



Village of North Palm Beach, FL



Annual Comprehensive Financial Report

Fiscal year ended September 30, 2023



**The Village of
North Palm Beach, Florida**



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

**Prepared by:
Finance Department**

**Samia Janjua
Director of Finance**

THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

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INTRODUCTORY SECTION



THE VILLAGE OF NORTH PALM BEACH

“THE BEST PLACE TO LIVE UNDER THE SUN”

March 28, 2024

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, 2023.

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, 2023. 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.

VILLAGE PROFILE

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.

ECONOMIC OUTLOOK

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 2023. The Village's gross taxable property values increased in 2023 to \$2,965,412,110 or nearly 13.04%, over 2022'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.

The financial considerations related to personnel salaries and benefits will persistently influence the future financial planning and service direction of our Village. Around 55% 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 23/24, 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 2023-24, 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 2023 that is carried into 2024:

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 by the Communications Manager, 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.

All Neighborhoods as 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 allocated resources for an additional Code Compliance Officer and has adjusted staff schedules to provide weekend coverage. Additionally, the Village intends to place a Marine Unit Code Officer on 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.

OTHER INFORMATION

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, 2023. 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

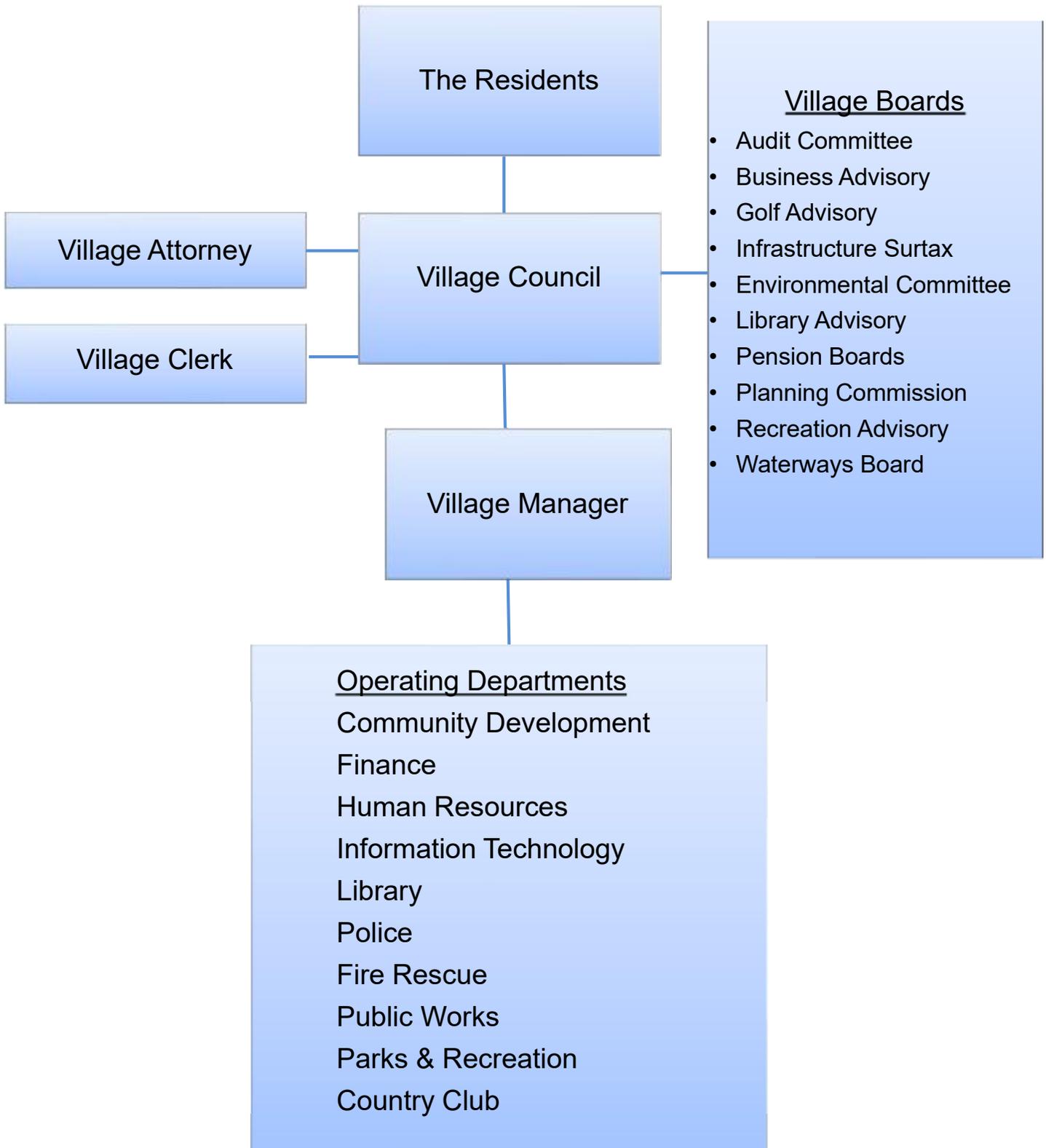
THE VILLAGE OF NORTH PALM BEACH, FLORIDA

PRINCIPAL VILLAGE OFFICIALS

SEPTEMBER 30, 2023

<u>Title</u>	<u>Name</u>
Mayor	David Norris
Vice Mayor	Susan Bickel
President Pro Tem	Darryl Aubrey
Council Member	Deborah Searcy
Council Member	Mark Mullinix
Village Manager	Charles Huff
Director of Finance	Samia Janjua
Village Clerk	Jessica Green

Village of North Palm Beach Organizational Structure





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, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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WEI PAN, CPA
WILLIAM C. KISKER, CPA
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INDEPENDENT AUDITOR'S REPORT

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BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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, 2023, 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, 2023, 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.

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 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 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 21, 2024, 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.

Nowlen, Holt & Mimes, P.A.

