in order to satisfy redemption requests.

The value of this alternative investment is not necessarily indicative of the amount that could be realized in a current transaction. The fair value may differ significantly from the value that would have been used had a ready market for the underlying fund existed, and the differences could be material. Future confirming events will also affect the estimates of fair value and the effect of such events on the estimated fair value could be material.

The Florida Public Assets for Liquidity Management FL Palm-Term Series invests in highly rated securities including U.S. Treasury securities, U.S. government agency securities, deposits including certificates of deposit and commercial paper Securities are rated at least 'A/F1' by Fitch Ratings or equivalent. The term portfolio is a fixed-rate, fixed-term portfolio with a maximum term of one year. The maturity profile of the term portfolio is managed to meet preset redemptions of the portfolio's participants. Upon investing in the program, a participant selects a planned maturity date on which the portfolio seeks to produce a share price of at least \$1.00 for the participant that redeems on said date. Participants may request premature redemption, but the portfolio may charge significant penalties for any redemption prior to the agreed-upon redemption date and net asset value may be more or less than \$1.00 per share. Redemptions will be made seven days after the request is received. The Village did not have any investments in this fund as of September 30, 2024, however during the fiscal year the Village had a \$2,000,000 investment that matured on April 4th, 2024.

This fund is an alternative investment vehicle valued using the net asset value (NAV) provided by the investment manager of this fund. The NAV is based on the value of the underlying assets owned by the fund minus its liabilities and then divided by the number of shares or percentage of ownership outstanding. The NAV's unit price is quoted on a private market that is not active. Investments valued at NAV are excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund's reported NAV.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2024, the Village held the following investments:

	Weighted Average Maturity	Fair Value	Fair Value Measurement	
			Level 1	Level 2
<u>Governmental Funds</u>				
U.S. Government and Agency	2.21 Years	\$ 4,839,367	\$	\$ 4,839,367
MBS & ABS	2.80 Years	3,238,045		3,238,045
Municipal Bonds				
Domestic Corporate Bonds	2.20 Years	1,845,449		1,845,449
International Corporate Bonds	1.66 Years	531,584		531,584
<u>Fiduciary Funds</u>				
U.S. Government and Agency	8.67 Years	3,801,661		3,801,661
MBS & ABS	15.90 Years	5,139,541		5,139,541
Municipal Bonds	9.07 Years	933,741		933,741
Domestic Corporate Bonds	11.87 Years	4,532,000		4,532,000
International Corporate Bonds	7.83 Years	432,581		432,581
Domestic Common Equity				
Securities	N/A	11,767,503	11,767,503	
International Common Equity				
Securities	N/A	3,888,630	3,888,630	
Domestic Equity ETF	N/A	3,305,326	3,305,326	
International Equity ETF	N/A	842,249	842,249	
Fixed Income Mutual Funds	N/A	2,225,802	2,225,802	
Domestic Equity Mutual Funds	N/A	15,417,737	15,417,737	
International Equity Mutual				
Funds	N/A	3,271,978	3,271,978	
		66,013,194	\$ 40,719,225	\$ 25,293,969
Investments Reported at NAV				
<u>Fiduciary Funds</u>				
American Core Realty Fund	N/A	2,988,698		
Investments Reported at Amortized Cost:				
<u>Governmental Funds</u>				
Money Market Mutual Funds	N/A	18,983		
Florida Prime	39 Days	8,410,262		
FL Palm	35 Days	12,796,296		
<u>Fiduciary Funds</u>				
Money Market Mutual Funds	N/A	1,067,689		
Total Investments		\$ 91,295,122		

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit risk – Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Village’s investment policies limit its investments to high quality investments to control credit risk. The table below outlines the Village’s credit ratings for investments that have credit ratings by S&P or Moody’s.

Investments:	S&P Rating	Moody’s Rating	Fair Value
<i><u>Governmental Funds</u></i>			
U.S. Government and Agency	AA+	AAA	\$ 4,839,367
MBS & ABS	AAA to NR	AAA to NR	3,238,045
Municipal Bonds			
Domestic Corporate Bonds	AA+ to BB+	AA2 to A3	1,845,449
International Corporate Bonds	AA to BBB+	AAA to A3	531,584
Florida Prime	AAAm	NR	8,410,262
FL Palm Portfolio	AAAm	NR	12,796,296
FL Palm Term	NR*	NR	
<i><u>Fiduciary Funds</u></i>			
U.S. Government and Agency	AA+ to NR	AAA to Aaa	3,801,661
MBS & ABS	AAA to NR	Aaa to NR	5,139,541
Municipal Bonds	AAA to NR	Aaa to A1	933,741
Domestic Corporate Bonds	AAA to BBB-	Aaa to Baa3	4,532,000
International Corporate Bonds	A+ to BBB-	Aaa to Baa3	432,581

* Rated AA Af by Fitch.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risks.

The Village limits its exposure to fair value losses resulting from rising interest rates by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools unless it is anticipated that long-term securities can be held to maturity without jeopardizing the liquidity requirements.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The Retirement Funds do not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investments are held by a third-party custodian, not in the name of the Village. Investments are held in book entry form at the Federal Reserve by Depository Trust Company (DTC) via the custodian. The custodian further segregates the Village's investments in their trust accounting system. The investments in mutual funds and investment partnerships are considered unclassified pursuant to the custodial credit risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

Concentrations of credit risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single user. The Village places no limit on the amount it may invest in any one issuer, except those in the Fire and Police Retirement Fund. Not more than five (5) percent of the Fund's assets shall be invested in the common stock or capital stock of any one issuing company.

Investing in Foreign Markets – Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

Investing in Real Estate. – The Village is subject to the risks inherent in the ownership and operation of real estate. These risks include, among others, those normally associated with changes in the general economic climate, trends in the industry including creditworthiness of tenants, competition for tenants, changes in tax laws, interest rate levels, the availability of financing and potential liability under environmental and other laws.

Authorized Investments – The Village has adopted an investment policy that applies to all the investment activity except the Employees' Pension Funds, which are organized and administered separately, as listed below, or for funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

The Village is authorized to invest its funds as follows:

1. Banks, Qualified Public Depositories with a collateral pledge level of twenty-five percent or fifty percent;
2. U.S. Treasury obligations and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U. S. Government;
3. Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government sponsored enterprise,
4. Supra-Nationals, U.S. dollar denominated debt obligations of a multilateral organization of governments where the U.S. is a shareholder and voting member with a minimum credit quality rating of A-1/P-1, AA-/Aa3 or equivalent,
5. U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit or other entity with a minimum credit quality rating of A-1/P-1, A-/A3 or equivalent,
6. Obligations, including both taxable and tax-exempt, issued or guaranteed by any State, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any State or territory with a minimum credit quality rating of SP-1/MIG 1, A-/A3 or equivalent,
7. Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs,
8. Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans /leases, credit card receivables, student loans, equipment loans /leases, or home-equity loans with a minimum credit quality rating of A-1/P-1, AAA/Aaa or equivalent,
9. U.S. dollar denominated commercial paper issued or guaranteed by a domestic or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs with a minimum credit quality rating of A-1/P-1 or equivalent,
10. Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7 with a minimum credit quality rating of AAAm/Aaa-mf or equivalent,
11. State, local government or privately-sponsored investment pools that are authorized pursuant to state law with a minimum credit quality rating of AAAm/Aaa-mf or equivalent.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

The Village General Employees' Retirement Fund is authorized to invest its funds as follows:

1. Fixed Income Securities
 - Treasury Bills and Money Market Funds
 - Commercial Paper and Banker's Acceptances
 - Certificates of Deposit
 - Obligations of Non-U.S. governments and their subdivisions, agencies and government-sponsored enterprises
 - Yankee Bonds
 - Obligations of international agencies or supranational entities
 - Obligations issued by the U.S. Government, its agencies and instrumentalities
 - Collateralized Mortgage-Backed Securities
 - Asset-Backed Securities
 - Corporate Debt Securities, including convertible securities and corporate commercial paper
 - Inflation-index bonds issued by corporations
 - Structured notes, including hybrid or "indexed" securities, event-linked bonds and loan participations
 - Delayed funding loans and revolving credit facilities
 - Bank certificates of deposit, fixed time deposits and bankers acceptances
 - Debt securities, issued by states or local governments and their agencies, authorities and other instrumentalities
2. Equity Securities
 - Common Stocks
 - Convertible Notes and Bonds
 - Convertible Preferred Stocks
 - American Depository Receipts (ADRs) of Non-U.S. Companies
 - Stocks of Non-U.S. Companies (Ordinary Shares)
 - Real Estate Investment Trusts (REITs)
3. Investment Types
 - • Open-Ended Mutual Funds
 - • Closed-end Mutual Funds
 - • Exchange Traded Funds
 - • Managed Separate Accounts
 - • Investment Partnerships
 - • Commingled Funds

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

Investments of the Fire and Police Retirement Fund can consist of the following:

1. Time or savings accounts of a national bank, a state bank insured by the Federal Deposit Insurance Corporation, or a savings, building and loan association insured by the Federal Deposit Insurance Corporation;
2. Obligations issued by the U.S. Government, or an agency or instrumentality of the U.S. Government, as well as obligations guaranteed by agencies or instrumentalities of the U.S. Government, including mortgage-related or asset-backed securities;
3. Equities: equities defined as common stocks, foreign stocks and issues convertible to equities, provided:
 - a. Each holding shall be listed on a major U.S. exchange.
 - b. Not more than 5% of the Fund's assets shall be invested in the common stock or capital stock of any one issuing company nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding stock of the company.
 - c. In accordance with the provisions of Chapter 2009-97, Laws of Florida, no more than twenty-five percent (25%) of any investment manager's Total Fund portfolio, at market value, shall be invested in foreign stocks or bonds.
4. Fixed income investments defined as preferred issues and fixed income securities provided:
 - a. All issues ranked investment grade or higher by a nationally recognized rating agency. (Non-investment grade ratings are limited to no more than 10% of the Fixed Income portfolio.);
5. Money market funds, defined as fixed income securities having a maturity of less than one year provided all issues shall meet or exceed S&P's A1 or Moody's P1 credit rating;
6. Bonds issued by the State of Israel;
7. Purchases in commingled real estate funds.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 4 – RECEIVABLES

Receivables at September 30, 2024, were as follows:

	General Fund	Country Club	Nonmajor Enterprise Fund
Utility franchise fees & taxes	\$ 413,085	\$	\$
Other accounts receivable	148,699	115,174	2,864
Total accounts receivable	<u>\$ 561,784</u>	<u>\$115,174</u>	<u>\$ 2,864</u>

NOTE 5 – CAPITAL ASSETS

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

Primary Government

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,055,889	\$	\$	\$ 2,055,889
Construction in progress	2,666,911	151,120	(197,644)	2,620,387
Capital assets being depreciated:				
Buildings	25,458,602	238,830	(22,216)	25,675,216
Improvements	13,611,612	1,980,560	(74,745)	15,517,427
Machinery and equipment	4,248,206	355,215	(132,083)	4,471,338
Vehicles	7,596,431	758,014		8,354,445
Total:	<u>55,637,651</u>	<u>3,483,739</u>	<u>(426,688)</u>	<u>58,694,702</u>
Less accumulated depreciation:				
Buildings	(8,669,164)	(715,126)	22,216	(9,362,074)
Improvements	(5,533,948)	(888,025)	74,745	(6,347,228)
Machinery and equipment	(2,449,529)	(464,908)	85,460	(2,828,977)
Vehicles	(3,678,534)	(921,943)		(4,600,477)
Total accumulated depreciation	<u>(20,331,175)</u>	<u>(2,990,002)</u>	<u>182,421</u>	<u>(23,138,756)</u>
Governmental activities capital assets, net	<u>\$ 35,306,476</u>	<u>\$ 493,737</u>	<u>\$ (244,267)</u>	<u>\$ 35,555,946</u>

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 106,591
Public safety	849,238
Public works	843,552
Community development	18,011
Leisure services	<u>1,172,610</u>

Total depreciation expense, governmental activities \$ 2,990,002

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,051,311	\$	\$	\$ 1,051,311
Construction in progress	108,734	91,313	(8,782)	191,265
Capital assets being depreciated:				
Buildings	1,142,411	7,916		1,150,327
Improvements	11,725,687	1,273,926	(151,378)	12,848,235
Machinery and equipment	550,117	56,789	(12,572)	594,334
Vehicles	22,607			22,607
Intangible Right to Use Asset - Vehicles	485,659	122,748		608,407
Total:	<u>15,086,526</u>	<u>1,552,692</u>	<u>(172,732)</u>	<u>16,466,486</u>
Less accumulated depreciation/amortization:				
Buildings	(265,132)	(40,424)		(305,556)
Improvements	(7,628,262)	(812,752)	151,378	(8,289,636)
Machinery and equipment	(260,836)	(87,257)	12,572	(335,521)
Vehicles	(10,639)	(5,319)		(15,958)
Intangible Right to Use Asset - Vehicles	(283,301)	(162,279)		(445,580)
Total accumulated depreciation/amortization	<u>(8,448,170)</u>	<u>(1,108,031)</u>	<u>163,950</u>	<u>(9,392,251)</u>
Business-type activities capital assets, net	<u><u>\$ 6,638,356</u></u>	<u><u>\$ 444,661</u></u>	<u><u>\$ (8,782)</u></u>	<u><u>\$ 7,074,235</u></u>

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense of \$910,768 and \$34,984 was charged to the Country Club and Stormwater Utility Funds respectively. Amortization expense of \$162,279 was charged to the Country Club Fund.

The General Fund is currently maintaining the Country Club building which is also capitalized in the Governmental Activities. The Village believes this building serves the community as a whole in addition to supporting the golf course activities. Once the 2006 promissory note of the country club enterprise fund is paid, rental payments for the use of the building will be started.

NOTE 6 – LONG TERM LIABILITIES

Change in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities:					
Direct borrowings and direct placements					
Loans payable	\$ 9,980,000	\$	\$ (970,000)	\$ 9,010,000	\$ 1,005,000
Contracts that transfer ownership	2,965,583		(526,211)	2,439,372	539,239
Total	12,945,583		(1,496,211)	11,449,372	1,544,239
OPEB (see Note 14)	603,623		(15,144)	588,479	
Net pension liability (see Note 9)	10,875,309		(872,178)	10,003,131	
Compensated absences payable	1,607,048	1,382,694	(1,299,227)	1,690,515	1,410,582
Total	\$ 26,031,563	\$ 1,382,694	\$(3,682,760)	\$ 23,731,497	\$ 2,954,821

Governmental activities other postemployment benefit obligations, compensated absences and net pension liabilities are expected to be paid out of the general fund.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 6 – LONG TERM LIABILITIES (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Business-type activities:					
Direct borrowings and direct placements					
Loans payable	\$ 195,122	\$	\$ (195,122)	\$	\$
Lease liability(see Note 7)	207,158	120,620	(161,434)	166,344	166,344
OPEB(see Note 14)	29,106	6,465		35,571	
Compensated absences payable	<u>78,795</u>	<u>66,133</u>	<u>(40,261)</u>	<u>104,667</u>	<u>58,571</u>
Total	<u>\$ 510,181</u>	<u>\$ 193,218</u>	<u>\$ (396,817)</u>	<u>\$ 306,582</u>	<u>\$ 224,915</u>

For fiscal year ended September 30, 2024 the Government Activities incurred interest expense of \$369,135 and paid interest of \$398,106 and the Country Club fund paid and incurred interest of \$45,016.

Loans Payable from Direct Borrowings and Direct Placements

\$4,893,673 Promissory Note

The Village Council adopted Resolution No. 23-2006 authorizing the issuance of a note in the amount of \$4,893,673 to finance certain capital expenditures relating to the municipal golf course and country club. The revenues of the Country Club are pledged to secure the loan. Principal and interest payments are due semi-annually in the amount of \$199,079, with a final maturity date of April 1, 2024.

NOTE 6 – LONG TERM LIABILITIES (Continued)

\$4,893,673 Promissory Notes (Continued)

The interest rate on the loan is 4.11% and is subject to adjustment in the event of taxability of the interest on this note. As of September 30, 2024, the note was paid in full..

Non-Ad Valorem Revenue Notes, Series 2017

The Village Council adopted Resolution No. 2017-22 authorizing the issuance of Non-Ad Valorem Revenue Notes, Series 2017, in one or more Series in the aggregate Principal amount not to exceed \$15,000,000 to finance the cost of constructing and equipping a new country club clubhouse. The Notes are secured by a covenant to budget and appropriate legally available non-ad valorem revenues of the Village.

Series 2017A

The Series 2017A is a tax-exempt issuance for \$8,900,000 with an interest rate of 3.19%, which is subject to adjustment in the event of taxability of the interest on this note. Interest is payable on June 1 and December 1 of each year beginning December 1, 2017. Principal payments start June 1, 2025 with the final payment on June 1, 2032.

This note may be prepaid in whole but not in part at any time after June 1, 2025, at a redemption price equal to 100% of the principal amount outstanding plus accrued interest through the redemption date. As of September 30, 2024, the principal amount outstanding was \$8,900,000 and was for the purpose of governmental-type activities.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 6 – LONG TERM LIABILITIES (Continued)

Series 2017B

The Series 2017B is a taxable issuance for \$6,100,000 with an interest rate of 3.78%. Interest is payable on June 1 and December 1 of each year beginning December 1, 2017. Principal payments start June 1, 2018 with the final payment on June 1, 2025. This note may not be prepaid. As of September 30, 2024, the principal amount outstanding was \$110,000 and was for the purpose of governmental-type activities.

Annual debt service requirements to maturity for the Series 2017A and 2017B are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,005,000	\$ 288,068	\$ 1,293,068
2026	1,040,000	255,360	1,295,360
2027	1,070,000	222,184	1,292,184
2028	1,105,000	188,051	1,293,051
2029	1,140,000	152,801	1,292,801
2030 - 2032	<u>3,650,000</u>	<u>235,263</u>	<u>3,885,263</u>
	<u>\$ 9,010,000</u>	<u>\$ 1,341,727</u>	<u>\$ 10,351,727</u>

The loan agreements include a provision that upon the occurrence of any event of default, the notes shall bear interest at the Default Rate so long as the event of default shall be continuing. The Default rate for the Series 2017A is 6% and the rate for the Series 2017B is 7%.