West Palm Beach, Florida
March 21, 2024

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, 2023. 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 #
	2023	2022		
Total net position	\$50.37	\$45.64	\$4.73	15
Unrestricted net position available for future use	\$19.85	\$16.10	\$3.75	15
Governmental net position	\$43.52	\$40.78	\$2.74	15
Total revenues from all sources	\$43.62	\$43.74	(\$0.12)	16 - 17
Governmental revenues	\$35.66	\$36.41	(\$0.75)	16 - 17
Total cost of all Village programs	\$38.88	\$31.83	\$7.05	16
Governmental transfers to Business-type	\$1.28	\$0.76	\$0.52	17
Governmental revenues over (under) expenses	\$2.62	\$10.50	(\$7.88)	17
Proprietary revenues over (under) expenses	\$2.12	\$1.45	\$0.67	23
General fund revenues over (under) expenditures	\$3.37	\$1.29	\$2.08	20
General fund unassigned fund balance	\$15.79	\$13.65	\$2.14	18
As a percent of general fund expenditures	54.26%	50.58%	3.68%	
Change in total long-term debt for the Village	(\$1.96)	(\$0.06)	(\$1.90)	

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.

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.

- **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, 2023. 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 \$50.37 million at the end of the latest fiscal year.

A considerable portion of the Village's net position (56.77%) 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.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 32,853	\$ 32,630	\$ 2,401	\$ 497	\$ 35,254	\$ 33,127
Capital assets	35,307	34,599	6,638	6,917	41,945	41,516
Total assets	<u>68,160</u>	<u>67,229</u>	<u>9,039</u>	<u>7,414</u>	<u>77,199</u>	<u>74,643</u>
Deferred outflows of resources:	<u>9,910</u>	<u>2,312</u>	<u>2</u>	<u>2</u>	<u>9,912</u>	<u>2,314</u>
Liabilities:						
Current liabilities	1,870	957	1,489	1,372	3,359	2,329
Long-term liabilities	26,031	16,413	510	1,022	26,541	17,435
Total liabilities	<u>27,901</u>	<u>17,370</u>	<u>1,999</u>	<u>2,394</u>	<u>29,900</u>	<u>19,764</u>
Deferred inflows of resources:	<u>6,643</u>	<u>11,262</u>	<u>193</u>	<u>294</u>	<u>6,836</u>	<u>11,556</u>
Net position:						
Net investment in capital assets	22,361	20,231	6,236	5,976	28,597	26,207
Restricted	1,923	3,331			1,923	3,331
Unrestricted	19,242	17,347	613	(1,248)	19,855	16,099
Total net position	<u>\$ 43,526</u>	<u>\$ 40,909</u>	<u>\$ 6,849</u>	<u>\$ 4,728</u>	<u>\$ 50,375</u>	<u>\$ 45,637</u>

Governmental Activities

The cost of all governmental activities this year was \$31.76 million. As shown in Table 3, Changes in Net Position, grants and those who directly benefited from the programs covered \$5.83 million of this cost, while \$25.93 million was financed through general revenues. Governmental activities increased the Village's net position by \$2.62 million, accounting for 55% of the total increase in the Village's net position.

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

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 4,077	\$ 3,945	\$ 7,861	\$ 7,313	\$ 11,938	\$ 11,258
Operating grants and contributions	601	7,110			601	7,110
Capital grants and contributions	1,152	31		50	1,152	81
General revenues:						
Property taxes	20,000	17,833			20,000	17,833
Local option gas taxes	306	297			306	297
Local option infrastructure surtax	1,288	1,229			1,288	1,229
Utility service taxes	3,001	2,727			3,001	2,727
Sales and use taxes	1,942	1,869			1,942	1,869
Franchise taxes	1,654	1,492			1,654	1,492
Investment earnings	1,394	(249)	96	18	1,490	(231)
Miscellaneous	73	93			73	93
Gain on asset disposals	169	29			169	29
Transfers	(1,282)	(761)	1,282	761		
Total revenues	<u>34,375</u>	<u>35,645</u>	<u>9,239</u>	<u>8,142</u>	<u>43,614</u>	<u>43,787</u>
Expenses:						
Program expenses:						
General Government	3,781	3,566			3,781	3,566
Public Safety	14,930	10,900			14,930	10,900
Public Works	6,173	5,359			6,173	5,359
Community Development	1,497	1,406			1,497	1,406
Leisure Services	4,942	3,441			4,942	3,441
Interest on long-term debt	435	471			435	471
Country Club			6,936	6,566	6,936	6,566
Stormwater			182	123	182	123
Total expenses	<u>31,758</u>	<u>25,143</u>	<u>7,118</u>	<u>6,689</u>	<u>38,876</u>	<u>31,832</u>
Increase (decrease) in net position	2,617	10,502	2,121	1,453	4,738	11,955
Net position - beginning of year	<u>40,909</u>	<u>30,407</u>	<u>4,728</u>	<u>3,275</u>	<u>45,637</u>	<u>33,682</u>
Net position - end of year	<u>\$ 43,526</u>	<u>\$ 40,909</u>	<u>\$ 6,849</u>	<u>\$ 4,728</u>	<u>\$ 50,375</u>	<u>\$ 45,637</u>

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)

	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 3,781	\$ (3,514)	\$ 3,566	\$ (3,285)
Public safety	14,930	(13,746)	10,900	(3,310)
Public works	6,173	(5,687)	5,359	(4,891)
Community development	1,497	680	1,406	733
Leisure services	4,942	(3,227)	3,441	(2,834)
Interest on long-term debt	435	(435)	471	(471)
	<u>\$ 31,758</u>	<u>\$ (25,929)</u>	<u>\$ 25,143</u>	<u>\$ (14,058)</u>

At the end of the current year, as compared to the prior year, the total cost of services increased by \$6.61 million. This increase is primarily attributed to the rise in personnel costs for Public Safety and an increase in operating costs for Leisure Services.

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 \$0.54 million, while expenses increased by \$0.43 million. The net position of the Proprietary Funds at September 30, 2023, was \$6.84 million, reflecting an increase of \$2.12 million. This growth is mainly due to increased golf activity at the Country Club.

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 \$26.99 million, reflecting a \$0.43 million increase from the 2022 fund balance of \$26.56 million. Approximately 86% of the combined ending fund balance (\$23.17 million) constitutes unrestricted (unassigned/assigned) fund balance, available for discretionary government spending. The remaining fund balance (\$3.82 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 \$15.79 million, with the total fund balance reaching \$18.31 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 54% of total general fund expenditures, while the total fund balance represents 63% of the same amount.

The increase in the unassigned fund balance (\$15.79 million) from the 2022 figure of \$13.65 million amounts to \$2.13 million. The principal contributors to this increase are outlined below:

- State law mandates that only 95% of the gross ad-valorem taxes be budgeted as revenue (\$19.72 million). However, for the current year, the Village received \$20.00 million due to discounts from prompt payments.
- Investment Revenues were budgeted based on prior year trends (\$0.44 million). Nonetheless, for the current year, the Village received \$1.04 million.

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 \$753,221 and can be summarized as follows:

- Prior Year Open Purchase Order Carryover: \$353,221
- Increase in Leisure Services Department Expenses: \$400,000

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 \$0.04 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 \$4.54 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 \$1.75 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 \$0.05 million, whereas the total net position for the Country Club stood at \$5.80 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, 2023, and 2022, the Village's investment in capital assets for its governmental and business-type activities amounts to \$41.94 million and \$41.52 million, respectively (net of accumulated depreciation).

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,056	\$ 2,056	\$ 1,051	\$ 1,051	\$ 3,107	\$ 3,107
Construction in progress	2,667	2,879	109	192	2,776	3,071
Buildings and improvements	39,070	39,035	12,867	12,074	51,937	51,109
Furniture, fixtures and equipment	11,844	10,558	1,059	980	12,903	11,538
Total assets	55,637	54,528	15,086	14,297	70,723	68,825
Less accumulated depreciation	(20,331)	(19,929)	(8,448)	(7,380)	(28,779)	(27,309)
Net position	<u>\$ 35,306</u>	<u>\$ 34,599</u>	<u>\$ 6,638</u>	<u>\$ 6,917</u>	<u>\$ 41,944</u>	<u>\$ 41,516</u>

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 \$13.35 million, with \$12.95 million in governmental activities and \$0.40 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	
	2023	2022	2023	2022	2023	2022
Loans payable	\$ 9,980	\$ 10,915	\$ 195	\$ 573	\$ 10,175	\$ 11,488
Lease liability			207	367	207	367
Financing contracts	2,965	3,453			2,965	3,453
Total	<u>\$ 12,945</u>	<u>\$ 14,368</u>	<u>\$ 402</u>	<u>\$ 940</u>	<u>\$ 13,347</u>	<u>\$ 15,308</u>

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

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 \$15.79 million during the 2023 fiscal year primarily due to increases in several revenue categories.

The FY 2023/24 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 raising the millage rate or dipping into the General Fund Unassigned Fund Balance. The Village's operating millage rate was reduced to \$6.90 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.

BASIC FINANCIAL STATEMENTS

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 14,101,501	\$ 3,732,695	\$ 17,834,196
Investments	11,790,753		11,790,753
Accounts receivable	1,314,382	87,860	1,402,242
Lease - receivable current portion	73,972	96,689	170,661
Accrued interest	59,236		59,236
Inventories	94,227	104,778	199,005
Prepays	101,493	20,884	122,377
Due from other governments	768,705		768,705
Internal balances	1,700,000	(1,700,000)	
Non-current assets			
Lease - receivable	2,849,356	57,755	2,907,111
Capital assets:			
Nondepreciable	4,722,800	1,160,045	5,882,845
Depreciable (net of depreciation)	30,583,676	5,478,311	36,061,987
Total assets	<u>68,160,101</u>	<u>9,039,017</u>	<u>77,199,118</u>
Deferred outflows of resources			
Other postemployment benefits related items	37,050	1,787	38,837
Pension related items	9,873,562		9,873,562
Total deferred outflows of resources	<u>9,910,612</u>	<u>1,787</u>	<u>9,912,399</u>
Liabilities			
Accounts payable	1,371,431	230,032	1,601,463
Deposits		58,660	58,660
Accrued liabilities	207,751		207,751
Unearned revenue	153,958	1,200,061	1,354,019
Accrued interest payable	136,662		136,662
Noncurrent liabilities:			
Due within one year	2,862,407	407,822	3,270,229
Due in more than one year	23,169,156	102,349	23,271,505
Total liabilities	<u>27,901,365</u>	<u>1,998,924</u>	<u>29,900,289</u>
Deferred inflows of resources			
Deferred revenue	192,723		192,723
Leases	2,763,516	150,318	2,913,834
Other postemployment benefits related items	1,263,613	42,784	1,306,397
Pension related items	2,422,922		2,422,922
Total deferred inflows of resources	<u>6,642,774</u>	<u>193,102</u>	<u>6,835,876</u>
Net position			
Net investment in capital assets	22,360,893	6,236,086	28,596,979
Restricted for:			
Recreation	2,774		2,774
Infrastructure	1,749,419		1,749,419
Library	1,448		1,448
Other purposes	169,989		169,989
Unrestricted	19,242,051	612,692	19,854,743
Total net position	<u>\$ 43,526,574</u>	<u>\$ 6,848,778</u>	<u>\$ 50,375,352</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Activities
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Charges for Services
Government:		
Governmental activities		
General government	\$ 3,781,088	\$ 188,225
Public safety	14,930,313	609,761
Public works	6,172,611	485,449
Community development and planning	1,497,167	2,177,673
Leisure services	4,941,996	615,554
Interest expense	435,245	
Total governmental activities	<u>31,758,420</u>	<u>4,076,662</u>
Business-type activities - country club	6,936,277	7,375,933
Business-type activities - stormwater	182,297	484,614
Total business-type activities	<u>7,118,574</u>	<u>7,860,547</u>
Total government	<u>\$ 38,876,994</u>	<u>\$ 11,937,209</u>