Governmental Activities - Contracts That Transfer Ownership

The Village entered into contract agreements for the purpose of financing the purchase of vehicles. Principal and interest payments are due either quarterly or annually. As of September 30, 2024, the principal amounts outstanding were \$2,439,372 and the net book value of the equipment was \$2,612,244. Amortization is included with depreciation expense. The interest rates on the leases range from 1.74% to 7.25%.

The lease agreements include a provision that upon the occurrence of any event of default, the lessor may retake possession of the equipment under lease.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 6 – LONG TERM LIABILITIES (Continued)

Governmental Activities - Contracts That Transfer Ownership (Continued)

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 539,239	\$ 60,344	\$ 599,583
2026	477,540	47,015	524,555
2027	626,792	35,267	662,059
2028	253,097	17,907	271,004
2029	214,186	12,566	226,752
2030 - 2031	328,518	10,031	338,549
	<u>\$ 2,439,372</u>	<u>\$ 183,130</u>	<u>\$ 2,622,502</u>

NOTE 7 – LEASES

Effective October 1, 2021, the Village implemented Governmental Accounting Standards Board Statement 87 (GASB 87), *Leases*.

Right to Use Lease

Huntington National Bank

The Village has entered into a lease agreement with Huntington National Bank to lease eighty golf carts and three other vehicles for the Country Club Fund. The lease has a term of 36 months and is paid monthly from January 2023 to December 2024. The discount rate was 3% using the Village’s estimated incremental borrowing rate. In April 2024 the Village extended the lease for an additional 9 months to run thru September 30, 2025.

Annual requirements to amortize long-term obligations and related interest as of September 30, 2024 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 166,344	\$ 2,716	\$ 169,060
	<u>\$ 166,344</u>	<u>\$ 2,716</u>	<u>\$ 169,060</u>

NOTE 7 – LEASES (Continued)

Lessor Leases – General Fund

AT&T, Inc.

The Village has entered into a lease agreement with AT&T which allows the use of the Village's land for a transmission tower site. The initial term of the lease was for monthly payments over a 5-year period commencing on July 11, 2015, the agreement was subsequently amended for an additional 5-year period with the option to extend for 4 successive terms in 5 year increments with a 15% increase in monthly lease payments at every renewal. This extended the total term with renewals to June 11, 2045. The Village expects AT&T to exercise the renewal options. The discount rate was 3% using the Village's estimated incremental borrowing rate.

Sprint Corporation

The Village has entered into a lease agreement with Sprint which allows the use of the Village's land for a transmission tower site. The initial term of the lease was for monthly payments over a 5-year period commencing on December 1, 1999, with three 5-year renewals. The agreement was subsequently amended for an additional four 5-year renewals. The discount rate was 3% using the Village's estimated incremental borrowing rate. This extended the total term with renewals to November 1, 2039. The Village expects Sprint to exercise the renewal options. The original agreement and subsequent amendment provided for annual increases in rent of 3% and a onetime increase of 10% in 2019. The discount rate was 3% using the Village's estimated incremental borrowing rate.

Verizon Communications, Inc.

The Village has entered into a lease agreement with Verizon which allows the use of the Village's land for a transmission tower site. The initial term of the lease was for monthly payments over a 5-year period commencing on December 20, 2001, with three 5-year renewals. In July 2020 the agreement was amended for an additional 5-year period with three 5 year renewals. This extended the total term with renewals to November 20, 2041. The Village expects Verizon to exercise the renewal options. The original agreement and subsequent amendment provided for annual increases in rent of 3%. The discount rate was 3% using the Village's estimated incremental borrowing rate.

The General Fund is reporting a lease receivable of \$2,849,356 at September 30, 2024. For the fiscal year ended September 30, 2024, the General Fund reported lease revenue of \$149,510 and interest revenue of \$86,695 related to lease payments received.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 7 – LEASES (Continued)

Lessor Leases – General Fund (Continued)

The General Fund’s amortization of lease payments receivable as of September 30, 2024, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 81,420	\$ 84,393	\$ 165,813
2026	92,534	81,781	174,315
2027	99,135	78,914	178,049
2028	106,049	75,846	181,895
2029	113,291	72,565	185,856
2030 - 2034	721,352	303,414	1,024,766
2035 - 2039	1,010,692	174,687	1,185,379
2040 - 2044	568,730	42,759	611,489
2045	56,153	707	56,860
	<u>\$ 2,849,356</u>	<u>\$ 915,066</u>	<u>\$ 3,764,422</u>

Lessor Leases –Country Club Fund

The Village was committed under a lease agreement as lessor of the food and beverage operations at the North Palm Beach Country Club. The Village is leasing the restaurant including indoor/outdoor bar, kitchen, snack bar, beverage and server station and designated storage areas as exclusive use premises together with non-exclusive rights to the use of the covered pavilion, covered front entry, pool deck, banquet room, event lawn, restrooms and other public areas in and around the Country Club to Farmer’s Table LLC (Lessee). The initial term of the lease is five years and the lease shall automatically renew for additional five year terms unless either party gives the other party written notice of its intent not to renew at least one hundred and eighty days prior to the end of the term. Since the lease is cancelable by either party, the renewal terms are not taken into account when calculating the lease receivable.

During the initial term the base rent shall be \$8,333 per month. Beginning on the first date of any renewal term, the rent shall increase by 3% over the base rent payable for the immediately preceding twelve-month period. In addition to the base rent, the Lessee shall pay to the Village an amount equal to five percent of lessee’s annual gross sales for Restaurant and Catering Services over Two Million Dollars. The lessee shall also pay 50% of the electric, water/ sewer, burglar alarm and natural gas of the premises and \$12,000 toward the ad valorem property taxes assessed by the Palm Beach County Property Appraiser and Tax Collector as a result of its operations.

NOTE 7 – LEASES (Continued)

Lessor Leases –Country Club Fund (Continued)

In April of 2024, Farmer’s Table LLC informed the Village they would not be renewing the lease for the optional 5 year extension. The Village and Farmer’s Table LLC agreed to terminate the lease as of September 15, 2024.

For the fiscal year ended September 30, 2024, the Country Club reported lease revenue of \$93,774 and interest revenue of \$6,226. The Country Club Fund also received \$90,71 in supplemental rent and \$80,836 in utility and property tax reimbursements for the year ended September 30, 2024 under the terms of this lease agreement. Except for the interest revenue, the lease income is recorded in operating revenues as the Village believes restaurant operations are an integral part of running a Country Club.

NOTE 8 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The Village currently reports all of its risk management activities in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

The Village is 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 incident. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in federal courts.

There have been no significant reductions in insurance coverage in the prior year. No settlements exceeded insurance coverage for the past three years.

NOTE 9 – EMPLOYEE RETIREMENT PLANS

The Village maintains the following two separate single employer defined benefit plans: Village of North Palm Beach Fire and Police Retirement Fund (F&P), covering firefighters and police officers, and Village of North Palm Beach General Employees Retirement Fund (GERF), covering substantially all other full-time Village employees. Both plans are reported as pension trust funds and included as part of the Village’s reporting entity. The Police and Fire Fund issued separate stand-alone financial statements for the year ended September 30, 2024, the report may be obtained from the Village Clerk, at the Village of North Palm Beach, 501 U.S. Highway 1, North Palm Beach, Florida 33408. The General Employees Plan does not issue separate financial statements.

Each plan has its own board that acts as plan administrator and trustee: The Fire and Police Retirement Fund Board of Trustees consists of five members (5); four (4) of whom were elected by a majority of the members of the plan. Two (2) of the elected members are certified firefighters of the Village and two (2) are certified police officers of the Village. The fifth member of the board is a legal resident of the Village and is appointed by the Village council. The General Employees Retirement Board consists of five members (5); two (2) of whom were employees elected by a majority of the members of the plan, two (2) of the members are a legal resident of the Village and appointed by the Village council, the two (2) council appointed members of the Board shall appoint a member of the general public who has never been employed by the Village to serve as the fifth member of the Board. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Retirement Plans

Basis of Accounting. The retirement plans are reported on the accrual basis of accounting. The plans’ fiduciary net position have been determined on the same basis used by the pension plans. Plan member and state contributions are recognized as revenues in the period that the contributions are due. Employer contributions to each plan 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 each plan.

Method Used to Value Investments. Investments are reported at fair value and are managed by third party money managers.

Investments Concentrations. There were no investments representing concentrations of 5% or more of net plan assets in investments that are not issued or guaranteed by the U.S. government.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

PLAN DESCRIPTION, INVESTMENT AND CONTRIBUTION INFORMATION

The following schedule is provided for general information purposes only and is derived from the respective actuarial reports and Village information for the two retirement plans. Plan participants should refer to the appropriate source documents for more complete information on the plans.

	<u>General Employees'</u>	<u>Fire and Police</u>
Plan Description:		
Authority	Village Ordinance	Village Ordinance/State
Asset Valuation:		
Reporting	Fair Value	Fair Value
Legal Reserves	None	None
Long-Term Receivable	None	None
Internal/Participant Loans	None	None

Membership of each plan consisted of the following at October 1, 2023:

	<u>GERF</u>	<u>F&P</u>
Inactive Plan Members or Beneficiaries		
currently receiving benefits	48	34
Inactive Plan Members entitled to but		
not yet receiving benefits	31	23
Active Plan Members	<u>19</u>	<u>52</u>
Total	<u>98</u>	<u>109</u>

General Employees' Retirement System

Plan Description. The plan is established under Code of Ordinances for the Village of North Palm Beach, Florida, Part II, Chapter 2, and was most recently amended under Ordinance No. 2010-07. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. The Plan provides retirement benefits as well as death benefits. All full time general employees who are not sworn police officers or firefighters shall become members of the system on October 1st following completion of 12 months of employment as a condition of employment. For those employees retired before February 1, 1982, those employees hired after September 30, 2000, or those employees hired before October 1, 2000, who elect to contribute an extra 2%, a 3% Cost of Living increase is paid annually from the Plan. Authority to establish and amend the benefit provisions of the plan rests with the Village Council.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

All benefits vest based on the following years of credited service:

Years of Credited Service	Vested %
Under 5	0%
5 or 6	50%
7 or 8	75%
9 or more	100%

Employees become eligible for normal retirement benefits after attaining the age of 60 and completing nine years of credited service, or attaining the age of 65 (depending on employee contribution rate). The normal retirement benefit consists of a life annuity, options available, (subject to cost of living increases not to exceed 3% a year), of either 2%, 2.25%, or 2.5% (depending on employee contribution rate) of Average Monthly Earnings (AME) times credited service up to 20 years plus 1% of AME times credited service over 20 years. Early retirement benefits can be received at age 55. The benefit is determined as for normal retirement and payable at normal retirement date or payable immediately after reduction by 5% for each year by which the benefit commencement date precedes the normal retirement date. If an active member dies, his beneficiary receives a refund of member contributions without interest. For a member who is age 55 and has at least five years of service but who dies before commencement of retirement benefits, a monthly benefit is payable to the designated beneficiary; the benefit is calculated as though the member had retired on his date of death and payable according to the option elected by the employee. For an active member who has at least five years of credited service and dies prior to reaching normal retirement date, a benefit equal to his vested accrued benefit will be paid to his beneficiary for ten years.

If an employee terminates his employment, he is entitled to the following:

- With less than five years of credited service, a refund of member contributions without interest and no other benefit.
- With five or more years of credited service, a refund of member contributions, the vested accrued benefit payable at normal retirement date or at any time after age 55 is attained, with the benefit being subject to the same reduction as for early retirement benefits. The vesting schedule is listed above.

"Average Monthly Earnings" is the average during the 5 years within the last 10 years of employment which produces the highest average.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

"Credited Service" consists of the total number of years and fractional parts of years of actual service with the Village and shall apply to an employee whose employment is terminated with the Village and who recommences fulltime employment within two years from the date of termination.

Asset Allocation. The plan's adopted asset allocation policy as of September 30, 2024, is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	42%
International equity	18
Domestic bonds	40
Total	100%

Rate of Return. For the year ended September 30, 2024, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 21.61 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Contributions. General employees may contribute 6%, 4%, 2% or 0% of earnings as elected by the employee, with the retirement benefit received being based on the amount contributed. The Village is required to contribute the amount necessary to fund the Plan properly according to the Plan's actuary. Contribution requirements of plan members and the Village are established and may be amended by the Village Council.

Fire and Police Retirement System

Plan Description. The plan is established under Code of Ordinances for the Village of North Palm Beach, Florida, Part II, Chapter 2, and was most recently amended under Ordinance No. 2019-11. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. The plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. All fulltime police officers or firefighters are eligible for membership immediately upon hire. Previously, members were not eligible until October 1st following completion of 12 months of employment. Cost of living adjustments (COLA) are provided annually each October 1, to reflect changes in CPI (subject to maximum increases or decreases of 3% per year). Authority to establish and amend the benefit provisions of the plan rests with the Village Council. Employees become eligible for normal retirement benefits after attaining the age of 55, or the date on which the member attains age 52 and 25 credited years of service.

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September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

The normal retirement benefit consists of ten years certain and life thereafter, with other options available, (subject to cost of living adjustments not to exceed 3% a year), of 2.75% of AME times the years of credited services starting 10/1/18; for years prior to 10/1/18 the percentage is 2.5%; with a maximum benefit of 75% of AME. For police officers the benefit accrual rate will increase to 3.0% effective 10/1/22. The maximum benefit will increase to 80% effective 10/1/22. Members are eligible for non-service connected disability, after ten years of credited service and a total and permanent disability. For service connected disability, a total and permanent disability with no service requirement, the disability benefit consists of a ten-year certain and life annuity that can be provided by the single-sum value of the member's accrued pension benefit, but is at least 42% of AME for service connected disability and at least 25% of AME for non-service connected disability. See the description of the General Employees' Retirement System for the remainder of the benefits, except that early retirement and termination benefits for vested members can be received at age 50 and the Deferred Retirement Option Plan (DROP) as describe below.

The Plan contains a DROP whereupon the member could retire from the pension plan but continue employment with the Village for an additional maximum period of up to five years. The retirement benefit is immediately calculated and the monthly benefit is allocated to the DROP account. The actual rate of investment return is credited to the account, but no less than 0.00% or more than 6.4%. Once a participant elects this option, he is no longer eligible for disability or pre-retirement benefits. The Plan's guidelines for the DROP are designed to adhere to IRS regulations. At September 30, 2024, there was \$1,455,588 in the DROP, this amount is included in both the Total Pension Liability and the Plan Fiduciary Net Position. Additional information about the DROP can be obtained from the ordinance.

Asset Allocation. The plan's adopted asset allocation policy as of September 30, 2024, is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	55%
International equity	10
Domestic bonds	25
Real estate	<u>10</u>
Total	<u>100%</u>

Rate of Return. For the year ended September 30, 2024, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 22.98 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Contributions. Firefighter members are required to contribute 7.00% of their basic compensation to the plan. This will be increased to 7.5% effective 10/1/22, 8% effective 10/1/23 and 8.5% effective 10/1/24. Police Officer members are required to contribute 7.00% of their basic compensation to the plan. This will be increased to 8.5% effective 10/1/22 and 10% effective 10/1/23. Members enrolled in the DROP shall contribute 4% of earnings (3% allocated to the DROP account and 1% remaining in Plan assets). The Village is required to contribute the remaining amount to fund the plan using the Entry Age Actuarial Cost Method. Contribution requirements of plan members and the Village are established and may be amended by the Village Council.

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 prior to its being approved for use for funding purposes. Additionally, the State collects locally authorized insurance premium surcharges which can only be distributed after the State has ascertained that the local government has met its actuarial funding requirement for the then most recently completed fiscal year. Contributions to the Plan from the State of Florida totaled \$472,893 during the fiscal year ended September 30, 2024.

All Retirement Plans

Net Pension Liability. The components of net pension liability of the Village on September 30, 2024, were as follows:

	General Employees	Fire and Police
Total pension liability	\$ 20,360,144	\$ 47,390,686
Plan fiduciary net position	(20,471,048)	(42,843,020)
Village's net pension liability(asset)	\$ (110,904)	\$ 4,547,666
Plan fiduciary net position as a percentage of total pension liability	100.54%	90.40%

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2023 updated to September 30, 2024 using the following actuarial assumptions applied to the September 30, 2024 measurement period.

	General Employees	Fire and Police
Inflation	2.40%	2.50%
Salary increases	Service based	Service based
Investment rate of return	6.25%	7.35%
Mortality	The same version of Pub-2010 Headcount weighted tables as used the FRS in their 7/1/22 Actuarial Valuation	PubS.H-2010 for Employees, set forward one year

The long-term expected rate of return on pension plan investments was 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 expenses 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 the pension plan’s target asset allocation as of September 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
	General Employees	Fire and Police
Domestic equity	8.67%	7.50%
International equity	9.13%	8.50%
Domestic bonds	4.24%	2.50%
Real estate	N/A	4.50%

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.25 percent for the General Employees Retirement Fund and 7.35 percent for the Fire and Police Retirement Fund. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans’ 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liabilities of the Village, calculated using the discount rates above, as well as what the Village’s net pension liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate.

General Employees' Retirement System

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
Village's net pension liability	\$ 2,343,049	\$ (110,904)	\$ (2,164,528)

Fire and Police Retirement System

	1% Decrease	Current Discount Rate	1% Increase
	6.35%	7.35%	8.35%
Village's net pension liability	\$ 11,173,603	\$ 4,547,666	\$ (912,348)

All Retirement Plans

The Village’s total pension liability, plan fiduciary net position, net pension liability, pension related deferred outflows and inflows, and pension expense for the fiscal year ended September 30, 2024, are reported using a measurement date of September 30, 2023. The above information on the plan required by GASB 67 are reported using a measurement date of September 30, 2024.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions applied to the September 30, 2023, measurement period.

	General Employees	Fire and Police
Inflation	2.40%	2.50%
Salary increases	Service based	Service based
Investment rate of return	6.25%	7.45%
Mortality	The same version of Pub-2010 Headcount weighted tables as used the FRS in their 7/1/21 Actuarial Valuation	PubS.H-2010 for Employees, set forward one year

The long-term expected rate of return on pension plan investments was 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 expenses 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 the pension plan’s target asset allocation as of September 30, 2023, are summarized in the following table:

<u>Asset Class</u>	Target Allocation		Long-Term Expected Real Rate of Return	
	General Employees	Fire and Police	General Employees	Fire and Police
Domestic equity	42%	55%	9.75%	7.50%
International equity	18	10	10.24%	8.50%
Domestic bonds	40	25	5.12%	2.50%
Real estate	<u>N/A</u>	<u>10</u>	N/A	4.50%
Total	<u>100%</u>	<u>100%</u>		

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.25 percent for the General Employees Retirement Fund and 7.45 percent for the Fire and Police Retirement Fund. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans’ 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.