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 78,706	\$	\$ (3,514,157)	\$	\$ (3,514,157)
506,912	67,559	(13,746,081)		(13,746,081)
		(5,687,162)		(5,687,162)
		680,506		680,506
15,229	1,084,546	(3,226,667)		(3,226,667)
		(435,245)		(435,245)
<u>600,847</u>	<u>1,152,105</u>	<u>(25,928,806)</u>		<u>(25,928,806)</u>
			439,656	439,656
			302,317	302,317
			<u>741,973</u>	<u>741,973</u>
<u>\$ 600,847</u>	<u>\$ 1,152,105</u>	<u>(25,928,806)</u>	<u>741,973</u>	<u>(25,186,833)</u>
General Revenues:				
Taxes:				
Property taxes		20,000,861		20,000,861
Local option gas taxes		305,894		305,894
Local option infrastructure surtax		1,287,744		1,287,744
Utility service taxes		3,000,981		3,000,981
Franchise taxes		1,654,533		1,654,533
Sales and use taxes		1,942,316		1,942,316
Investment income - unrestricted		1,394,072	96,462	1,490,534
Miscellaneous		72,707		72,707
Gain on disposal of equipment		169,456		169,456
Transfers		<u>(1,282,550)</u>	<u>1,282,550</u>	
Total general revenues and transfers		<u>28,546,014</u>	<u>1,379,012</u>	<u>29,925,026</u>
Change in net position		2,617,208	2,120,985	4,738,193
Net position, beginning of year		<u>40,909,366</u>	<u>4,727,793</u>	<u>45,637,159</u>
Net position, end of year		<u>\$ 43,526,574</u>	<u>\$ 6,848,778</u>	<u>\$ 50,375,352</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2023

	<u>General</u>	<u>Infrastructure Surtax Fund</u>	<u>Special Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 6,987,420	\$ 2,035,545	\$ 2,561,478	\$ 2,517,058	\$ 14,101,501
Investments	9,790,753		2,000,000		11,790,753
Accounts receivable	1,314,382				1,314,382
Lease receivable	2,923,328				2,923,328
Accrued interest	59,236				59,236
Inventories	94,227				94,227
Prepays	101,493				101,493
Due from other funds	84,357				84,357
Advances to other funds	1,700,000				1,700,000
Due from other governments	274,601	126,906		367,198	768,705
Total assets	<u>\$ 23,329,797</u>	<u>\$ 2,162,451</u>	<u>\$ 4,561,478</u>	<u>\$ 2,884,256</u>	<u>\$ 32,937,982</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ 825,445	\$ 413,032	\$ 19,800	\$ 113,154	\$ 1,371,431
Accrued liabilities	207,751				207,751
Due to other funds				84,357	84,357
Unearned revenue	153,958				153,958
Total liabilities	<u>1,187,154</u>	<u>413,032</u>	<u>19,800</u>	<u>197,511</u>	<u>1,817,497</u>
Deferred inflows of resources					
Deferred revenue	192,723				192,723
Leases	2,763,516				2,763,516
Unavailable revenue	874,035			300,000	1,174,035
Total deferred inflows of resources	<u>3,830,274</u>			<u>300,000</u>	<u>4,130,274</u>
Fund balances					
Nonspendable:					
Inventories and prepaids	195,720				195,720
Advances to other funds	1,700,000				1,700,000
Restricted for:					
Recreation	2,774				2,774
Infrastructure		1,749,419			1,749,419
Streets and roads	77,516				77,516
Public safety	89,700				89,700
Library	1,448				1,448
Other purposes	2,773				2,773
Assigned for:					
Small business grants	16,435				16,435
Subsequent year's expenditures	439,957		1,254,049		1,694,006
Special revenue funds				2,744	2,744
Capital project funds			3,287,629	2,468,358	5,755,987
Unassigned	15,786,046			(84,357)	15,701,689
Total fund balances	<u>18,312,369</u>	<u>1,749,419</u>	<u>4,541,678</u>	<u>2,386,745</u>	<u>26,990,211</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,329,797</u>	<u>\$ 2,162,451</u>	<u>\$ 4,561,478</u>	<u>\$ 2,884,256</u>	<u>\$ 32,937,982</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
September 30, 2023

Fund balances - total governmental funds	\$ 26,990,211
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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	\$ 55,637,651	
Less: accumulated depreciation	<u>(20,331,175)</u>	
		35,306,476

Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.

Current year unavailable grant revenue	<u>1,174,035</u>
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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	(136,662)	
Revenue notes	(9,980,000)	
Contracts that transfer ownership	(2,965,583)	
Net pension liability	(10,875,309)	
Other postemployment benefits	(603,623)	
Accrued compensated absences	<u>(1,607,048)</u>	
		(26,168,225)

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	37,050	
Other postemployment benefits deferred inflows	(1,263,613)	
Pension related deferred outflows	9,873,562	
Pension related deferred inflows	<u>(2,422,922)</u>	
		<u>6,224,077</u>

Net position of governmental activities	<u>\$ 43,526,574</u>
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See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	<u>General</u>	<u>Infrastructure Surtax Fund</u>	<u>Special Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 24,962,269	\$	\$	\$	\$ 24,962,269
Licenses and permits	1,707,690				1,707,690
Intergovernmental	2,066,901	1,287,744	7,802	476,596	3,839,043
Charges for services	2,090,941				2,090,941
Fines and forfeitures	244,487				244,487
Investment	1,040,548	61,305	292,218		1,394,071
Miscellaneous	354,359				354,359
Total revenues	<u>32,467,195</u>	<u>1,349,049</u>	<u>300,020</u>	<u>476,596</u>	<u>34,592,860</u>
Expenditures					
Current					
General government	3,674,104				3,674,104
Public safety	12,592,521			472,893	13,065,414
Public works	5,453,097				5,453,097
Community development and planning	1,462,865				1,462,865
Leisure services	3,852,206				3,852,206
Capital outlay	185,248	622,175	1,549,926	1,198,487	3,555,836
Debt service					
Principal	1,422,411				1,422,411
Interest	453,154				453,154
Total expenditures	<u>29,095,606</u>	<u>622,175</u>	<u>1,549,926</u>	<u>1,671,380</u>	<u>32,939,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,371,589</u>	<u>726,874</u>	<u>(1,249,906)</u>	<u>(1,194,784)</u>	<u>1,653,773</u>
Other financing sources (uses)					
Insurance proceeds	59,754				59,754
Transfers in			6,591,584	679,800	7,271,384
Transfers out	(1,162,350)		(800,000)	(6,591,584)	(8,553,934)
Total other financing sources (uses)	<u>(1,102,596)</u>		<u>5,791,584</u>	<u>(5,911,784)</u>	<u>(1,222,796)</u>
Net change in fund balances	2,268,993	726,874	4,541,678	(7,106,568)	430,977
Fund balances					
Beginning of year	16,043,376	1,022,545		9,493,313	26,559,234
End of year	<u>\$ 18,312,369</u>	<u>\$ 1,749,419</u>	<u>\$ 4,541,678</u>	<u>\$ 2,386,745</u>	<u>\$ 26,990,211</u>

See notes to the financial statements.

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, 2023

Net change in fund balances - total governmental funds \$ 430,977

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	\$ 3,585,417	
Donated assets	63,856	
Less: current year depreciation	(2,710,262)	
Net book value for retired assets	(232,328)	706,683

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	1,422,411
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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:

Current 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	17,909	
Change in long-term compensated absences	(140,828)	
Change in net pension liability and related deferred amounts	(1,343,805)	
Change in other postemployment benefits and deferred amounts	349,826	(1,116,898)

Change in net position	\$ 2,617,208
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See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2023

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 3,128,691	\$ 604,004	\$ 3,732,695
Accounts receivable	85,359	2,501	87,860
Lease receivable - current portion	96,689		96,689
Inventories	104,778		104,778
Prepays	20,884		20,884
Total current assets	<u>3,436,401</u>	<u>606,505</u>	<u>4,042,906</u>
Non-current assets			
Lease receivable	57,755		57,755
Capital assets, net	6,151,719	486,637	6,638,356
Total non-current assets	<u>6,209,474</u>	<u>486,637</u>	<u>6,696,111</u>
Total assets	<u>9,645,875</u>	<u>1,093,142</u>	<u>10,739,017</u>
Deferred outflows of resources			
Other postemployment benefits related items	1,787		1,787
Total deferred outflows of resources	<u>1,787</u>		<u>1,787</u>
Liabilities			
Current liabilities			
Accounts payable	182,469	47,563	230,032
Deposits	58,660		58,660
Unearned revenue	1,200,061		1,200,061
Lease liability - current portion	165,103		165,103
Compensated absences - current portion	47,607		47,607
Loans payable - current portion	195,112		195,112
Total current liabilities	<u>1,849,012</u>	<u>47,563</u>	<u>1,896,575</u>
Non-current liabilities			
Lease liability	42,055		42,055
Other postemployment benefits	29,106		29,106
Compensated absences	31,188		31,188
Advances from other funds	1,700,000		1,700,000
Total non-current liabilities	<u>1,802,349</u>		<u>1,802,349</u>
Total liabilities	<u>3,651,361</u>	<u>47,563</u>	<u>3,698,924</u>
Deferred inflows of resources			
Other postemployment benefits related items	42,784		42,784
Leases	150,318		150,318
Total deferred inflows of resources	<u>193,102</u>		<u>193,102</u>
Net position			
Net investment in capital assets	5,749,449	486,637	6,236,086
Unrestricted	53,750	558,942	612,692
Total net position	<u>\$ 5,803,199</u>	<u>\$ 1,045,579</u>	<u>\$ 6,848,778</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2023

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Operating revenue			
Greens fee/cart rentals/golf membership fees	\$ 4,745,770		\$ 4,745,770
Golf shop revenues	767,794		767,794
Driving range revenues	524,489		524,489
Restaurant revenues	290,318		290,318
Tennis revenues	788,639		788,639
Pool revenues	233,766		233,766
Stormwater assessments		484,614	484,614
Miscellaneous	25,157		25,157
Total operating revenues	<u>7,375,933</u>	<u>484,614</u>	<u>7,860,547</u>
Operating expenses			
Golf course maintenance expenses	1,947,174		1,947,174
Clubhouse grounds expenses	537,814		537,814
Golf shop expenses	1,794,736		1,794,736
Food and beverage expenses	21,881		21,881
Tennis expenses	734,031		734,031
Pool expenses	349,089		349,089
Administrative and general	424,947	15,655	440,602
Repairs and maintenance		132,657	132,657
Amortization	161,886		161,886
Depreciation	900,421	33,985	934,406
Total operating expenses	<u>6,871,979</u>	<u>182,297</u>	<u>7,054,276</u>
Operating income	<u>503,954</u>	<u>302,317</u>	<u>806,271</u>
Nonoperating revenues (expenses)			
Interest revenue	72,356	24,106	96,462
Interest expense	(64,298)		(64,298)
Total nonoperating revenues (expenses)	<u>8,058</u>	<u>24,106</u>	<u>32,164</u>
Income (loss) before transfers	512,012	326,423	838,435
Transfers in	<u>1,282,550</u>		<u>1,282,550</u>
Change in net position	1,794,562	326,423	2,120,985
Net position - beginning	<u>4,008,637</u>	<u>719,156</u>	<u>4,727,793</u>
Net position - ending	<u>\$ 5,803,199</u>	<u>\$ 1,045,579</u>	<u>\$ 6,848,778</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2023

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 7,425,741	\$ 482,113	\$ 7,907,854
Payments to suppliers for goods or services	(4,514,571)	(111,648)	(4,626,219)
Payments to employees for services	(1,240,500)		(1,240,500)
Net cash Provided by operating activities	<u>1,670,670</u>	<u>370,465</u>	<u>2,041,135</u>
Cash flows from non-capital financing activities:			
Transfers in	1,282,550		1,282,550
Net cash provided by non-capital financing activities:	<u>1,282,550</u>		<u>1,282,550</u>
Cash flows from capital and related financing activities:			
Principal paid on long term debt	(538,450)		(538,450)
Interest paid on debt	(64,298)		(64,298)
Acquisition of capital assets	(633,919)	(183,952)	(817,871)
Net cash provided (used) by capital and related financing activities	<u>(1,236,667)</u>	<u>(183,952)</u>	<u>(1,420,619)</u>
Cash flows from investing activities:			
Interest and dividends on investments	71,254	24,106	95,360
Net increase (decrease) in cash and cash equivalents	1,787,807	210,619	1,998,426
Cash and cash equivalents at beginning of year	1,340,884	393,385	1,734,269
Cash and cash equivalents at end of year	<u>\$ 3,128,691</u>	<u>\$ 604,004</u>	<u>\$ 3,732,695</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>\$ 503,954</u>	<u>\$ 302,317</u>	<u>\$ 806,271</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	1,062,307	33,985	1,096,292
Change in OPEB liability and related deferred amounts	(342)		(342)
Change in pension deferred amounts			
Change in assets and liabilities			
Increase in accounts receivable	(12,846)	(2,501)	(15,347)
(Increase) decrease in inventory	15,646		15,646
(Increase) decrease in prepaids	476		476
Increase (decrease) in accounts payable	18,196	36,664	54,860
Increase (decrease) in compensated absences payable	20,625		20,625
Increase (decrease) in deposits	(26,131)		(26,131)
Increase (decrease) in deferred revenue	88,785		88,785
Total adjustments	<u>1,166,716</u>	<u>68,148</u>	<u>1,234,864</u>
Net cash provided by operating activities	<u>\$ 1,670,670</u>	<u>\$ 370,465</u>	<u>\$ 2,041,135</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2023