General Employees' Retirement System

Changes in Net Pension Liability

Using a measurement date of September 30, 2023, the components of the net pension liability reported by the Village at September 30, 2024, were as follows:

<u>Description</u>	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability(asset) (a)-(b)</u>
Balances at September 30, 2022	\$ 19,191,970	\$ 16,267,288	\$ 2,924,682
Changes due to:			
Service cost	176,461		176,461
Interest	1,180,659		1,180,659
Difference between expected and actual experience	195,149		195,149
Changes of Assumptions			
Employer contributions		179,038	(179,038)
Employee contributions		72,032	(72,032)
Benefit payments and refunds	(947,568)	(947,568)	
Net investment income		2,051,214	(2,051,214)
Refunds	(8,212)	(8,212)	
Administrative expenses		(61,276)	61,276
Total changes	<u>596,489</u>	<u>1,285,228</u>	<u>(688,739)</u>
Balances at September 30, 2023	<u>\$ 19,788,459</u>	<u>\$ 17,552,516</u>	<u>\$ 2,235,943</u>

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

Plan fiduciary net position as a
percentage of total pension liability 88.70%

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.25%</u>	<u>6.25%</u>	<u>7.25%</u>
Village's net pension liability	<u>\$ 4,658,569</u>	<u>\$ 2,235,943</u>	<u>\$ 211,808</u>

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2024, the Village recognized pension expense of \$861,467. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ 1,212,444	\$
Differences between expected and actual experience	45,034	
Assumption changes		
Village plan contributions subsequent to the measurement date	<u>238,581</u>	
Total	<u>\$ 1,496,059</u>	<u>\$</u>

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

Pension expense and deferred outflows and inflows of resources (Continued)

The deferred outflows of resources totaling \$238,581 resulting from Village contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

Year ended September 30:	Amount
2025	\$ 341,295
2026	369,829
2027	758,044
2028	(211,690)
2029	
Thereafter	
	\$ 1,257,478

Fire and Police Retirement System

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

	1% Decrease 6.45%	Current Discount Rate 7.45%	1% Increase 8.45%
Village's net pension liability	\$ 13,677,591	\$ 7,767,188	\$ 2,901,520

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Changes in Net Pension Liability

Using a measurement date of September 30, 2023, the components of the net pension liability reported by the Village at September 30, 2024, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability(asset) (a)-(b)
Balances at September 30, 2022	\$ 38,026,356	\$ 30,075,729	\$ 7,950,627
Changes due to:			
Service cost	1,329,402		1,329,402
Interest	2,887,764		2,887,764
Differences between expected and actual experience			
Change of benefit terms	701,705		701,705
Change of assumptions			
Employer contributions		910,146	(910,146)
Employer contributions-state		472,893	(472,893)
Employee contributions		533,218	(533,218)
Employee contributions buy back	2,422	2,422	
Benefit payments and refunds	(1,187,659)	(1,187,659)	
Net investment income		3,289,833	(3,289,833)
Administrative expenses		(103,780)	103,780
Total changes	<u>3,733,634</u>	<u>3,917,073</u>	<u>(183,439)</u>
Balances at September 30, 2023	<u>\$ 41,759,990</u>	<u>\$ 33,992,802</u>	<u>\$ 7,767,188</u>
Plan fiduciary net position as a percentage of total pension liability	<u>81.40%</u>		

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2024, the Village recognized pension expense of \$2,308,730. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ 2,457,092	\$
Differences between expected and actual experience		90,453
Change of assumptions	410,852	626,704
Village plan contributions subsequent to the measurement date	1,504,176	
Total	\$ 4,372,120	\$ 717,157

The deferred outflows of resources totaling \$1,504,176 resulting from Village contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

Year ended September 30:	Amount
2025	\$ 549,762
2026	522,755
2027	1,158,750
2028	(340,927)
2029	160,203
Thereafter	100,244
	\$ 2,150,787

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans

Summarized information

The Village's total pension liability, plan fiduciary net position, net pension liability, pension related deferred outflows and inflows, and pension expense for the fiscal year ended September 30, 2024, using a measurement date of September 30, 2023, are as follows:

	<u>General Employees</u>	<u>Fire and Police</u>	<u>Total</u>
Total pension liability	\$ 19,788,459	\$ 41,759,990	\$ 61,548,449
Plan fiduciary net position	17,552,516	33,992,802	51,545,318
Net pension liability(asset)	2,235,943	7,767,188	10,003,131
Deferred outflows of resources	1,496,059	4,372,120	5,868,179
Deferred inflows of resources		717,157	717,157
Pension expense	861,467	2,308,730	3,170,197
Accounts Payable	-	-	-

NOTE 10 – ON-BEHALF PAYMENTS

The state makes a contribution to the Fire and Police Officers' Retirement System from the firefighters' and police officers' Insurance Premium Tax. For the fiscal year ended September 30, 2024, \$551,246 was recorded as revenues and expenditures in the On-Behalf Pension Contribution Special Revenue Fund relating to on-behalf payments received from the state.

NOTE 11 – PENSION PLAN FINANCIAL INFORMATION

Generally accepted accounting principles (GAAP) requires that financial statements for individual pension plans be presented in the notes to the financial statements of the primary government if separate GAAP financial reports have not been issued. The General Employees’ pension fund does not have a separate GAAP report issued, and the financial information as of September 30, 2024, is presented below.

STATEMENT OF FIDUCIARY NET POSITION

	General Employees’ Pension
Assets	
Cash and cash equivalents	\$ 388,978
Investments:	
Domestic equity securities	2,931,696
International equity securities	1,822,405
U.S. Government and agencies	2,329,932
Municipal bonds	669,470
Domestic corporate bonds	2,358,673
International corporate bonds	284,934
Domestic equity income ETF	3,305,326
International equity ETF	804,185
Fixed income mutual funds	2,225,802
Domestic equity mutual funds	2,149,217
International equity mutual funds	1,153,211
Accrued dividends and interest	66,978
Accounts receivable	10,895
Prepays	3,568
Total assets	20,505,270
Liabilities	
Accounts payable	34,222
Total liabilities	34,222
Net position	
Held in trust for pension benefits and other purposes	\$ 20,471,048

NOTE 11 – PENSION PLAN FINANCIAL INFORMATION (Continued)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	General Employees’ Pension
Additions	
Contributions	
Employer	\$ 238,581
Plan members	67,323
Total contributions	305,904
Investment earnings	
Dividends and interest	472,978
Change in the fair value of investments	3,314,444
Less investment expense	77,292
Total investment earnings	3,710,130
Total additions	4,016,034
Deductions	
Administration	78,078
Benefits	1,019,424
Total deductions	1,097,502
Change in net position	2,918,532
Net position - beginning	17,552,516
Net position - ending	\$ 20,471,048

NOTE 12 – DEFINED CONTRIBUTION PLAN

Effective October 1, 2006, all employees of the Village may participate in one of four Money Purchase Plans that are qualified Defined Contribution Plans adopted under the provisions of Internal Revenue Code Section 401(a). The four pension plans include Village Manger, Directors, General Employees, and Municipal Employees. The defined contribution plans are administered by International City/County Management Association and Retirement Corporation (ICMA-RC). The ICMA-RC is a nonprofit corporation organized and existing under the laws of the State of Delaware. Contribution requirements of employees’ and the Village are established and may be amended by the Village Council.

The vesting period for each defined contribution plan is five years, with a vesting of zero percent in the first year, and a vesting of twenty-five percent for each year thereafter. While the plans will not provide for retroactive funding, the vesting period shall run from each employee’s original date of hire. If an employee terminates before becoming fully vested, forfeited amounts will be used to reduce future Village contributions. No loans are permitted by the plan.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 12 – DEFINED CONTRIBUTION PLAN (Continued)

The normal retirement age for the plan shall be age sixty. There is no waiting period for participation in the plan. The minimum age for participation is eighteen. The Village contributes 15% of participant earnings for the plan year. Earnings include regular and bonus compensation, but do not include overtime or commissions. Employee contributions are voluntary, pre-tax contributions that are not matched by the Village. Employees may contribute 3%, 5%, 10%, or 15% of earnings to the plan. Contributions are remitted to the trusts every payroll period.

The Village's activities do not meet the criteria for inclusion in the fiduciary funds of a government.

Plan detail for participating employees at September 30, 2024, is listed below:

	<u>Village Manager</u>	<u>Directors</u>	<u>General Employees</u>	<u>Municipal Employees</u>
Employee contributions	\$ 9,728	\$ 76,849	\$ 114,209	\$ 70,532
Village pension expense	29,184	161,294	314,115	230,038
Forfeitures	-	74,757	15,252	62,446
Payable as of fiscal year end	-	-	-	-

NOTE 13 – DEFERRED COMPENSATION PLAN ASSETS

Employees of the Village may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the Village. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. A third party administers the deferred compensation plan.

The Village's activities do not meet the criteria for inclusion in the fiduciary funds of a government.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Effective October 1, 2016, the Village implemented Governmental Accounting Standards Board Statement 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Retirees of the Village pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied subsidy is considered other post-employment benefits (OPEB).

The following describes the Village’s OPEB Provisions:

Plan Description

The Village provides a single employer defined benefit health care plan to all of its employees and the plan is administered by the Village. The plan has no assets and does not issue a separate financial report.

Benefits Provided

The plan allows its employees and their beneficiaries, to continue to obtain health and dental benefits upon retirement. The normal retirement age for police and firefighters is 55 or 52, depending on the option selected by the employee and the normal retirement age for all other Village employees is either age 60 or 65, depending on the option selected by the employee. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Employees Covered by Benefit Terms

At September 30, 2024, the date of the last actuarial valuation, the following employees were covered by benefit terms:

Participants	
Active employees	134
Inactive employees currently receiving benefits	3
Inactive employees entitled to but not receiving benefits	-
Total	<u>137</u>

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Contribution Requirements: The Village does not make direct contributions to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group health rates as active employees. However, the Village's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total annual age-adjusted costs paid by the Village, or its active employees, for coverage of the retirees and their dependents net of the retiree's own payments for the year.

Total OPEB Liability

The Village's total OPEB liability of \$624,050 was measured as of September 30, 2024 and was determined by the actuarial valuation as September 30, 2024.

Actuarial Assumptions and Methods

The total OPEB liability was determined using the following actuarial assumptions and other methods:

Valuation Date:	September 30, 2024
Measurement Date:	September 30, 2024
Discount Rate:	3.81% per annum
Source	Fidelity 20-Year Municipal GO AA Index
Salary Increase Rate:	Service based between 2.4% to 8% per annum
Health Care Trend Rate:	An initial rate of 6.00% decreasing to an ultimate rate of 4.00%.
Inflation Rate:	2.50%
Marriage Rate/Participation:	The assumed number of eligible dependents is based on the current portions of single and family contracts in the census provided. The spousal participation assumed at retirement is 75%.
Actuarial Cost Method:	Entry Age Normal based on level percentage of projected salary.
Amortization Method:	<i>Experience/Assumptions</i> gains and losses are amortized over the closed period of 9 years starting on October 1, 2017, equal to the average remaining service of active and inactive plan members (who have no future service).

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods (Continued)

Plan Participation Percentage: The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 20% of employees elect coverage. This assumes that a one-time irrevocable election to participate is made at retirement.

Mortality Rates: The PUB-2010 Generational tables used are projected by Scale MP-2018. Adjustments to the referenced table are based on the results of a statewide experience study from 2013-2018.

Discount Rate

The Village does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As a result, the calculation used a rate of 3.61%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2023	\$ 632,729
Changes for the Year:	
Service Cost	44,641
Interest Cost	30,430
Difference between expected and actual experience	621
Changes of Assumptions and Other Inputs	(44,103)
Benefit Payments	(40,268)
Net Change in Total OPEB Liability	(8,679)
Balance at September 30, 2024	\$ 624,050

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Assumptions

The discount rate was 4.63% at 10/1/23 and 3.81% at 9/30/24.

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

The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.0% Decrease (2.81%)	Discount Rate (3.81%)	1.0% Increase (4.81%)
Total OPEB Liability	\$ 675,039	\$ 624,050	\$ 577,222

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher (then the current healthcare cost trend rates:

	1.0% Decrease	Healthcare cost Trend Rates	1.0% Increase
Total OPEB Liability	\$ 559,043	\$ 624,050	\$ 700,291

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

For the year ended September 30, 2024, the Village recognized OPEB revenue of \$321,574. At September 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions/Inputs	\$ 27,979	\$ 705,384
Differences Between Expected and Actual Experience		236,992
Total	\$ 27,979	\$ 942,376

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Basic Financial Statements

September 30, 2024

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

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

Fiscal Year Ending:	
September 30, 2025	\$ (396,640)
September 30, 2026	(142,659)
September 30, 2027	(152,409)
September 30, 2028	(130,577)
September 30, 2029	(43,575)
Thereafter	(48,537)
	<u>\$ (914,397)</u>

NOTE 15 – JOINTLY GOVERNED ORGANIZATION

The Village, 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 consists of one member from each participating entity. Seacoast is an Independent Authority organized under the laws of the State of Florida, and the Village has no participating equity ownership in Seacoast. The Village paid \$301,168 to Seacoast during the fiscal year for water and sewer service.

NOTE 16 –INTERFUND ACTIVITY

Advances to/from other funds

The advance from the General Fund to the Country Club Fund was to provide \$1,700,000 for the renovation of the Golf Course. The Country Club Fund will start paying back the advance \$1,700,000 in the fiscal year ending September 30, 2025, which is after the Bank of America loan is paid off.

NOTE 16 – INTERFUND ACTIVITY (Continued)

Transfers

Interfund transfers during the year ended September 30, 2024, are as follows:

The \$700,194 from the General Fund to the Capital Projects Fund were to fund capital projects according to the original budget and subsequent budget amendments. The \$450,000 from the General Fund to the Country Club Enterprise Fund were to help fund the operations of the Tennis and Pool activities. The \$725,000 from the General Fund was to the Special Capital Projects Fund was to fund capital projects.

NOTE 17 – CONTRACTS, COMMITMENTS AND CONTINGENCIES

Contract Commitments

On September 17, 2014, the Village entered into an agreement with the City of Palm Beach Gardens whereby the City of Palm Beach Gardens will provide the Village public safety dispatch services. The term of the agreement was for two years beginning on October 1, 2014, and extending through September 30, 2016. In 2016 the agreement was renewed for an additional five years extending through September 30, 2021. On August 11, 2021 a new five year agreement was approved expiring September 30, 2026. The fee for each year under the contract will be based upon the budget of the North County Dispatch (NCDC) center prorated to each contracting municipality based on that municipalities cost share. If at the end any contract year a budget shortfall exists, each contracting municipality shall pay its share of the shortfall. Conversely, if at the end of any contract year a budget surplus exists, such surplus shall represent a committed fund balance to be utilized specifically for NCDC budgetary purposes. The Village's estimated cost for fiscal year ending September 30, 2024 is \$529,904. On August 11, 2021, a second interlocal agreement was signed for five years expiring on September 30, 2026.

Subsequent to September 30, 2024, the Villages entered into contracts for \$446,975 for the replacement of the Anchorage Park boat ramp, \$499,091 for the renovation of the Dry Storage Facility and two dog parks located at Anchorage Park, and \$1,065,000 for the purchase of property for the construction of a new Public Works facility.

Contingencies

The Village is involved in various litigations and claims arising in the course of operations. It is the opinion of legal counsel that the likelihood of unfavorable outcome and the amounts of potential losses cannot be reasonably determined for all claims at this time.

NOTE 18 – PRIOR PERIOD ADJUSTMENT

In prior years the Village has not recorded accrued payroll as neither the liability nor the related change in expense/expenditure was considered material. In the current year the Village considers the liability material, and a prior period adjustment was recorded to decrease the beginning net position/fund balance for the prior unrecorded accrued liabilities.

In the Governmental Activities and General Fund the beginning net position/fund balance were decreased by \$522,621 and the Country Club Fund net position was decreased by \$64,594. The adjustment had no effect on the current year change in net position/fund balance and the prior year change in net position/fund balance decreased by \$33,767 in the Governmental Activities and General Fund and by \$11,019 in the Country Club Fund.

NOTE 19 – NEW ACCOUNTING STANDARDS

Implementation of Governmental Accounting Standards Board Statements

The Village implemented the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended September 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Recently Issued Accounting Pronouncements

Below is a brief description and effective date of new accounting standards that could have a significant impact on the Village.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The requirements of this Statement are effective for fiscal years ending September 30, 2025, and all reporting periods thereafter.