	Employee Retirement Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 731,192	\$ 339,291
Investments:		
Domestic common equity securities	10,500,247	
International common equity securities	3,198,632	
U.S. Government and agencies	7,188,534	
Municipal bonds	1,195,918	
Domestic corporate bonds	4,110,595	
International corporate bonds	325,788	
Domestic equity exchange traded funds	2,769,791	
International equity exchange traded funds	747,303	
Fixed income mutual funds	2,088,523	
Domestic equity mutual funds	12,026,518	
International equity mutual funds	2,839,691	
Real estate investment fund	3,285,078	
Money market mutual funds	372,403	
Accrued interest and dividends	104,249	
Accounts receivable	67,198	
Accounts receivable, broker-dealers	30,504	
Prepays	5,522	
Total assets	51,587,686	339,291
Liabilities		
Accounts payable	42,368	
Total liabilities	42,368	
Net position		
Restricted for pensions	51,545,318	
Restricted for individuals, organizations, and other governments		339,291
	\$ 51,545,318	\$ 339,291

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2023

	Employee Retirement Funds	Custodial Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Employer	\$ 1,089,145	\$
Plan members	586,355	
DROP contributions	21,356	
State on-behalf payments	472,893	
Total contributions	<u>2,169,749</u>	<u> </u>
Investment earnings		
Dividends and interest	1,110,685	12,748
Change in fair value of investments	<u>4,469,207</u>	<u> </u>
Total investment earnings	5,579,892	12,748
Less: investment expenses	<u>238,845</u>	<u> </u>
Total net investment earnings	<u>5,341,047</u>	<u>12,748</u>
Total additions	<u>7,510,796</u>	<u>12,748</u>
Deductions		
Administrative expense	165,056	
Refund of contributions	7,513	
Lump sum DROP distributions	187,531	
Benefits	<u>1,948,395</u>	<u> </u>
Total deductions	<u>2,308,495</u>	<u> </u>
Change in net position	5,202,301	12,748
Net position - beginning	<u>46,343,017</u>	<u>326,543</u>
Net position - ending	<u>\$ 51,545,318</u>	<u>\$ 339,291</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, the ARPA fund, 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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 in the prior fiscal year to provide matching grants of up to \$7,500 for improvements to small business properties.
- 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. This budget is adopted on a basis consistent with generally accepted accounting principles.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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

A. Budgetary Data (Continued)

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 \$439,957 the Infrastructure Surtax Fund had \$39,260, and the Special Projects Fund had \$1,254,079 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, was 7.0000 (\$7.0000 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, 2023, unpaid delinquent taxes are not material and have not been recorded by the Village.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2023, the carrying amount of the Village's deposits (including fiduciary funds) was \$3,729,032 and the bank balances totaled \$3,940,435. 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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	\$ 3,729,032
Petty cash	4,156
Investments	<u>77,611,265</u>
Total deposits and investments	<u><u>\$81,344,453</u></u>
Presented in the statement of net position	
Governmental activities	
Cash and cash equivalents	\$14,101,501
Investments	11,790,753
Business-type activities	
Cash and cash equivalents	<u>3,732,695</u>
Total statements of net position	<u><u>29,624,949</u></u>
Presented in the statement of fiduciary net position	
Pension trust funds	
Cash and cash equivalents	731,192
Investments	50,649,021
Custodial funds	
Cash and cash equivalents	<u>339,291</u>
Total fiduciary funds	<u><u>51,719,504</u></u>
Total deposits and investments	<u><u>\$81,344,453</u></u>

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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's investments in FL Palm-Term are as follows:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
04/01/2024	5.77%	\$ 2,000,000

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2023, the Village held the following investments:

	Weighted Average Maturity	Fair Value	Fair Value Measurement	
			Level 1	Level 2
<i><u>Governmental Funds</u></i>				
U.S. Government and Agency	2.17 Years	\$ 4,193,812	\$	\$ 4,193,812
MBS & ABS	3.25 Years	2,982,054		2,982,054
Municipal Bonds	0.71 Years	101,655		101,655
Domestic Corporate Bonds	1.72 Years	1,764,538		1,764,538
International Corporate Bonds	1.66 Years	694,288		694,288
<i><u>Fiduciary Funds</u></i>				
U.S. Government and Agency	10.34 Years	2,982,554		2,982,554
MBS & ABS	15.41 Years	4,205,980		4,205,980
Municipal Bonds	6.95 Years	1,195,918		1,195,918
Domestic Corporate Bonds	10.57 Years	4,110,595		4,110,595
International Corporate Bonds	5.5 Years	325,788		325,788
Domestic Common Equity				
Securities	N/A	10,500,247	10,500,247	
International Common Equity				
Securities	N/A	3,198,632	3,198,632	
Domestic Equity ETF	N/A	2,769,791	2,769,791	
International Equity ETF	N/A	747,303	747,303	
Fixed Income Mutual Funds	N/A	2,088,523	2,088,523	
Domestic Equity Mutual Funds	N/A	12,026,518	12,026,518	
International Equity Mutual				
Funds	N/A	2,839,691	2,839,691	
		56,727,887	<u>\$ 34,170,705</u>	<u>\$ 22,557,182</u>
Investments Reported at NAV				
<i><u>Governmental Funds</u></i>				
FL Palm- Term	N/A	2,000,000		
<i><u>Fiduciary Funds</u></i>				
American Core Realty Fund	N/A	3,285,078		
Investments Reported at Amortized Cost:				
<i><u>Governmental Funds</u></i>				
Money Market Mutual Funds	N/A	54,406		
Florida Prime	35 Days	6,906,134		
FL Palm	43 Days	8,003,808		
<i><u>Fiduciary Funds</u></i>				
Money Market Mutual Funds	N/A	633,952		
Total Investments		<u>\$ 77,611,265</u>		