NOTE 19 – NEW ACCOUNTING STANDARDS (Continued)

Recently Issued Accounting Pronouncements (Continued)

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement are effective for fiscal years ending September 30, 2025, and all reporting periods thereafter.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for the fiscal year ending September 30, 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments,

Management is currently evaluating the impact of the adoption of these statements on the Village's financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

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PENSION AND OTHER POSTEMPLOYMENT BENEFIT TREND INFORMATION

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2024

**Schedule of Changes in Total OPEB Liability
Last Ten Fiscal Years**

	2018	2019	2020	2021	2022
Total OPEB liability					
Service cost	\$ 274,702	\$ 113,906	\$ 119,601	\$ 72,316	\$ 77,845
Interest cost	124,097	63,447	61,990	20,766	20,623
Change in benefit terms			655		
Difference between expected and actual experience	(1,354,390)				(102,114)
Changes of assumptions and other inputs	(677,494)	78,007	(960,663)	14,544	(239,114)
Benefit payments	(134,593)	(56,645)	(59,477)	(28,872)	(37,440)
Net change in total OPEB liability	(1,767,678)	198,715	(837,894)	78,754	(280,200)
Total OPEB liability, beginning of year	3,210,652	1,442,974	1,641,689	803,795	882,549
Total OPEB liability, end of year	\$ 1,442,974	\$ 1,641,689	\$ 803,795	\$ 882,549	\$ 602,349
Covered employee payroll	\$ 10,148,392	\$ 10,566,520	\$ 9,347,911	\$ 11,834,425	\$ 8,871,817
Net OPEB liability as a percentage of covered employee payroll	14.22%	15.54%	8.60%	7.46%	6.79%
Changes of Assumptions					
Discount rate (3.36% at 10/1/17)	4.15%	3.58%	2.41%	2.19%	4.40%
Coverage acceptance rate	40.00%	40.00%	25.00%	25.00%	20.00%
	2023	2024			
Total OPEB liability					
Service cost	\$ 44,764	\$ 44,641			
Interest cost	27,792	30,430			
Change in benefit terms					
Difference between expected and actual experience		621			
Changes of assumptions and other inputs	(11,200)	(44,103)			
Benefit payments	(30,976)	(40,268)			
Net change in total OPEB liability	30,380	(8,679)			
Total OPEB liability, beginning of year	602,349	632,729			
Total OPEB liability, end of year	\$ 632,729	\$ 624,050			
Covered employee payroll	\$ 13,609,837	\$ 10,778,149			
Net OPEB liability as a percentage of covered employee payroll	4.65%	5.79%			
Changes of Assumptions					
Discount rate	4.63%	3.81%			
Coverage acceptance rate	20.00%	20.00%			

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

NOTE: The Village implemented GASB Statement 75 in 2018; information is presented for those years in which information is available.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Required Supplemental Information

September 30, 2024

General Employees Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Fiscal Years

Reporting Year	2016	2017	2018	2019	2020
Measurement Year	2015	2016	2017	2018	2019
Total pension liability:					
Service cost	\$ 317,676	\$ 357,344	\$ 275,504	\$ 250,072	\$ 251,678
Interest	1,048,746	1,106,085	1,116,142	1,162,025	1,201,578
Differences between Expected and Actual Experience	(329,040)	(129,381)	(246,222)	(307,977)	(625,948)
Assumption changes		928,295	23,053		
Benefit payments, including refunds of employee contributions	(293,890)	(331,174)	(454,571)	(472,027)	(567,472)
Net change in total pension liability	743,492	1,931,169	713,906	632,093	259,836
Total pension liability - beginning	13,812,555	14,556,047	16,487,216	17,201,122	17,833,215
Total pension liability - ending (a)	<u>\$ 14,556,047</u>	<u>\$ 16,487,216</u>	<u>\$ 17,201,122</u>	<u>\$ 17,833,215</u>	<u>\$ 18,093,051</u>
Plan fiduciary net position					
Contributions - employer	\$ 464,189	\$ 458,615	\$ 527,617	\$ 451,560	\$ 358,152
Contributions - Employees	125,738	126,947	110,417	101,858	97,522
Net investment income	(96,116)	1,161,530	1,487,313	1,190,603	721,786
Benefit payments, including refunds of employee contributions	(293,890)	(331,174)	(454,571)	(472,027)	(567,472)
Administrative expenses	(20,655)	(24,794)	(22,361)	(21,489)	(38,690)
Net change in plan fiduciary net position	179,266	1,391,124	1,648,415	1,250,505	571,298
Plan fiduciary net position - beginning	11,929,879	12,109,145	13,500,269	15,148,684	16,399,189
Plan fiduciary net position - ending (b)	<u>\$ 12,109,145</u>	<u>\$ 13,500,269</u>	<u>\$ 15,148,684</u>	<u>\$ 16,399,189</u>	<u>\$ 16,970,487</u>
Net pension liability(asset) (a) - (b)	<u>\$ 2,446,902</u>	<u>\$ 2,986,947</u>	<u>\$ 2,052,438</u>	<u>\$ 1,434,026</u>	<u>\$ 1,122,564</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.19%</u>	<u>81.88%</u>	<u>88.07%</u>	<u>91.96%</u>	<u>93.80%</u>
Covered payroll	<u>\$ 2,375,585</u>	<u>\$ 2,376,069</u>	<u>\$ 2,072,121</u>	<u>\$ 1,966,566</u>	<u>\$ 1,834,767</u>
Net pension liability as a percentage of covered payroll	<u>103.00%</u>	<u>125.71%</u>	<u>99.05%</u>	<u>72.92%</u>	<u>61.18%</u>

Changes of Assumptions (By Measurement Year)

For the 2016 fiscal year the discount rate, investment rate of return, inflation rate, salary scale, and the withdrawal and mortality rates changed.

For the 2017 fiscal year the mortality rate changed.

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2021	2022	2023	2024	2025
2020	2021	2022	2023	2024
\$ 216,125	\$ 211,929	\$ 164,218	\$ 176,461	\$ 195,518
1,211,026	1,232,553	1,157,772	1,180,659	1,217,142
(343,736)	(29,429)	(62,808)	195,149	178,449
	(283,447)			
<u>(736,101)</u>	<u>(784,490)</u>	<u>(854,693)</u>	<u>(955,780)</u>	<u>(1,019,424)</u>
347,314	347,116	404,489	596,489	571,685
<u>18,093,051</u>	<u>18,440,365</u>	<u>18,787,481</u>	<u>19,191,970</u>	<u>19,788,459</u>
<u>\$ 18,440,365</u>	<u>\$ 18,787,481</u>	<u>\$ 19,191,970</u>	<u>\$ 19,788,459</u>	<u>\$ 20,360,144</u>
\$ 232,738	\$ 197,770	\$ 165,928	\$ 179,038	\$ 238,581
85,829	76,595	68,012	72,032	67,323
1,497,222	3,135,663	(3,586,330)	2,051,214	3,710,130
(736,101)	(784,490)	(854,693)	(955,780)	(1,019,424)
(60,096)	(74,760)	(66,486)	(61,276)	(78,078)
<u>1,019,592</u>	<u>2,550,778</u>	<u>(4,273,569)</u>	<u>1,285,228</u>	<u>2,918,532</u>
<u>16,970,487</u>	<u>17,990,079</u>	<u>20,540,857</u>	<u>16,267,288</u>	<u>17,552,516</u>
<u>\$ 17,990,079</u>	<u>\$ 20,540,857</u>	<u>\$ 16,267,288</u>	<u>\$ 17,552,516</u>	<u>\$ 20,471,048</u>
<u>\$ 450,286</u>	<u>\$ (1,753,376)</u>	<u>\$ 2,924,682</u>	<u>\$ 2,235,943</u>	<u>\$ (110,904)</u>
<u>97.56%</u>	<u>109.33%</u>	<u>84.76%</u>	<u>88.70%</u>	<u>100.54%</u>
<u>\$ 1,612,777</u>	<u>\$ 1,472,661</u>	<u>\$ 1,316,077</u>	<u>\$ 1,407,674</u>	<u>\$ 1,289,484</u>
<u>27.92%</u>	<u>-119.06%</u>	<u>222.23%</u>	<u>158.84%</u>	<u>-8.60%</u>

For the 2021 fiscal year the morality tables, assumed rates of retirement, withdrawal rate, salary increases, and cost of living adjustments were all updated and the investment return assumption was reduce from 6.75% to 6.25%.

For the 2022 fiscal year the investment rate of return changed from 6.75% to 6.25% and inflation changed from 2.5% to 2.4%.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Required Supplemental Information

September 30, 2024

Fire and Police Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Fiscal Years

Reporting Year	2016	2017	2017	2019	2020
Measurement Year	2015	2016	2017	2018	2019
Total pension liability:					
Service cost	\$ 810,654	\$ 833,909	\$ 851,932	\$ 897,280	\$ 1,031,048
Interest	1,555,518	1,738,069	1,779,947	1,922,314	2,236,125
Changes in excess state money	67,645	79,505	83,231	77,905	(600,965)
Changes of benefit terms	1,682				1,660,762
Differences between Expected and Actual Experience	483,189	(31,422)	(197,249)	187,041	(138,741)
Changes of assumptions		(1,223,780)	198,680	174,565	205,896
Contributions - Buy Back	65,446	7,609	7,902	4,746	6,698
Benefit payments, including refunds of employee contributions	(611,678)	(653,993)	(680,673)	(751,317)	(793,277)
Net change in total pension liability	2,372,456	749,897	2,043,770	2,512,534	3,607,546
Total pension liability - beginning	19,480,362	21,852,818	22,602,715	24,646,485	27,159,019
Total pension liability - ending (a)	\$ 21,852,818	\$ 22,602,715	\$ 24,646,485	\$ 27,159,019	\$ 30,766,565
Plan fiduciary net position					
Contributions - employer	\$ 975,733	\$ 969,836	\$ 945,880	\$ 822,951	\$ 918,263
Contributions - State	298,340	310,200	309,138	308,600	328,826
Contributions - DROP Contributions					
Contributions - Employees	151,450	190,989	211,474	224,469	239,271
Contributions - Buy Back	65,446	7,609	7,902	4,746	6,698
Net investment income	111,884	1,475,735	2,198,298	1,637,891	787,045
Benefit payments, including refunds of employee contributions	(600,579)	(653,993)	(680,673)	(751,317)	(793,277)
Administrative expenses	(76,457)	(76,967)	(76,293)	(78,399)	(83,413)
Net change in plan fiduciary net position	925,817	2,223,409	2,915,726	2,168,941	1,403,413
Plan fiduciary net position - beginning	16,790,847	17,716,664	19,940,073	22,855,799	25,024,740
Plan fiduciary net position - ending (b)	\$ 17,716,664	\$ 19,940,073	\$ 22,855,799	\$ 25,024,740	\$ 26,428,153
Net pension liability(asset) (a) - (b)	\$ 4,136,154	\$ 2,662,642	\$ 1,790,686	\$ 2,134,279	\$ 4,338,412
Plan fiduciary net position as a percentage of the total pension liability	81.07%	88.22%	92.73%	92.14%	85.90%
Covered payroll	\$ 4,518,020	\$ 4,601,075	\$ 4,772,092	\$ 5,088,564	\$ 5,451,987
Net pension liability as a percentage of covered payroll	91.55%	57.87%	37.52%	41.94%	79.57%

Changes of Assumptions (By Measurement Year)

For the 2014 fiscal year the investment rate of return changed.

For the 2016 fiscal year the salary scale, normal retirement rates, the investment rate of return, discount rate, withdrawal and mortality rates, and the actuarial cost method all changed.

For the 2017 fiscal year the mortality rates and the investment rate of return changed.

For the 2018 fiscal year the investment rate of return changed.

For the 2019 fiscal year the benefit accrual rate changed prospectively from 2.5% to 2.75%.

For the 2019 fiscal year the investment rate of return changed from 7.75% to 7.70%.

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2021	2022	2023	2024	2025
2020	2021	2022	2023	2024
\$ 1,102,333	\$ 1,026,423	\$ 1,186,982	\$ 1,329,402	\$ 1,420,700
2,423,113	2,574,829	2,639,997	2,887,764	3,178,311
		617,530		
319,251	(1,956,361)	419,712	701,705	1,475,388
(981,457)	464,035			593,871
3,498	3,498	3,498	2,422	
(799,809)	(841,165)	(946,116)	(1,187,659)	(1,037,574)
2,066,929	1,271,259	3,921,603	3,733,634	5,630,696
30,766,565	32,833,494	34,104,753	38,026,356	41,759,990
<u>\$ 32,833,494</u>	<u>\$ 34,104,753</u>	<u>\$ 38,026,356</u>	<u>\$ 41,759,990</u>	<u>\$ 47,390,686</u>
\$ 863,762	\$ 754,690	\$ 662,686	\$ 910,146	\$ 952,930
339,482	350,777	414,511	472,893	551,246
				25,263
329,454	383,069	416,272	533,218	593,982
3,498	3,498	3,498	2,422	
1,228,865	5,607,649	(4,870,319)	3,289,833	7,867,499
(799,808)	(841,221)	(946,116)	(1,187,659)	(1,037,574)
(78,868)	(93,646)	(84,157)	(103,780)	(103,128)
1,886,385	6,164,816	(4,403,625)	3,917,073	8,850,218
26,428,153	28,314,538	34,479,354	30,075,729	33,992,802
<u>\$ 28,314,538</u>	<u>\$ 34,479,354</u>	<u>\$ 30,075,729</u>	<u>\$ 33,992,802</u>	<u>\$ 42,843,020</u>
<u>\$ 4,518,956</u>	<u>\$ (374,601)</u>	<u>\$ 7,950,627</u>	<u>\$ 7,767,188</u>	<u>\$ 4,547,666</u>
<u>86.24%</u>	<u>101.10%</u>	<u>79.09%</u>	<u>81.40%</u>	<u>90.40%</u>
<u>\$ 5,134,942</u>	<u>\$ 5,169,073</u>	<u>\$ 5,627,173</u>	<u>\$ 6,344,818</u>	<u>\$ 6,465,485</u>
<u>88.00%</u>	<u>-7.25%</u>	<u>141.29%</u>	<u>122.42%</u>	<u>70.34%</u>

For the 2020 fiscal year the mortality rates changed.

For the 2021 fiscal year the investment return assumption was reduced from 7.7% to 7.45% along with changes to the salary increase rates, normal retirement rates and the assumed rates of withdrawal.

For the 2022 fiscal year the maximum benefit changed from 75% to 80% of average monthly earnings, member contribution rates increased, and the benefit accrual rate changed from 2.75% to 3.00% for police officers.

For the 2025 fiscal year the investment rate of return changed from 7.45% to 7.35%.

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Required Supplemental Information

September 30, 2024

Last Ten Fiscal Years

Schedule of Contributions

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
<u>General Employees Retirement Fund</u>					
2015	\$ 464,189	\$ 464,189	\$	\$ 2,375,585	19.54%
2016	449,552	458,615	(9,063)	2,376,069	19.30%
2017	519,821	527,617	(7,796)	2,072,121	25.46%
2018	449,477	451,560	(2,083)	1,966,566	22.96%
2019	355,507	358,152	(2,645)	1,834,767	19.52%
2020	231,604	232,738	(1,134)	1,612,777	14.43%
2021	194,733	197,770	(3,037)	1,472,661	13.43%
2022	162,168	165,928	(3,760)	1,316,077	12.61%
2023	173,176	178,999	(5,823)	1,407,674	12.72%
2024	234,590	238,581	(3,991)	1,289,484	18.50%

Fire and Police Retirement Fund

2015	\$ 1,205,408	\$ 1,206,428	\$ (1,020)	\$ 4,518,020	26.70%
2016	1,193,059	1,200,531	(7,472)	4,601,075	26.09%
2017	1,175,844	1,171,787	4,057	4,772,092	24.55%
2018	1,038,576	1,053,646	(15,070)	5,088,564	20.71%
2019	1,135,649	1,247,089	(111,440)	5,451,987	22.87%
2020	1,190,793	1,203,271	(12,478)	5,134,942	23.43%
2021	1,233,858	1,105,440	128,418	5,169,073	21.39%
2022	1,074,227	1,077,197	(2,970) *	5,627,173	19.14%
2023	1,317,009	1,383,039	(66,030)	6,334,818	21.83%
2024	1,460,553	1,504,176	(43,623)	6,465,485	23.26%

* Prior year excess contributions were used.

Schedule of Investment Returns

Fiscal Year Ending September 30	Annual money weighted rate of return net of investment expense	
	General Employees	Fire and Police Employees
2015	-0.39%	0.66%
2016	9.72%	8.25%
2017	11.32%	10.92%
2018	8.26%	7.14%
2019	4.63%	3.13%
2020	9.28%	4.62%
2021	17.85%	19.69%
2022	-17.51%	-14.09%
2023	13.04%	10.92%
2024	21.61%	22.98%

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Schedule of Contributions

September 30, 2024

Methods and assumptions used in calculations of determined contributions.

The actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

	<u>General Employees Retirement Fund</u>	<u>Police and Fire Retirement Fund</u>
Valuation Date	October 1, 2022	October 1, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, closed	Level Percentage of Compensation
Remaining Amortization Period	29	28
Asset Valuation Method	Five year smoothed market	Five year smoothed market
Inflation	2.40%	2.50%
Salary increases	Service based Between 2.4% and 5.9%	Service based Between 4% and 8%
Cost of living adjustments	2.15% for those retired before 2/1/82 or who contribute an extra 2%.	2.50%
Investment Rate of Return	6.25%	7.45%
Mortality	The same version of Pub- 2010 Headcount wighted tables as used by the FRS in their 7/1/21 Actuarial Valuation	PubS.H-2010 for Employees, set forward one year

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GENERAL FUND

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Schedule of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

General Fund

For the Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 26,785,506	\$ 26,785,506	\$ 27,417,278	\$ 631,772
Licenses and permits	1,790,500	1,790,500	2,171,127	380,627
Intergovernmental	1,869,505	1,869,505	1,983,694	114,189
Charges for services	1,903,848	1,903,848	2,423,911	520,063
Fines and forfeitures	121,850	121,850	241,367	119,517
Investment	548,724	548,724	1,730,635	1,181,911
Miscellaneous			289,355	289,355
Total revenues	33,019,933	33,019,933	36,257,367	3,237,434
Expenditures				
Current				
General government	4,168,355	4,176,355	4,203,715	(27,360)
Public safety	13,469,559	13,484,059	13,491,811	(7,752)
Public works	6,153,832	6,184,953	5,395,273	789,680
Community development and planning	2,022,854	2,119,986	1,993,644	126,342
Leisure services	3,435,405	3,724,611	3,462,501	262,110
Capital outlay			419,400	(419,400)
Debt service				
Principal payments	1,496,211	1,496,211	1,496,211	
Interest paid on debt	398,523	398,523	398,106	417
Total expenditures	31,144,739	31,584,698	30,860,661	724,037
Excess of revenues over expenditures	1,875,194	1,435,235	5,396,706	3,961,471
Other financing sources (uses)				
Appropriated fund balance		439,959		(439,959)
Insurance recoveries			972,932	972,932
Transfer out	(1,875,194)	(1,875,194)	(1,875,194)	
Total other financing uses	(1,875,194)	(1,435,235)	(902,262)	532,973
Net change in fund balances	\$	\$	4,494,444	\$ 4,494,444
Fund Balances				
Beginning of year, as restated			17,789,748	
End of year			\$ 22,284,192	

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Notes to the Budgetary

Required Supplementary Information (RSI)

General Fund

September 30, 2024

Note 1 - Basis of Accounting

Generally accepted accounting principles (GAAP) serve as the budgetary basis of accounting.

Note 2 - Legal Level of Control

The legal level of budgetary control is at the fund level.

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OTHER SUPPLEMENTARY INFORMATION

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GENERAL FUND

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Village Council					
Personnel services	\$ 75,692	\$ 75,692	\$ 46,408	\$ 29,284	38.69
Operating expenses	142,650	143,750	166,614	(22,864)	-15.91
Total Village Council	218,342	219,442	213,022	6,420	2.93
Village Manager					
Personnel services	655,740	655,740	664,878	(9,138)	-1.39
Operating expenses	119,300	119,300	146,315	(27,015)	-22.64
Total Village Manager	775,040	775,040	811,193	(36,153)	-4.66
Village Finance					
Personnel services	524,655	524,655	555,434	(30,779)	-5.87
Operating expenses	74,600	74,600	80,185	(5,585)	-7.49
Total Village Finance	599,255	599,255	635,619	(36,364)	-6.07
Village Attorney					
Operating expenses	215,000	215,000	259,526	(44,526)	-20.71
Village Clerk					
Personnel services	256,198	256,198	199,574	56,624	22.10
Operating expenses	79,785	79,785	63,115	16,670	20.89
Total Village Clerk	335,983	335,983	262,689	73,294	21.81
Information Technology					
Personnel services	657,917	657,917	598,764	59,153	8.99
Operating expenses	162,700	162,700	184,115	(21,415)	-13.16
Total Information Technology	820,617	820,617	782,879	37,738	4.60
Human Resources					
Personnel services	351,587	351,587	317,253	34,334	9.77
Operating expenses	163,050	169,950	223,961	(54,011)	-31.78
Total Human Resources	514,637	521,537	541,214	(19,677)	-3.77
Police					
Personnel services	7,166,579	7,166,579	7,300,118	(133,539)	-1.86
Operating expenses	1,492,650	1,507,150	1,338,062	169,088	11.22
Total Police	8,659,229	8,673,729	8,638,180	35,549	0.41
Fire Rescue					
Personnel services	4,152,010	4,152,010	4,302,813	(150,803)	-3.63
Operating expenses	497,420	497,420	412,012	85,408	17.17
Total Fire Rescue	4,649,430	4,649,430	4,714,825	(65,395)	-1.41

(Continued)

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA Schedule of Departmental Expenditures - Budget and Actual General Fund For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Public Works Administration					
Personnel services	\$ 552,980	\$ 552,980	\$ 577,955	\$ (24,975)	-4.52
Operating expenses	99,800	111,050	141,980	(30,930)	-27.85
Total Public Works	<u>652,780</u>	<u>664,030</u>	<u>719,935</u>	<u>(55,905)</u>	<u>-8.42</u>
Sanitation					
Personnel services	1,593,893	1,593,893	1,484,967	108,926	6.83
Operating expenses	425,000	425,000	338,756	86,244	20.29
Total Sanitation	<u>2,018,893</u>	<u>2,018,893</u>	<u>1,823,723</u>	<u>195,170</u>	<u>9.67</u>
Facility Services					
Personnel services	378,978	378,978	362,219	16,759	4.42
Operating expenses	652,200	656,571	451,821	204,750	31.18
Total Facility Services	<u>1,031,178</u>	<u>1,035,549</u>	<u>814,040</u>	<u>221,509</u>	<u>21.39</u>
Street Maintenance					
Personnel services	284,268	284,268	247,533	36,735	12.92
Operating expenses	1,429,500	1,445,000	1,139,284	305,716	21.16
Total Street Maintenance	<u>1,713,768</u>	<u>1,729,268</u>	<u>1,386,817</u>	<u>342,451</u>	<u>19.80</u>
Vehicle Maintenance					
Personnel services	330,513	330,513	323,788	6,725	2.03
Operating expenses	406,700	406,700	326,970	79,730	19.60
Total Vehicle Maintenance	<u>737,213</u>	<u>737,213</u>	<u>650,758</u>	<u>86,455</u>	<u>11.73</u>
Planning and Engineering					
Personnel services	337,316	337,316	235,098	102,218	30.30
Operating expenses	318,350	398,947	390,894	8,053	2.02
Total Planning and Engineering	<u>655,666</u>	<u>736,263</u>	<u>625,992</u>	<u>110,271</u>	<u>14.98</u>
Building					
Personnel services	800,070	800,070	656,117	143,953	17.99
Operating expenses	299,890	316,425	491,227	(174,802)	-55.24
Total Building	<u>1,099,960</u>	<u>1,116,495</u>	<u>1,147,344</u>	<u>(30,849)</u>	<u>-2.76</u>
Code Enforcement					
Personnel services	236,703	236,703	174,939	61,764	26.09
Operating expenses	33,525	33,525	47,369	(13,844)	-41.29
Total Code Enforcement	<u>270,228</u>	<u>270,228</u>	<u>222,308</u>	<u>47,920</u>	<u>17.73</u>
Recreation					
Personnel services	867,584	867,584	755,406	112,178	12.93
Operating expenses	1,213,742	1,494,837	1,500,126	(5,289)	-0.35
Total Leisure Services-Recreation	<u>2,081,326</u>	<u>2,362,421</u>	<u>2,255,532</u>	<u>106,889</u>	<u>4.52</u>

(Continued)

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Library					
Personnel services	\$ 855,253	\$ 855,253	\$ 809,712	\$ 45,541	5.32
Operating expenses	355,838	363,949	252,791	111,158	30.54
Total Library	<u>1,211,091</u>	<u>1,219,202</u>	<u>1,062,503</u>	<u>156,699</u>	<u>12.85</u>
Special Events					
Operating expenses	142,988	142,988	144,466	(1,478)	-1.03
Total Special Events	<u>142,988</u>	<u>142,988</u>	<u>144,466</u>	<u>(1,478)</u>	<u>-1.03</u>
Debt Service	<u>1,894,734</u>	<u>1,894,734</u>	<u>1,894,317</u>	<u>417</u>	<u>0.02</u>
Non-Departmental					
Operating expenses	847,381	847,381	834,379	13,002	1.53
	<u>847,381</u>	<u>847,381</u>	<u>834,379</u>	<u>13,002</u>	<u>1.53</u>
Capital Outlay					
Police			207,389	(207,389)	
Facility Services			21,323	(21,323)	
Building			100,548	(100,548)	
Leisure Services-Recreation			90,140	(90,140)	
Total Capital Outlay			<u>419,400</u>	<u>(419,400)</u>	
Total expenditures	<u>\$ 31,144,739</u>	<u>\$ 31,584,698</u>	<u>\$ 30,860,661</u>	<u>\$ 724,037</u>	<u>2.29%</u>

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COMBINING FINANCIAL STATEMENTS

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds
Public Safety Fund
Northlake Boulevard Fund
Recreation Fund
On-Behalf Pension Contributions

Capital Projects Fund

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Combining Balance Sheet Nonmajor Governmental Funds September 30, 2024

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Safety Fund	Northlake Boulevard Fund	Recreation	On-Behalf Pension Contributions		
Assets						
Cash and cash equivalents	\$ 757	\$ 1,987	\$ 193,458	\$ 100,305	\$ 2,989,504	\$ 3,286,011
Total assets	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ 193,458</u>	<u>\$ 100,305</u>	<u>\$ 2,989,504</u>	<u>\$ 3,286,011</u>
Liabilities						
Accounts payable	\$	\$	\$	\$ 100,305	\$	\$ 100,305
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>100,305</u>	<u>\$</u>	<u>100,305</u>
Fund balances						
Assigned	757	1,987	193,458		2,989,504	3,185,706
Total fund balances	<u>757</u>	<u>1,987</u>	<u>193,458</u>	<u></u>	<u>2,989,504</u>	<u>3,185,706</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ 193,458</u>	<u>\$ 100,305</u>	<u>\$ 2,989,504</u>	<u>\$ 3,286,011</u>

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended September 30, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Public Safety Fund	Northlake Boulevard Fund	Recreation	On-Behalf Pension Contributions	Capital Projects Fund	
Revenues						
Intergovernmental	\$ 21,203	\$	\$ 300,000	\$ 551,246	\$	\$ 872,449
Total revenues	<u>21,203</u>	<u></u>	<u>300,000</u>	<u>551,246</u>	<u></u>	<u>872,449</u>
Expenditures						
Current						
Public safety	21,203			551,246		572,449
Capital outlay			22,185		179,048	201,233
Total expenditures	<u>21,203</u>	<u></u>	<u>22,185</u>	<u>551,246</u>	<u>179,048</u>	<u>773,682</u>
Excess (deficiency) of revenues over (under) expenditures			<u>277,815</u>		<u>(179,048)</u>	<u>98,767</u>
Other financing sources (uses)						
Transfers in					700,194	700,194
Net changes in fund balances			277,815		521,146	798,961
Fund balances - Beginning of year	757	1,987	(84,357)		2,468,358	2,386,745
Fund balances - End of year	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ 193,458</u>	<u>\$</u>	<u>\$ 2,989,504</u>	<u>\$ 3,185,706</u>

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FIDUCIARY FUNDS

Pension Trust Funds

General Employees Pension Trust Fund
Fire and Police Officers Pension Trust Fund

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Statement of Net Position - Pension Trust Funds
September 30, 2024

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
Assets			
Cash and cash equivalents	\$ 388,978	\$ 1,319,557	\$ 1,708,535
Investments:			
Domestic common equity securities	2,931,696	8,835,807	11,767,503
International common equity securities	1,822,405	2,066,225	3,888,630
U.S. Government and agencies	2,329,932	6,611,270	8,941,202
Municipal bonds	669,470	264,271	933,741
Domestic corporate bonds	2,358,673	2,173,327	4,532,000
International corporate bonds	284,934	147,647	432,581
Domestic equity exchange traded funds	3,305,326		3,305,326
International equity exchange traded funds	804,185	38,064	842,249
Fixed income mutual funds	2,225,802		2,225,802
Domestic equity mutual funds	2,149,217	13,268,520	15,417,737
International equity mutual funds	1,153,211	2,118,767	3,271,978
Real estate investment fund		2,988,698	2,988,698
Money market mutual funds		678,711	678,711
Accrued interest and dividends	66,978	51,562	118,540
Accounts receivable	10,895	100,305	111,200
Accounts receivable, broker-dealers		2,212,276	2,212,276
Prepays	3,568	5,010	8,578
Total assets	<u>20,505,270</u>	<u>42,880,017</u>	<u>63,385,287</u>
Liabilities			
Accounts payable	34,222	36,997	71,219
Total liabilities	<u>34,222</u>	<u>36,997</u>	<u>71,219</u>
Net Position restricted for pensions	<u>\$ 20,471,048</u>	<u>\$ 42,843,020</u>	<u>\$ 63,314,068</u>

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2024

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
Additions			
Contributions			
Employer	\$ 238,581	\$ 952,930	\$ 1,191,511
Plan members	67,323	593,982	661,305
DROP contributions		25,263	25,263
State on-behalf payments		551,246	551,246
Total contributions	<u>305,904</u>	<u>2,123,421</u>	<u>2,429,325</u>
Investment earnings			
Dividends and interest	472,978	899,463	1,372,441
Change in fair value of investments	3,314,444	7,136,561	10,451,005
Total investment earnings	<u>3,787,422</u>	<u>8,036,024</u>	<u>11,823,446</u>
Less: investment expenses	<u>77,292</u>	<u>168,525</u>	<u>245,817</u>
Total investment earnings	<u>3,710,130</u>	<u>7,867,499</u>	<u>11,577,629</u>
Total additions	<u>4,016,034</u>	<u>9,990,920</u>	<u>14,006,954</u>
Deductions			
Administration	78,078	103,128	181,206
Lump sum DROP distributions		4,801	4,801
Benefits	1,019,424	1,032,773	2,052,197
Total deductions	<u>1,097,502</u>	<u>1,140,702</u>	<u>2,238,204</u>
Change in net position	2,918,532	8,850,218	11,768,750
Net position - beginning	<u>17,552,516</u>	<u>33,992,802</u>	<u>51,545,318</u>
Net position - ending	<u>\$ 20,471,048</u>	<u>\$ 42,843,020</u>	<u>\$ 63,314,068</u>

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PROPRIETARY FUND
(ENTERPRISE FUND)

Country Club Fund

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Schedule of Revenues and Departmental Expenses - Budget and Actual Country Club Fund - Budgetary Basis For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Revenue					
Greens fee/cart rentals/membership fees	\$ 4,817,425	\$ 4,817,425	\$ 4,869,635	\$ 52,210	1.08
Golf shop revenues	739,500	739,500	762,474	22,974	3.11
Driving range revenues	525,000	525,000	600,505	75,505	14.38
Restaurant revenues	343,000	343,000	277,600	(65,400)	-19.07
Tennis revenues	841,500	841,500	742,720	(98,780)	-11.74
Pool revenues	265,000	265,000	212,843	(52,157)	-19.68
Interest revenues	25,000	25,000	174,913	149,913	
Miscellaneous	20,400	20,400	76,776	56,376	276.35
Operating transfers	450,000	450,000	450,000		
Appropriated net position		1,402,432		(1,402,432)	-100.00
Total revenues	8,026,825	9,429,257	8,167,466	(1,261,791)	-13.38
Golf Maintenance					
Operating expenses	2,032,000	2,064,755	1,920,271	144,484	7.00
Capital outlay	875,000	1,060,768	583,990	476,778	
Total Golf Maintenance	2,907,000	3,125,523	2,504,261	621,262	19.88
Clubhouse and Grounds					
Personnel services	87,791	87,791	104,892	(17,101)	(19.48)
Operating expenses	542,161	554,587	477,045	77,542	13.98
Total Clubhouse and Grounds	629,952	642,378	581,937	60,441	9.41
Golf Pro Shop and Range					
Personnel services	1,128,144	1,128,144	1,095,124	33,020	2.93
Operating expenses	884,500	884,500	967,100	(82,600)	-9.34
Capital outlay			19,740	(19,740)	
Total Golf Pro Shop and Range	2,012,644	2,012,644	2,081,964	(69,320)	-3.44
Food and Beverage					
Personnel services					
Operating expenses	22,000	350,001	350,990	(989)	-0.28
Capital outlay					
Total Food and Beverage	22,000	350,001	350,990	(989)	(0.28)
Tennis					
Personnel services	722,890	722,890	526,254	196,636	
Operating expenses	186,502	186,502	167,422	19,080	10.23
Capital outlay	8,000	849,082	703,372	145,710	
Total Tennis	917,392	1,758,474	1,397,048	361,426	20.55
Pool					
Personnel services	224,951	224,951	156,422	68,529	
Operating expenses	216,399	218,799	198,035	20,764	9.49
Capital outlay	90,000	90,000	6,995	83,005	
Total Pool	531,350	533,750	361,452	172,298	32.28

(Continued)

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Schedule of Revenues and Departmental Expenses - Budget and Actual Country Club Fund - Budgetary Basis For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Administration					
Personnel services	\$ 359,163	\$ 359,163	\$ 302,739	\$ 56,424	15.71
Operating expenses	50,824	50,824	105,172	(54,348)	-106.93
Capital outlay	75,000	75,000		75,000	100.00
Total Administration	<u>484,987</u>	<u>484,987</u>	<u>407,911</u>	<u>77,076</u>	<u>15.89</u>
Insurance and General Liability					
Operating expenses	28,900	28,900	34,496	(5,596)	(19.36)
Reserves					
Operating	7,775	7,775	18,189	(10,414)	(133.94)
Capital	250,000	250,000	250,000		0.00
Total Reserves	<u>257,775</u>	<u>257,775</u>	<u>268,189</u>	<u>(10,414)</u>	<u>(4.04)</u>
Debt service					
Debt service	234,825	234,825	234,641	184	
Total expenses on the budgetary basis	<u>8,026,825</u>	<u>9,429,257</u>	<u>8,222,889</u>	<u>1,206,368</u>	<u>12.79</u>
Revenues over expenses	<u>\$</u>	<u>\$</u>	<u>\$ (55,423)</u>	<u>\$ (55,423)</u>	
Adjustments to reconcile to the GAAP Basis					
Total expenses on the budgetary basis			\$ 8,222,889		
OPEB adjustments			278		
Less: capital reserve			(250,000)		
Less: capital outlay costs capitalized			(1,354,980)		
Less: debt service			(234,641)		
Less: lease adjustment			(6,780)		
Add: depreciation expense			910,768		
Total operating expenses			<u>\$ 7,287,534</u>		

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the Village of North Palm Beach's comprehensive annual financial report presents detailed unaudited information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the Village's overall financial health.

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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.

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VILLAGE OF NORTH PALM BEACH

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING) Unaudited

	Fiscal Year				
	2015 (1)	2016	2017	2018	2019
Governmental Activities:					
Net investment in capital assets	\$ 14,711,016	\$ 14,102,547	\$ 13,484,731	\$ 15,429,484	\$ 18,814,116
Restricted	177,431	398,519	992,538	484,568	525,536
Unrestricted	6,168,366	6,677,850	6,536,225	6,658,744	7,504,062
Total governmental activities net position	<u>21,056,813</u>	<u>21,178,916</u>	<u>21,013,494</u>	<u>22,572,796</u>	<u>26,843,714</u>
Business-Type Activities:					
Net investment in capital assets	1,833,975	1,880,421	1,991,168	3,056,715	3,422,142
Unrestricted	544,523	418,726	361,461	(1,324,978)	(3,162,414)
Total business-type activities net position	<u>2,378,498</u>	<u>2,299,147</u>	<u>2,352,629</u>	<u>1,731,737</u>	<u>259,728</u>
Primary government:					
Net investment in capital assets	16,544,991	15,982,968	15,475,899	18,486,199	22,236,258
Restricted	177,431	398,519	992,538	484,568	525,536
Unrestricted	6,712,889	7,096,576	6,897,686	5,333,766	4,341,648
Total primary government net position	<u>\$ 23,435,311</u>	<u>\$ 23,478,063</u>	<u>\$ 23,366,123</u>	<u>\$ 24,304,533</u>	<u>\$ 27,103,442</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental Activities:					
Net investment in capital assets	\$ 22,423,120	\$ 18,910,112	\$ 20,231,457	\$ 22,360,893	\$ 24,106,574
Restricted	986,489	1,418,916	3,331,270	1,923,630	2,075,644
Unrestricted	6,689,693	10,078,079	17,346,639	19,242,051	21,579,796
Total governmental activities net position	<u>30,099,302</u>	<u>30,407,107</u>	<u>40,909,366</u>	<u>43,526,574</u>	<u>47,762,014</u>
Business-Type Activities:					
Net investment in capital assets	2,947,241	5,874,752	5,976,057	6,236,086	6,907,891
Unrestricted	(3,161,738)	(2,599,491)	(1,248,264)	612,692	901,322
Total business-type activities net position	<u>(214,497)</u>	<u>3,275,261</u>	<u>4,727,793</u>	<u>6,848,778</u>	<u>7,809,213</u>
Primary government:					
Net investment in capital assets	25,370,361	24,784,864	26,207,514	28,596,979	31,014,465
Restricted	986,489	1,418,916	3,331,270	1,923,630	2,075,644
Unrestricted	3,527,955	7,478,588	16,098,375	19,854,743	22,481,118
Total primary government net position	<u>\$ 29,884,805</u>	<u>\$ 33,682,368</u>	<u>\$ 45,637,159</u>	<u>\$ 50,375,352</u>	<u>\$ 55,571,227</u>

(1) The Village implemented GASB 68 in 2015 related to pension accounting which significantly reduced unrestricted net position.

Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

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VILLAGE OF NORTH PALM BEACH
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING) Unaudited

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 3,028,716	\$ 2,985,185	\$ 3,205,903	\$ 3,213,886	\$ 3,312,770
Public safety	9,311,441	9,308,778	9,905,815	10,045,757	10,505,278
Public works	4,963,704	5,106,651	5,707,570	5,911,225	5,603,991
Community development and planning	1,308,924	1,382,121	1,255,115	1,458,523	1,685,525
Leisure services	2,973,687	2,904,715	3,114,720	3,058,410	3,037,981
Interest on long-term debt			266,892	499,929	489,988
Total governmental activities expenses	<u>21,586,472</u>	<u>21,687,450</u>	<u>23,456,015</u>	<u>24,187,730</u>	<u>24,635,533</u>
Business-type activities:					
Country club	3,842,660	3,845,547	2,903,224	2,912,523	2,879,376
Stormwater					
Total business-type activities	<u>3,842,660</u>	<u>3,845,547</u>	<u>2,903,224</u>	<u>2,912,523</u>	<u>2,879,376</u>
Total primary government expenses	<u>\$ 25,429,132</u>	<u>\$ 25,532,997</u>	<u>\$ 26,359,239</u>	<u>\$ 27,100,253</u>	<u>\$ 27,514,909</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 131,445	\$ 128,459	\$ 134,249	\$ 140,998	\$ 147,104
Public safety	537,064	628,529	557,265	548,019	687,905
Public works	514,354	565,011	547,596	510,732	538,459
Community development and planning	1,163,875	1,213,032	1,222,464	1,495,298	1,799,878
Leisure services	1,006,382	994,918	1,022,175	876,174	899,164
Other government					
Operating grants and contributions	380,567	365,823	377,339	422,255	395,376
Capital grants and contributions	26,548	229,161	102,187	9,591	808,193
Total governmental activities program revenues	<u>3,760,235</u>	<u>4,124,933</u>	<u>3,963,275</u>	<u>4,003,067</u>	<u>5,276,079</u>
Business-type activities:					
Charges for services:					
Country club	3,788,852	3,720,573	2,946,432	2,946,432	1,406,563
Stormwater					
Operating grants and contributions					
Capital grants and contributions					
Total business-type activities program revenues	<u>3,788,852</u>	<u>3,720,573</u>	<u>2,946,432</u>	<u>2,254,638</u>	<u>1,406,563</u>
Total primary government program revenues	<u>\$ 7,549,087</u>	<u>\$ 7,845,506</u>	<u>\$ 6,909,707</u>	<u>\$ 6,257,705</u>	<u>\$ 6,682,642</u>
Net (Expense)/Revenue					
Governmental activities	\$ (17,826,237)	\$ (17,562,517)	\$ (19,492,740)	\$ (20,184,663)	\$ (19,359,454)
Business-type activities	(53,808)	(124,974)	43,208	(657,885)	(1,472,813)
Total primary government net expense	<u>\$ (17,880,045)</u>	<u>\$ (17,687,491)</u>	<u>\$ (19,449,532)</u>	<u>\$ (20,842,548)</u>	<u>\$ (20,832,267)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 11,364,888	\$ 12,253,917	\$ 13,091,985	\$ 15,003,141	\$ 16,185,283
Local option gas taxes	282,549	288,150	305,700	302,208	307,130
Local option infrastructure surtax			552,600	879,565	922,937
Utility service taxes	2,267,118	2,303,294	2,413,679	2,511,877	2,521,954
Franchise taxes	1,253,139	1,263,812	1,306,997	1,294,280	1,352,464
Sales and use taxes	1,332,209	1,363,954	1,371,890	1,413,335	1,448,423
Investment earnings	108,794	103,353	126,926	376,227	811,915
Miscellaneous	57,137	60,026	150,698	268,471	80,266
Gain on disposal of equipment	30,457	48,114	6,843	74,449	
Transfers					
Total governmental activities	<u>16,696,291</u>	<u>17,684,620</u>	<u>19,327,318</u>	<u>22,123,553</u>	<u>23,630,372</u>
Business-type activities:					
Investment income	10,393	9,230	10,274	13,874	804
Miscellaneous		36,393			
Transfers					
Total business-type activities	<u>10,393</u>	<u>45,623</u>	<u>10,274</u>	<u>13,874</u>	<u>804</u>
Total primary government	<u>\$ 16,706,684</u>	<u>\$ 17,730,243</u>	<u>\$ 19,337,592</u>	<u>\$ 22,137,427</u>	<u>\$ 23,631,176</u>
Change in net position					
Governmental activities	\$ (1,129,946)	\$ 122,103	\$ (165,422)	\$ 1,938,890	\$ 4,270,918
Business-type activities	(43,415)	(79,351)	53,482	(644,011)	(1,472,009)
Total primary government	<u>\$ (1,173,361)</u>	<u>\$ 42,752</u>	<u>\$ (111,940)</u>	<u>\$ 1,294,879</u>	<u>\$ 2,798,909</u>

Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

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	2020	2021	2022	2023	2024
\$	3,541,302	\$ 3,819,733	\$ 3,565,793	\$ 3,781,088	\$ 4,355,400
	12,103,224	11,260,437	10,899,752	14,930,313	15,916,330
	5,633,427	5,416,934	5,359,535	6,172,611	6,280,133
	1,398,876	1,261,701	1,406,266	1,497,167	2,060,806
	2,795,698	2,706,225	3,441,248	4,941,996	4,379,178
	520,755	477,717	470,896	435,245	369,135
	<u>25,993,282</u>	<u>24,942,747</u>	<u>25,143,490</u>	<u>31,758,420</u>	<u>33,360,982</u>
	4,242,674	5,942,293	6,566,206	6,936,277	7,332,550
			123,196	182,297	455,998
	<u>4,242,674</u>	<u>5,942,293</u>	<u>6,689,402</u>	<u>7,118,574</u>	<u>7,788,548</u>
	<u>\$ 30,235,956</u>	<u>\$ 30,885,040</u>	<u>\$ 31,832,892</u>	<u>\$ 38,876,994</u>	<u>\$ 41,149,530</u>
\$	152,779	\$ 217,227	\$ 200,020	\$ 188,225	\$ 189,169
	488,393	496,492	597,258	609,761	630,561
	511,916	461,166	464,084	485,449	566,205
	1,723,949	1,955,663	2,139,067	2,177,673	2,819,348
	853,581	375,196	544,283	615,554	688,903
	717,982	602,032	7,109,940	600,847	674,633
	850,187	21,775	30,817	1,152,105	25,533
	<u>5,298,787</u>	<u>4,129,551</u>	<u>11,085,469</u>	<u>5,829,614</u>	<u>5,594,352</u>
	3,768,449	5,903,220	6,833,669	7,375,933	7,486,328
			479,459	484,614	466,472
			50,000		199,999
	<u>3,768,449</u>	<u>5,903,220</u>	<u>7,363,128</u>	<u>7,860,547</u>	<u>8,152,799</u>
	<u>\$ 9,067,236</u>	<u>\$ 10,032,771</u>	<u>\$ 18,448,597</u>	<u>\$ 13,690,161</u>	<u>\$ 13,747,151</u>
\$	(20,694,495)	\$ (20,813,196)	\$ (14,058,021)	\$ (25,928,806)	\$ (27,766,630)
	(474,225)	(39,073)	673,726	741,973	364,251
	<u>\$ (21,168,720)</u>	<u>\$ (20,852,269)</u>	<u>\$ (13,384,295)</u>	<u>\$ (25,186,833)</u>	<u>\$ (27,402,379)</u>
\$	16,991,314	\$ 17,629,392	\$ 17,833,603	\$ 20,000,861	\$ 22,472,458
	273,428	283,233	297,106	305,894	291,717
	869,852	1,011,627	1,228,691	1,287,744	1,316,252
	2,558,092	2,539,175	2,726,954	3,000,981	3,052,329
	1,304,936	1,354,110	1,492,336	1,654,533	1,600,774
	1,345,508	1,548,330	1,868,788	1,942,316	1,883,159
	502,335	81,338	(248,726)	1,394,072	2,070,430
	104,618	181,109	92,879	72,707	287,572
		21,384	29,460	169,456	
		(3,528,697)	(760,811)	(1,282,550)	(450,000)
	<u>23,950,083</u>	<u>21,121,001</u>	<u>24,560,280</u>	<u>28,546,014</u>	<u>32,524,691</u>
		134	17,995	96,462	210,779
		3,528,697	760,811	1,282,550	450,000
		3,528,831	778,806	1,379,012	660,779
	<u>\$ 23,950,083</u>	<u>\$ 24,649,832</u>	<u>\$ 25,339,086</u>	<u>\$ 29,925,026</u>	<u>\$ 33,185,470</u>
\$	3,255,588	\$ 307,805	\$ 10,502,259	\$ 2,617,208	\$ 4,758,061
	(474,225)	3,489,758	1,452,532	2,120,985	1,025,030
	<u>\$ 2,781,363</u>	<u>\$ 3,797,563</u>	<u>\$ 11,954,791</u>	<u>\$ 4,738,193</u>	<u>\$ 5,783,091</u>

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VILLAGE OF NORTH PALM BEACH

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING) Unaudited

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	\$ 155,594	\$ 358,606	\$ 183,220	\$ 2,789,824	\$ 2,789,824
Restricted	131,931	353,019	781,756	61,227	61,227
Committed					
Assigned	319,888	208,204	316,266	582,008	582,008
Unassigned	10,802,623	10,724,049	11,811,468	8,177,758	8,177,758
Total general fund	<u>\$ 11,410,036</u>	<u>\$ 11,643,878</u>	<u>\$ 13,092,710</u>	<u>\$ 11,610,817</u>	<u>\$ 11,610,817</u>
All other Governmental Funds					
Restricted	\$ 45,500	\$ 45,500	\$ 13,988,744	\$ 11,826,016	\$ 464,309
Assigned					
Special revenue funds	318,526	508,481	388,981	3,506	3,507
Capital projects funds	1,448,620	1,604,073	1,670,196	5,398,245	3,727,482
Unassigned				(114,279)	(421,599)
Total all other governmental funds	<u>\$ 1,812,646</u>	<u>\$ 2,158,054</u>	<u>\$ 16,047,921</u>	<u>\$ 17,113,488</u>	<u>\$ 3,773,699</u>
	2020	2021	2022	2023	2024
General Fund					
Nonspendable	\$ 2,325,778	\$ 2,102,739	\$ 1,839,603	\$ 1,895,720	\$ 1,843,212
Restricted	79,730	87,342	180,748	174,211	378,350
Committed					
Assigned	176,865	494,163	369,653	456,392	512,716
Unassigned	11,622,285	13,892,476	13,653,372	15,786,046	19,549,914
Total general fund	<u>\$ 14,204,658</u>	<u>\$ 16,576,720</u>	<u>\$ 16,043,376</u>	<u>\$ 18,312,369</u>	<u>\$ 22,284,192</u>
All other Governmental Funds					
Restricted	\$ 906,759	\$ 1,331,574	\$ 1,022,545	\$ 1,749,419	\$ 1,697,294
Assigned					
Special revenue funds	263,798	252,000	6,915,128	4,544,422	4,802,831
Capital projects funds	1,151,011	1,010,681	2,581,131	2,468,358	2,989,504
Unassigned			(2,946)	(84,357)	
Total all other governmental funds	<u>\$ 2,321,568</u>	<u>\$ 2,594,255</u>	<u>\$ 10,515,858</u>	<u>\$ 8,677,842</u>	<u>\$ 9,489,629</u>

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VILLAGE OF NORTH PALM BEACH

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING) Unaudited

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues:					
Taxes	\$ 15,167,694	\$ 16,109,173	\$ 17,118,361	\$ 19,111,506	\$ 20,366,831
Licenses and Permits	947,158	1,235,782	997,656	1,222,594	1,522,913
Intergovernmental	1,758,246	1,765,836	2,417,809	2,679,389	2,910,395
Charges for services	2,231,673	2,364,013	2,321,298	2,200,860	2,399,174
Fines and forfeitures	128,235	91,534	124,395	100,140	100,188
Investment earnings	108,794	103,353	126,926	376,227	811,915
Miscellaneous	122,107	191,250	157,063	412,513	510,688
Total revenues	<u>20,463,907</u>	<u>21,860,941</u>	<u>23,263,508</u>	<u>26,103,229</u>	<u>28,622,104</u>
Expenditures:					
General government	2,904,553	2,876,521	2,970,223	3,059,623	3,275,570
Public safety	8,966,077	9,129,947	9,166,060	9,669,361	10,350,598
Public works	4,255,636	4,266,749	4,882,159	5,313,834	5,255,606
Community development	1,270,399	1,351,061	1,190,759	1,429,764	1,532,428
Leisure services	2,514,495	2,448,164	2,591,866	2,613,664	2,664,689
Capital outlay	1,530,430	1,209,249	2,123,742	5,507,617	15,487,329
Debt service					
Principal payments				680,000	882,777
Interest paid on debt				613,101	488,786
Total expenditures	<u>21,441,590</u>	<u>21,281,691</u>	<u>22,924,809</u>	<u>28,886,964</u>	<u>39,937,783</u>
Excess of revenues over (under) expenditures	(977,683)	579,250	338,699	(2,783,735)	(11,315,679)
Other financing sources (uses)					
Transfers in	2,091,246	1,503,750	1,503,750	4,963,307	407,000
Transfers out	(2,091,246)	(1,503,750)	(1,503,750)	(4,963,307)	(407,000)
Financing contracts					343,299
Proceeds from debt issuance			15,000,000		
Insurance proceeds					
Total other financing sources (uses)			<u>15,000,000</u>		<u>343,299</u>
Net change in fund balances	<u>\$ (977,683)</u>	<u>\$ 579,250</u>	<u>\$ 15,338,699</u>	<u>\$ (2,783,735)</u>	<u>\$ (10,972,380)</u>
Debt service as a percentage of noncapital expenditures	-	-	-	-	5.53%

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<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 21,127,770	\$ 21,805,910	\$ 22,349,999	\$ 24,962,269	\$ 27,417,278
1,320,361	1,574,639	1,764,430	1,707,690	2,171,127
3,857,230	3,189,191	10,155,774	3,839,043	4,172,395
2,169,814	1,726,853	1,968,268	2,090,941	2,423,911
197,343	154,410	169,045	244,487	241,367
502,335	81,338	(248,726)	1,394,071	2,070,430
160,147	296,245	364,911	354,359	289,355
<u>29,335,000</u>	<u>28,828,586</u>	<u>36,523,701</u>	<u>34,592,860</u>	<u>38,785,863</u>
3,265,210	3,507,052	3,612,174	3,674,104	4,203,715
10,418,956	10,853,605	11,602,110	13,065,414	14,064,260
5,300,077	5,117,986	4,988,651	5,453,097	5,395,273
1,382,443	1,292,216	1,437,597	1,462,865	1,993,644
2,305,309	1,695,054	2,431,335	3,852,206	3,462,501
5,094,135	3,528,772	4,145,090	3,555,836	2,988,854
934,496	1,106,148	1,278,543	1,422,411	1,496,211
502,193	491,022	476,504	453,154	398,106
<u>29,202,819</u>	<u>27,591,855</u>	<u>29,972,004</u>	<u>32,939,087</u>	<u>34,002,564</u>
132,181	1,236,731	6,551,697	1,653,773	4,783,299
844,475	625,280	2,913,315	7,271,384	1,425,194
(844,475)	(899,280)	(3,291,865)	(8,553,934)	(1,875,194)
1,009,529	1,682,018	1,215,112		
			59,754	972,932
<u>1,009,529</u>	<u>1,408,018</u>	<u>836,562</u>	<u>(1,222,796)</u>	<u>522,932</u>
<u>\$ 1,141,710</u>	<u>\$ 2,644,749</u>	<u>\$ 7,388,259</u>	<u>\$ 430,977</u>	<u>\$ 5,306,231</u>
5.70%	5.90%	6.79%	6.39%	6.17%

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VILLAGE OF NORTH PALM BEACH

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30,	Tax Roll Year	Real Property			Total Net Market - Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property	Personal Property		
2015	2014	\$ 1,355,969,888	\$ 214,484,701	\$ 34,077,944	\$ 1,604,532,533	7.3300
2016	2015	1,453,735,176	232,020,936	36,939,006	1,722,695,118	7.3300
2017	2016	1,545,192,840	259,097,141	40,181,846	1,844,471,827	7.3300
2018	2017	1,804,338,668	279,488,569	35,855,827	2,119,683,064	7.3300
2019	2018	1,897,471,175	297,293,001	38,440,924	2,233,205,100	7.5000
2020	2019	1,991,785,138	315,226,821	37,569,787	2,344,581,746	7.5000
2021	2020	2,063,558,234	330,847,141	38,837,770	2,433,243,145	7.5000
2022	2021	2,244,316,264	336,972,923	42,155,674	2,623,444,861	7.0500
2023	2022	2,532,118,244	373,406,169	47,484,879	2,953,009,292	7.0000
2024	2023	2,885,512,258	429,541,064	53,327,253	3,368,380,575	6.9000

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

Property in the Village 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

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VILLAGE OF NORTH PALM BEACH

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Village of N. Palm Beach	Overlapping Rates (1)			Total Direct and Overlapping Rates
			Palm Beach County School District	Palm Beach County	Special Districts	
2015	2014	7.3300	7.5940	4.9729	2.1732	22.0701
2016	2015	7.3300	7.5120	4.9277	2.0974	21.8671
2017	2016	7.3300	7.0700	4.9142	1.9453	21.2595
2018	2017	7.3300	6.7690	4.9023	1.7818	20.7831
2019	2018	7.5000	4.8980	6.5720	1.6920	20.6620
2020	2019	7.5000	7.1640	4.8580	1.6873	21.2093
2021	2020	7.5000	7.0100	4.8124	1.6753	20.9977
2022	2021	7.0500	6.8750	4.8149	1.6386	20.3785
2023	2022	7.0000	6.5190	4.7439	1.5390	19.8019
2024	2023	6.9000	6.4570	4.5188	1.4258	19.3016

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

Source: North Palm Beach: Notice of Ad Valorem Taxes and Non-Ad Valorem Assessments

- (1) Overlapping rates are those of local and county governments that apply to property owners within the Village of North Palm Beach. Not all overlapping rates apply to all Village of North Palm Beach 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.)