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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>Governmental Funds</i>			
U.S. Government and Agency	AA+	AAA	\$ 4,193,812
MBS & ABS	AAA, AA+ & NR	AAA & NR	2,982,054
Municipal Bonds	AA+, AA & AA-	Aa3 & A1	101,655
Domestic Corporate Bonds	AA+ to BBB+	AA2 to A3	1,764,538
International Corporate Bonds	AAA to A-	Aaa to A2	694,288
Florida Prime	AAAm	NR	6,906,134
FL Palm Portfolio	AAAm	NR	8,003,808
FL Palm Term	NR*	NR	2,000,000
<i>Fiduciary Funds</i>			
U.S. Government and Agency	AA+	AAA to Aaa	2,982,554
MBS & ABS	AAA to NR	Aaa to NR	4,205,980
Municipal Bonds	AAA to NR-	Aaa to A1	1,195,918
Domestic Corporate Bonds	AAA to BBB-	Aaa to Baa3	4,110,595
International Corporate Bonds	A+ to BBB-	Aaa to Baa3	325,788

* 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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. Bonds, stocks, or any other evidence of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided:
 - a. The corporation is listed on any one (1) or more of the recognized national stock exchanges and holds a rating in one of the three (3) highest classifications by a major rating service; and
 - b. The Board shall not invest more than five (5) percent of its assets in the common stock, capital stock, bonds or indebtedness of any one (1) issuing company, nor shall the aggregate investment of in any one (1) issuing company exceed five (5) percent of the outstanding capital stock of that company, nor shall the aggregate of its investments in equities at market value exceed sixty-five (65) percent of the pension funds' assets;
4. Notwithstanding any provision of this section to the contrary, the Board is specifically authorized to invest in foreign securities to the extent authorized by Sections 175.071(1) and 185.06(1)(b), Florida Statutes;
5. Fixed income investments defined as preferred issues and fixed income securities provided all issues shall meet or exceed S&P's A or Moody's A credit rating;
6. 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;
7. Bonds issued by the State of Israel;
8. Purchases in commingled real estate funds.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 4 – RECEIVABLES

Receivables at September 30, 2023, were as follows:

	<u>General Fund</u>	<u>Country Club</u>	<u>Nonmajor Enterprise Fund</u>
Utility franchise fees & taxes	\$ 427,810	\$	\$
Insurance claim receivable	874,035		
Other accounts receivable	<u>12,537</u>	<u>85,359</u>	<u>2,501</u>
Total accounts receivable	<u>\$1,314,382</u>	<u>\$ 85,359</u>	<u>\$ 2,501</u>

NOTE 5 – CAPITAL ASSETS

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

Primary Government

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 2,055,889	\$	\$	\$ 2,055,889
Construction in progress	2,878,948	1,341,338	(1,553,375)	2,666,911
Capital assets being depreciated:				
Buildings	25,351,982	194,159	(87,539)	25,458,602
Improvements	13,683,349	1,304,999	(1,376,736)	13,611,612
Machinery and equipment	3,890,263	561,149	(203,206)	4,248,206
Vehicles	<u>6,668,494</u>	<u>1,801,345</u>	<u>(873,408)</u>	<u>7,596,431</u>
Total:	<u>54,528,925</u>	<u>5,202,990</u>	<u>(4,094,264)</u>	<u>55,637,651</u>
Less accumulated depreciation:				
Buildings	(8,053,230)	(703,473)	87,539	(8,669,164)
Improvements	(6,007,092)	(751,118)	1,224,262	(5,533,948)
Machinery and equipment	(2,246,046)	(406,689)	203,206	(2,449,529)
Vehicles	<u>(3,623,106)</u>	<u>(848,982)</u>	<u>793,554</u>	<u>(3,678,534)</u>
Total accumulated depreciation	<u>(19,929,474)</u>	<u>(2,710,262)</u>	<u>2,308,561</u>	<u>(20,331,175)</u>
Governmental activities capital assets, net	<u>\$ 34,599,451</u>	<u>\$ 2,492,728</u>	<u>\$ (1,785,703)</u>	<u>\$ 35,306,476</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 5 – CAPITAL ASSETS (Continued)

The Governmental Activities had an impairment gain of \$781,316 due to damages and the related insurance recoveries caused by a tornado in the current fiscal year. Insurance recoveries of \$933,789 were recognized and assets with a cost of \$1,376,736 and a net book value of \$152,473 were written off.

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

Governmental activities:

General government	\$ 97,351
Public safety	758,098
Public works	710,362
Community development	30,544
Leisure services	<u>1,113,907</u>