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VILLAGE OF NORTH PALM BEACH
PRINCIPAL PROPERTY TAXPAYERS
2024 & 2015 Presented

Taxpayers	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Village Net Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Net Taxable Assessed Value
Olen Residential Realty	\$ 46,088,968	1	1.37%	\$ 23,629,696	2	1.47%
Sanctuary Bay Trust Corporation	36,685,137	2	1.09%	18,581,936	4	1.16%
SHM Old Port Cove LLC	35,961,108	3	1.07%			
Crystal Cove Commons LLC	30,279,096	4	0.90%			
Florida Power & Light	32,472,096	5	0.96%	18,677,604	3	
Shoppes at City Centre LLC	28,326,131	6	0.84%			
New Country Motor Cars of PB LLC	19,121,754	7	0.57%	13,020,939	5	0.81%
Chouest Gary	12,793,422	8	0.38%	8,217,716	10	
NP Devland Holdings LLC	14,268,310	9	0.42%			
SHM North Palm Beach LLC	13,167,976	10	0.39%			
Old Port Cove Equities, INC				29,886,172	1	1.86%
Crystal Tree Property Owners				9,500,000	9	0.59%
CF02 Palm Beach III LP				12,501,222	6	0.78%
Old Port Cove Holdings, INC				9,987,421	8	0.62%
Domani Development LLC				11,690,020	7	0.73%
Total	\$ 269,163,998		7.99%	\$ 155,692,726		8.02%

Source: Palm Beach Country Appraiser

Note: Assessed values are established by the Palm Beach Property Appraiser's offices as of January 1, each year.

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VILLAGE OF NORTH PALM BEACH

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN CALENDAR YEARS

Fiscal Year Ending Sept 30,	Tax Roll Year	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percent of Levy
2015	2014	\$ 10,503,598	\$ 11,350,738	96.51%	\$ 14,777	\$ 11,365,515	96.64%
2016	2015	11,761,226	12,197,736	103.71%	57,133	12,254,869	104.20%
2017	2016	12,627,355	13,051,272	103.36%	41,267	13,092,539	103.68%
2018	2017	13,519,978	14,999,572	110.94%	3,390	15,002,962	110.97%
2019	2018	15,537,277	16,176,654	104.12%	6,223	16,182,877	104.16%
2020	2019	16,749,038	16,980,948	101.38%	7,965	16,988,913	101.43%
2021	2020	17,584,371	17,608,184	100.14%	21,233	17,629,417	100.26%
2022	2021	18,249,331	17,832,252	97.71%	1,406	17,833,658	97.72%
2023	2022	18,495,286	19,955,906	107.90%	31,899	19,987,805	108.07%
2024	2023	20,671,065	22,472,458	108.71%	3,150	22,475,608	108.73%

Source: Palm Beach Country Property Appraiser

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VILLAGE OF NORTH PALM BEACH

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30.	Governmental Activities		Business-type Activities		Total	Percent of Median Personal Income (1)	Per Capita
	Loans Payable	Financing Contracts	Loans Payable	Leases/ Financing Contracts			
2015	\$ -	\$ -	\$ 2,824,987	\$ 147,767	\$ 2,972,754	0.37%	\$ 234.94
2016	-	-	2,684,913	-	2,684,913	0.35%	212.20
2017	15,000,000	-	2,247,088	-	17,247,088	1.85%	1,292.69
2018	14,320,000	-	1,939,366	-	16,259,366	1.79%	1,229.26
2019	13,515,000	265,522	1,618,633	-	15,399,155	1.74%	1,161.32
2020	12,680,000	1,175,555	1,284,668	-	15,140,223	1.70%	1,135.63
2021	11,815,000	2,616,425	936,310	-	15,367,735	1.55%	1,173.47
2022	10,915,000	3,452,994	573,333	367,387	15,308,714	1.55%	1,160.54
2023	9,980,000	2,965,583	195,112	207,158	13,347,853	1.10%	1,064.42
2024	9,010,000	2,439,372	-	166,344	11,615,716	0.89%	856.11

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

(1) See the Schedule of Demographic and Economic Statistics on page 103 for personal income and population data.

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VILLAGE OF NORTH PALM BEACH

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2024

Unaudited

<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the Village of North Palm Beach (1)</u>	<u>Amount Applicable to the Village of North Palm Beach</u>
Debt repaid with property taxes:			
Palm Beach County	\$ 106,164	1.17%	\$ 1,242
Palm Beach County School Board	2,910	1.03%	30
Other debt:			
Palm Beach County	757,171	1.17%	8,859
Palm Beach County School Board		1.02%	_____
Subtotal, overlapping debt			10,131
Village of North Palm Beach Direct Debt			_____ 11,449,372
Total direct and overlapping debt			\$ _____ 11,459,503

Sources: Palm Beach County Tax Appraiser's Office
Palm Beach County School Board
Palm Beach County Clerk & Comptroller

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village of North Palm Beach. This process recognizes that, when considering the Village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the Village's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

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VILLAGE OF NORTH PALM BEACH

Pledged - Revenue Coverage

Country Club Bonds

Last Ten Fiscal Years

Unaudited

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue</u>	<u>Required Debt Service</u>	<u>Coverage (3)</u>
2015	\$ 3,799,245	\$ 3,226,907	\$ 572,338	\$ 394,900	1.45
2016	3,766,196	3,333,395	432,801	394,900	1.10
2017	2,956,706	2,472,812	483,894	394,900	1.23
2018	2,268,512	2,227,913	40,599	394,900	0.10
2019	1,407,367	2,443,701	(1,036,334)	394,900	-2.62
2020	3,769,907	3,504,881	265,026	394,900	0.67
2021	5,903,220	4,964,502	938,718	394,900	2.38
2022	6,848,425	5,476,786	1,371,639	394,900	3.47
2023	7,448,289	5,809,672	1,638,617	394,900	4.15
2024	7,663,341	6,214,487	1,448,854	199,111	7.28

Note: The Non-Ad Valorem Revenue Notes, Series 2017 do not have any pledged revenues.

- (1) Gross revenue includes all revenues derived by the Village from the ownership and operation of the Country Club.
- (2) Operating expenses excludes non-cash expenses
- (3) Coverage should be not less than 1.00.

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VILLAGE OF NORTH PALM BEACH

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

Unaudited

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Median Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Palm Beach County Unemployment Rate</u>
2015 (estimate)	12,653	\$ 61,057	\$ 43,120	3.15
2016 (estimate)	12,817	61,653	45,110	2.10
2017 (estimate)	13,342	69,718	46,160	2.70
2018 (estimate)	13,227	68,833	46,160	1.79
2019 (estimate)	13,260	66,898	48,240	1.24
2020 (estimate)	13,332	66,898	48,240	1.15
2021 (estimate)	13,096	75,510	52,970	4.38
2022 (estimate)	13,191	74,666	52,970	0.77
2023 (estimate)	12,540	96,464	52,970	0.63
2024 (estimate)	13,568	98,806	52,970	1.09

Sources: Business Development Board
US Census Bureau

Note: (1) All information available at the current time is presented.

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VILLAGE OF NORTH PALM BEACH

PRINCIPAL EMPLOYERS

2024 & 2015 Presented

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Palm Beach Country School District	22,218	2.85%	21,656	3.12%
State Government	10,460	1.34%	7,470	1.08%
Federal Government	7,139	0.92%	6,658	0.96%
Florida Atlantic University	6,335	0.81%	2,529	0.36%
Palm Beach County Government	5,873	0.75%	5,930	0.85%
Tenet Coastal Division PBC	5,734	0.73%	4,595	0.66%
NextEra Energy (Florida Power & Light)	5,598	0.72%	4,005	0.58%
Baptist Health South Florida Hospital (3)	3,135	0.40%	2,150	0.31%
Veterans Health Administration	2,948	0.38%	2,700	0.39%
Hospital Corporation of America (HCA) (1)	2,612	0.33%	3,476	0.50%
Jupiter Medical Center	2,540	0.33%	2,195	0.32%
The Breakers Hotel	2,300	0.29%	2,000	0.29%
Office Depot	2,000	0.26%	2,000	0.29%
Florida Crystal Corp.	2,000	0.26%	1,900	0.27%
Pratt & Whitney	2,000	0.26%		0.00%
City of Boca Raton	1,810	0.23%		0.00%
City of West Palm Beach	1,725	0.22%		0.00%
	<u>86,427</u>	<u>11.08%</u>	<u>69,264</u>	<u>9.98%</u>

Source: Business Development Board of Palm Beach County, floridajobs.org

- * Employer: Palm Beach County
Information is not available for the Village of North Palm Beach.
- ** Percentage of total employment is calculated using Palm Beach County's available labor force in each of the respective years presented.
- *** Most current data available in BDP.org.

Notes:

- (1) Formerly Columbia Palm Beach Health Care Systems, Inc
- (2) Formerly Boca Raton Community Hospital
- (3) Formerly Bethesda Memorial Hospital

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VILLAGE OF NORTH PALM BEACH

Full-Time Equivalent Village Government Employees by Function LAST TEN FISCAL YEARS (*)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Number of Employees:										
General Government										
Village Manager										
Full-Time	2	2	4	4	4	4	4	3	3	3
Part-Time	0	0	1	1	1	1	0	0	1	0
Information Technology										
Full-Time	3	3	3	3	3	3	3	4	4	5
Part-Time	0	0	0	0	0	1	1	0	0	0
Human Resources										
Full-Time	2	2	2	2	2	2	2	2	3	3
Part-Time	1	2	2	2	2	2	2	2	1	0
Village Clerk - Full-Time	3	3	3	3	3	3	3	3	2	2
Finance										
Full-time	7	7	5	6	6	6	6	6	6	5
Part-Time	0	0	1	0	0	0	0	0	0	0
Public Works										
Full-time	35	34	36	37	37	37	36	32	32	32
Part-Time	0	0	0	0	2	2	2	2	3	3
Public Safety										
Police										
Full-time	36	36	36	38	38	38	38	40	42	42
Part-Time	13	13	13	15	15	15	15	15	15	15
Fire Rescue										
Full-time	24	24	24	24	24	24	24	24	25	26
Part-Time	0	0	0	0	0	0	1	1	0	0
Community Development and Planning										
Full-time	11	12	13	14	15	15	14	14	15	12
Part-Time	0	0	1	1	1	0	2	2	2	7
Leisure Services										
Library										
Full-time	7	7	7	7	7	7	7	7	7	7
Part-Time	9	9	9	7	7	9	9	9	9	9
Recreation										
Full-time	6	6	6	6	6	5	5	5	5	5
Part-Time	43	43	43	42	42	16	17	16	18	27
Other Government - Country Club **										
Full-time	8	8	5	5	6	7	9	10	12	12
Part-Time	65	65	27	27	27	28	26	62	59	62
Total Number of Employees Budgeted FY Ending	275	276	241	244	248	225	226	259	264	277

* Variance exists due to the employment of seasonal and part-time employees.

** Includes Golf/Pool/Tennis

Source: Village of North Palm Beach Budget Report

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VILLAGE OF NORTH PALM BEACH

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
PUBLIC WORKS										
Sanitation (Tons of Refuse Collected)	11,167	12,556	12,980	12,624	12,330	12,059	12,398	10,683	11,274	11,948
No. of collection units for solid waste (residential)	7,618	7,614	7,614	7,632	7,632	7,627	7,627	7,715	7,715	7,715
Number of vehicles maintained	98	92	85	89	88	89	90	97	103	109
Number of repair overlays completed (miles)	-	-	-	-	-	-	-	6.86	2.80	9.00
POLICE										
Number of arrests by police officers	293	247	233	192	134	150	150	161	171	163
Number of traffic citations issued	3,407	2,494	1,974	2,014	1,184	853	2,038	2,617	2,454	2,150
FIRE RESCUE										
EMS average response times (minutes)	5.05	5.26	5.21	5.37	4.50	5.42	5.44	5.40	5.55	5.20
Number of EMS calls	1,499	1,601	1,746	1,550	1,577	1,452	1,620	1,724	1,705	1,728
COMMUNITY DEVELOPMENT & PLANNING										
Bldg Dept - Number of Permits, Subpermits and certificates	3,920	4,242	4,665	2,173	2,737	4,832	5,103	2,989	4,781	2,696
Number of code enforcement violations/cases	769	680	**516/357	**726/317	885	941	327	**217/20	423	470
Number of code violations brought to board/magistrate (Calendar Yr End)	56	42	98	246	263	183***	173	97	47	19
RECREATION										
Number of community events presented	57	48	40	38	24	8	19	23	24	23
Number of registrants in athletic programs	1,389	1,174	1,109	1,174	1,077	120***	275	435	863	1014
LIBRARY										
Library - Number of Volumes	47,339	*57,935	41,161	43,992	45,446	39,886	33,315	30,357	31,015	27,618
OTHER GOVERNMENT										
Country Club										
Number of Golf Members	255	265	271	178	198	278	263	208	227	243
Number of Tennis/Pool Members	193	183	183	159	182	241	786	569	308	475

Source: Village of North Palm Beach

* In FY 2016 Number of Volumes included not only printed items, but media items as well.

** Includes only the number of violations/cases opened and not a reflection of the total number of open violations as was reported for years prior to 2017

*** Variances due to COVID-19

Number of code violations not provided by department at the time of data collection

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VILLAGE OF NORTH PALM BEACH

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program:	<u>2015</u>	<u>2016*</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government										
No. of General Government Buildings	23	23	23	23	23	23	23	23	23	23
Public Works										
Square Miles	5.18	5.18	5.18	5.18	5.18	5.18	5.40	5.40	5.40	5.40
Miles of Streets	36.00	32.30**	32.30	32.30	32.30	32.30	32.30	32.30	32.00	32.30
Number of Street Lights (within corp surroundings)	513	513	628****	628	628	628	628	628	628	628
Public Safety										
Fire:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Firemen & Officers	0	0	0	0	0	0	0	0	0	0
Number of Firemen/Paramedics/EMTs	22	23	24	21	23	18	17	18	19	19
Number of Fire Captains	0	0	0	0	0	3	3	3	3	3
Police/EMS Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Policemen & Officers	28	28	28	30	28	30	24	31	31	33
Number of Police Captains	2.5	2.5	2.5	2.5	2.5	2.5	1	2	2	2
Leisure Services										
Recreation/Tennis/Pool										
Number of Parks	4	4	4	4	4	4	4	4	4	4
Public Tennis Courts	2	2	2	2	2	2	2	2	2	2
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Library										
Number of Libraries	1	1	1	1	1	1	1	1	1	2
Number of Volumes (Printed items only)	47,339	48,913	33,502	36,009	37,429	33,672	28,575	26,031	27,068	23,684
Other Government										
Country Club										
Golf Course	1	1	1	1	1	1	1	1	1	1
Driving Range	1	1	1	1	1	1	1	1	1	1
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Restaurant	1	1	1***	1***	1	1	1	1	1	1
Snack Bar	1	1	1***	1***	1	1	1	1	1	1

Source: Village of North Palm Beach

* Preliminary 2016 information is presented

** A Centerline Miles Study was completed during FY 2016 and the number of NPB Village centerline miles from the report is presented going forward

*** Restaurant services closed on 10/01/2016- Reopened in 2019

**** 173 Village owned/455 FPL owned

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OTHER REPORTS

3/8/25 Final Draft

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

The Honorable Mayor and Members of the Village Council
The Village of North Palm Beach, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Palm Beach, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of North Palm Beach, Florida's basic financial statements and have issued our report thereon dated March 7, 2025.

Report on Internal Control Over Financial Reporting

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

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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 Village of North Palm Beach, Florida'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West Palm Beach, Florida
March 7, 2025

3/8/25 Final Draft

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

The Honorable Mayor and Members of the Village Council
The Village of North Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Village of North Palm Beach, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated March 7, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's 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* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 7, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 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 Village of North Palm Beach, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Village of North Palm Beach, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2024.

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 Village of North Palm Beach, Florida. It is management's responsibility to monitor the Village of North Palm Beach, Florida'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. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

Property Assessed Clean Energy (PACE) Programs

A PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Village of North Palm Beach, Florida's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes.

Based on the application of criteria in publications cited in Section 10.553, Rules of the Auditor General, there are no special district component units of the Village of North Palm Beach, Florida.

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Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Single Audits

The Village expended less than \$750,000 of federal awards, excluding Coronavirus State and Local Fiscal Recovery Funds, and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2024, and was not required to have a federal single audit or a state single audit.

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 audit committee, the Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

March 7, 2025
West Palm Beach, Florida

3/8/25 Final Draft

INDEPENDENT ACCOUNTANT'S REPORT
ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES

The Honorable Mayor and Members of the Village Council
The Village of North Palm Beach, Florida

We have examined the Village of North Palm Beach, Florida's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2024. Management of the Village of North Palm Beach, Florida is responsible for the Village of North Palm Beach, Florida's compliance with the specified requirements. Our responsibility is to express an opinion on the Village of North Palm Beach, Florida's compliance with the specified requirements 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 Village of North Palm Beach, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village of North Palm Beach, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, 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 Village of North Palm Beach, Florida's compliance with the specified requirements.

In our opinion, the Village of North Palm Beach, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2024.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, applicable management, and the Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mimes, P.A.

West Palm Beach, Florida
March 7, 2025

Audit Presentation to North Palm Beach Village Council

March 13, 2025



Nowlen, Holt & Miner, P.A.

Terry L. Morton, Jr., CPA

Reports Issued

- **Independent Auditor’s Report on the Financial Statements** –
 - This is a new format that started two years ago. The report does a much better job of explaining what an audit is, Management’s responsibilities, the Auditor’s responsibilities, and how the Audit Opinion relates to the various sections of the report.
 - Our report expressed an Unmodified Opinion on the financial statements, what is commonly called a “clean opinion. There is an emphasis paragraph for the prior period adjustment. In prior years the Village has not recorded accrued payroll as neither the liability nor the related change in expense/expenditure was considered material. In the current year the Village considers the liability material, and a prior period adjustment was recorded to decrease the beginning net position/fund balance for the prior unrecorded accrued liabilities. This did not have an effect on the current year statements and is explained in more detail in Note 18.
- **Independent Auditor’s Report on Internal Control and on Compliance and Other Matters** – No material weaknesses reported and no instances of noncompliance or other matters that are required to be reported.
- **Independent Auditor’s Management Letter Required by Chapter 10.550, Rules of the Auditor General:** There were no exceptions reported in the current year.
- **Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes** – Section 218.415, Florida Statutes governs the Village’s Investment Policies. Our report expressed an Unmodified Opinion on the Village’s compliance with the requirements.

Awards



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of North Palm Beach for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2023. This was the 36th consecutive year that the Village has achieved this prestigious award.

The Introductory section orients and guides the reader through the report. The Financial section includes the independent auditors' report, Management's Discussion and Analysis and presents the entity's basic financial statements as well as notes to the statements. Management's Discussion and Analysis offers a narrative, overview, and analysis of the fundamental financial statements whereas the notes to the statements provide more detailed information about the financial statement amounts and the Villages accounting policies. The Statistical section provides additional financial and statistical data, including data about financial trends that may better inform the reader about the government's activities. The Other Reports sections provides reports required by Government Auditing Standards or Florida Statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of North Palm Beach, Florida are described in Note 1 to the financial statements. The application of existing policies was not changed during the year. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

New Accounting Standards Implemented in the Current Year

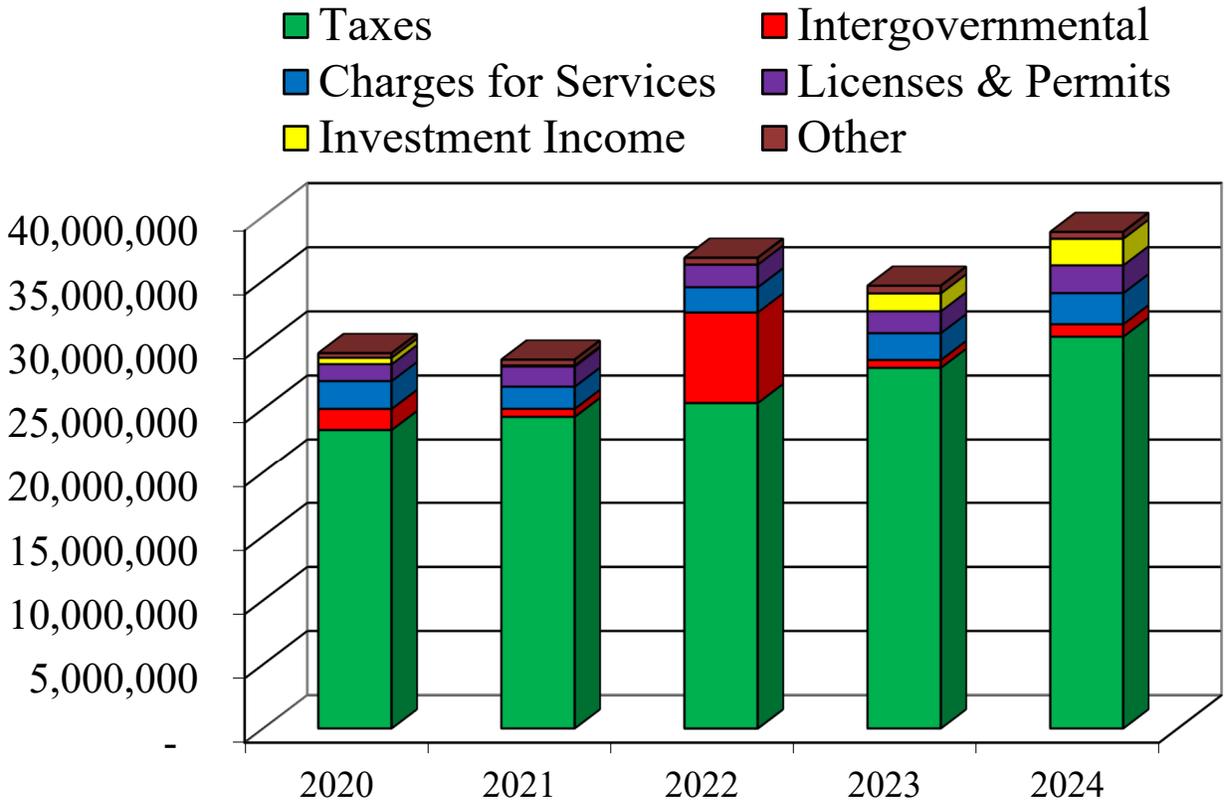
There were no new accounting standards that had a significant impact on this year's financial statements.

New Accounting Standards and Other Items Affecting Next Year's Audit

No significant impacts are expected next year.

Governmental Revenues

	<u>2023</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Ad Valorem Taxes	\$ 20,000,861	\$ 22,472,458	\$ 2,471,597
Other Local Taxes	3,535,954	3,491,128	(44,826)
Franchise & Utility Taxes	4,655,514	4,653,103	(2,411)
Intergovernmental	608,983	972,984	364,001
Charges for Services	2,090,941	2,423,911	332,970
Licenses & Permits	1,707,690	2,171,127	463,437
Investment Income	1,394,071	2,070,430	676,359
Other	598,846	530,722	(68,124)
Total	<u>\$ 34,592,860</u>	<u>\$ 38,785,863</u>	<u>\$ 4,193,003</u>

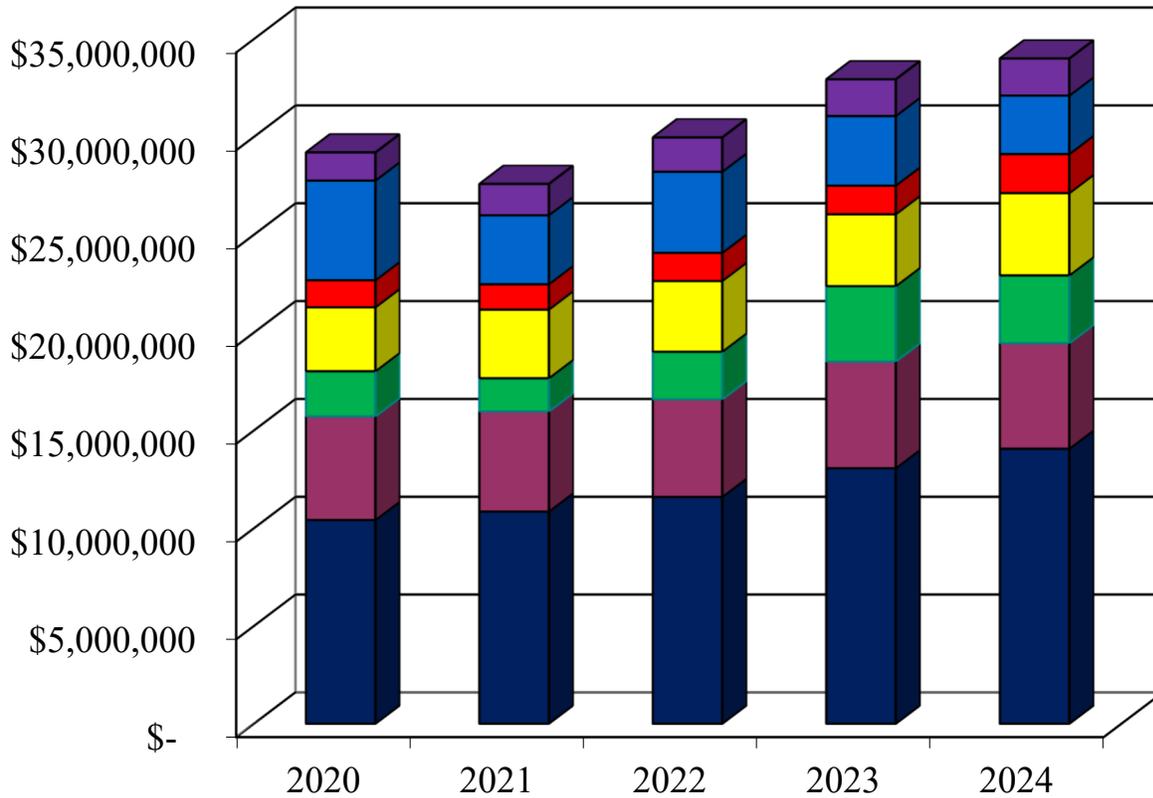


Total revenues increased 12.1% over 2023. The Ad Valorem Taxes increased by \$2,471,597 due to increases in the property values and the Investment Income increased by \$676,359 due to higher interest rates.

Governmental Expenditures

	<u>2023</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Public Safety	\$13,065,414	\$14,064,260	\$ 998,846
Public Works	5,453,097	5,395,273	(57,824)
Leisure Services	3,852,206	3,462,501	(389,705)
General Government	3,674,104	4,203,715	529,611
Community Dev. & Planning	1,462,865	1,993,644	530,779
Capital Outlay	3,555,836	2,988,854	(566,982)
Debt Service	1,875,565	1,894,317	18,752
Total	<u>\$32,939,087</u>	<u>\$34,002,564</u>	<u>\$ 1,063,477</u>

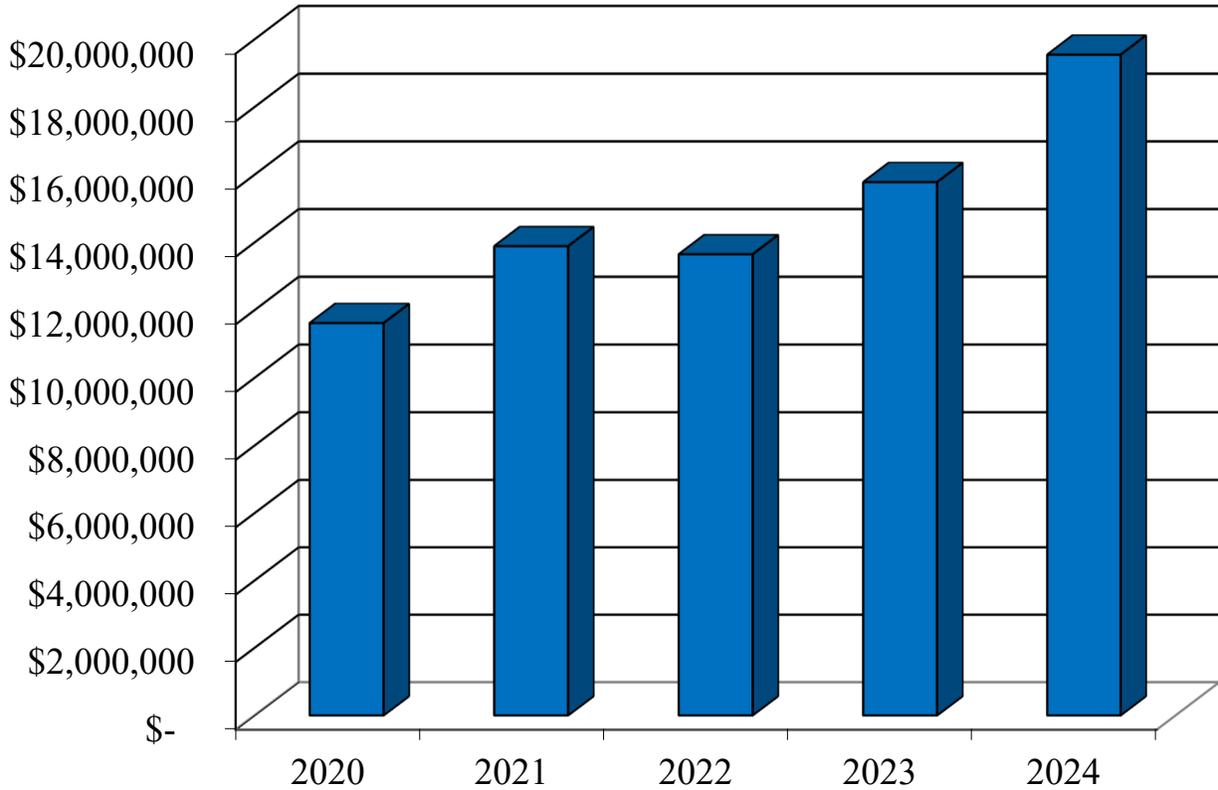
- Public Safety
- Public Works
- Leisure Services
- General Government
- Community Dev. & Planning
- Capital Outlay
- Debt Service



Total expenditures increased by 3.2% from 2023. The largest increase was in Public Safety, which was due to increased payroll costs.

General Fund Unreserved Fund Balance

The following graph presents the general fund unassigned fund balance (available, spendable resources) for the past five years.



General fund unassigned fund balance at September 30, 2024 was \$19,549,914. This represents approximately 63% of non-capital expenditures for fiscal year 2024.



**2023 Figures for Benchmark - Governmental/Proprietary Funds, Pop 5,000 - 14,999
& Taxable Property Values \$2,000,000,000 +**

Amounts are from the Florida Auditor General

General Fund Assigned Plus Unassigned Fund Balance Divided by Expenditures

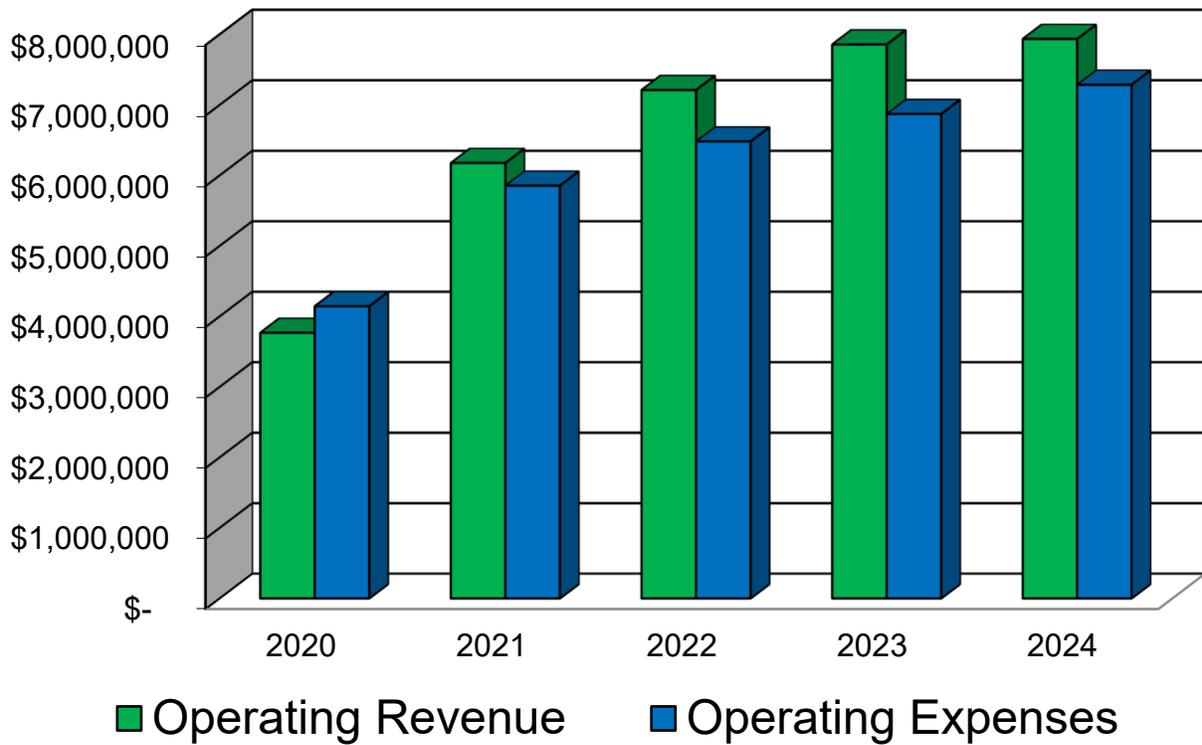
Entity		Tax Prop Value	Population
2023 - North Palm Beach, Village of	55.82%	3,373	13,145
2024 - North Palm Beach, Village of	64.68%		
Arcadia, City of	28.60%	2,790	7,638
Cocoa Beach, City of	23.64%	2,900	11,356
Daytona Beach Shores, City of	143.52%	2,045	5,262
Fernandina Beach, City of	33.42%	3,936	13,499
Islamorada, Village of	73.44%	5,842	7,307
Key Biscayne, Village of	68.48%	10,009	14,751
Lauderdale-By-The-Sea, Town of	46.52%	3,366	6,191
Longboat Key, Town of	99.60%	8,339	7,537
Marathon, City of	151.07%	4,234	10,056
Palm Beach, Town of	52.81%	28,953	9,207
Palmetto, City of	45.71%	2,595	13,927
Sanibel, City of	49.96%	4,614	5,946
Southwest Ranches, Town of	46.01%	2,210	7,747
St. Pete Beach, City of	74.60%	4,792	8,879
Surfside, Town of	74.14%	4,129	5,398
Treasure Island, City of	78.25%	2,830	6,583
Wilton Manors, City of	50.99%	2,115	11,532

Averages: 67.10%

Note: Taxable Property Value is in millions

Country Club Operations

	<u>2023</u>	<u>2024</u>	Increase (Decrease)
Operating Revenue	\$ 7,858,483	\$ 7,936,328	\$ 77,845
Operating Expenses	6,871,979	7,287,534	415,555
Operating income (loss)	986,504	648,794	(337,710)
Nonoperating (expenses)	8,058	131,997	123,939
Capital contributions	800,000	49,999	(750,001)
Income (loss)	<u>\$ 1,794,562</u>	<u>\$ 830,790</u>	<u>\$ (963,772)</u>



Operating revenues includes transfers from the General Fund primarily to help cover the costs of the pool and tennis operations. The \$800,000 capital contributions in 2023 was from the Special Projects Fund for new Tennis Court lights and fencing and the \$49,999 in 2024 was from a grant for the tennis courts. The increase in operating costs was mainly due to \$328,000 paid to the former restaurant operator for improvements made to the facilities.