Total depreciation expense, governmental activities	<u><u>\$ 2,710,262</u></u>
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	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,051,311	\$	\$	\$ 1,051,311
Construction in progress	191,646	108,734	(191,646)	108,734
Capital assets being depreciated:				
Buildings	1,142,411			1,142,411
Improvements	10,931,585	794,102		11,725,687
Machinery and equipment	447,758	106,681	(4,322)	550,117
Vehicles	46,226		(23,619)	22,607
Intangible Right to Use Asset - Vehicles	<u>485,659</u>			<u>485,659</u>
Total:	<u>14,296,596</u>	<u>1,009,517</u>	<u>(219,587)</u>	<u>15,086,526</u>
Less accumulated depreciation/amortization:				
Buildings	(225,104)	(40,028)		(265,132)
Improvements	(6,824,362)	(803,900)		(7,628,262)
Machinery and equipment	(180,000)	(85,158)	4,322	(260,836)
Vehicles	(28,938)	(5,320)	23,619	(10,639)
Intangible Right to Use Asset - Vehicles	<u>(121,415)</u>	<u>(161,886)</u>		<u>(283,301)</u>
Total accumulated depreciation/amortization	<u>(7,379,819)</u>	<u>(1,096,292)</u>	<u>27,941</u>	<u>(8,448,170)</u>
Business-type activities capital assets, net	<u><u>\$ 6,916,777</u></u>	<u><u>\$ (86,775)</u></u>	<u><u>\$ (191,646)</u></u>	<u><u>\$ 6,638,356</u></u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense of \$900,421 and \$33,985 was charged to the Country Club and Stormwater Utility Funds respectively. Amortization expense of \$161,886 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, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities:					
Direct borrowings and direct placements					
Loans payable	\$ 10,915,000	\$	\$ (935,000)	\$ 9,980,000	\$ 970,000
Contracts that transfer ownership	3,452,994		(487,411)	2,965,583	526,211
Total	14,367,994		(1,422,411)	12,945,583	1,496,211
OPEB (see Note 14)	578,857	24,766		603,623	
Net pension liability (see Note 9)		10,875,309		10,875,309	
Compensated absences payable	1,466,220	1,336,731	(1,195,903)	1,607,048	1,366,196
Total	<u>\$ 16,413,071</u>	<u>\$ 12,236,806</u>	<u>\$(2,618,314)</u>	<u>\$ 26,031,563</u>	<u>\$ 2,862,407</u>

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 6 – LONG TERM LIABILITIES (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Business-type activities:					
Direct borrowings and direct placements					
Loans payable	\$ 573,333	\$	\$ (378,221)	\$ 195,112	\$ 195,112
Lease liability(see Note7)	367,387		(160,229)	207,158	165,103
OPEB(see Note 14)	23,492	5,614		29,106	
Compensated absences payable	58,170	58,842	(38,217)	78,795	47,607
Total	<u>\$ 1,022,382</u>	<u>\$ 64,456</u>	<u>\$ (576,667)</u>	<u>\$ 510,171</u>	<u>\$ 407,822</u>

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, the principal amount outstanding was \$936,310 and was for the purpose of business-type activities.

Annual debt service requirements to maturity are as follows:

Business-type activities:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 195,112</u>	<u>\$ 4,074</u>	<u>\$ 199,186</u>

The loan agreement requires that pledged revenues cover 100% of the debt service due plus the expenses, other than non-cash expenses, of owning and operating the Country Club.

The loan agreement includes a provision that upon the occurrence of any event of default, the bank may declare all obligations of the Village under the Loan Agreement and the Note to be immediately due and payable without further action of any kind and upon such declaration the Note and the interest accrued thereon shall become immediately due and payable.

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 6 – LONG TERM LIABILITIES (Continued)

Non-Ad Valorem Revenue Note, Series 2017 (Continued)

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, 2023, the principal amount outstanding was \$8,900,000 and was for the purpose of governmental-type activities.

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, 2023, the principal amount outstanding was \$2,915,000 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>
2024	\$ 970,000	\$ 324,734	\$ 1,294,734
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 - 2032	4,790,000	388,064	5,178,064
	<u>\$ 9,980,000</u>	<u>\$ 1,666,461</u>	<u>\$ 11,646,461</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, 2023, the principal amounts outstanding were \$2,965,583 and the net book value of the equipment was \$3,105,919. 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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>
2024	\$ 526,211	\$ 73,372	\$ 599,583
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 - 2031	542,704	22,597	565,301
	<u>\$ 2,965,583</u>	<u>\$ 256,502</u>	<u>\$ 3,222,085</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.

Annual requirements to amortize long-term obligations and related interest as of September 30, 2023 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 165,103	\$ 3,957	\$ 169,060
2025	42,055	210	42,265
	<u>\$ 207,158</u>	<u>\$ 4,167</u>	<u>\$ 211,325</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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 \$2,923,328 at September 30, 2023. For the fiscal year ended September 30, 2023, the General Fund reported lease revenue of \$149,510 and interest revenue of \$88,524 related to lease payments received.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 7 – LEASES (Continued)

Lessor Leases – General Fund (Continued)

The General Fund’s amortization of lease payments receivable as of September 30, 2023, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 73,972	\$ 86,695	\$ 160,667
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 - 2033	671,389	324,237	995,626
2034 - 2038	947,690	203,978	1,151,668
2039 - 2043	722,048	62,335	784,383
2043 - 2045	129,091	3,582	132,673
	<u>\$ 2,923,328</u>	<u>\$ 1,001,761</u>	<u>\$ 3,925,089</u>

Lessor Leases –Country Club Fund

The Village is 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 during the first year and in subsequent years to pay an equivalent percentage of the total amount due.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 7 – LEASES (Continued)

Lessor Leases –Country Club Fund (Continued)

The Country Club Fund is reporting a lease receivable of \$154,444 at September 30, 2023. For the fiscal year ended September 30, 2023, the Country Club reported lease revenue of \$95,520 and interest revenue of \$6,165. The Country Club Fund also received \$100,140 in supplemental rent and \$94,658 in utility and property tax reimbursements for the year ended September 30, 2023 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.

The Country Club Fund’s amortization of lease payments receivable as of September 30, 2023, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	96,689	3,311	100,000
2025	57,755	578	58,333
	<u>\$ 154,444</u>	<u>\$ 3,889</u>	<u>\$ 158,333</u>

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2022:

	<u>GERF</u>	<u>F&P</u>
Inactive Plan Members or Beneficiaries		
currently receiving benefits	49	33
Inactive Plan Members entitled to but		
not yet receiving benefits	32	20
Active Plan Members	<u>20</u>	<u>52</u>
Total	<u>101</u>	<u>105</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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, 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, 2023, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 13.035 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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, there was \$852,332 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, 2023, is as follows:

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

Rate of Return. For the year ended September 30, 2023, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.92 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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 \$414,511 during the fiscal year ended September 30, 2023.

All Retirement Plans

Net Pension Liability. The components of net pension liability of the Village on September 30, 2023, were as follows:

	General Employees	Fire and Police
Total pension liability	\$ 19,788,459	\$ 41,759,990
Plan fiduciary net position	(17,552,516)	(33,992,802)
Village's net pension liability(asset)	\$ 2,235,943	\$ 7,767,188
Plan fiduciary net position as a percentage of total pension liability	88.70%	81.40%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

	<u>General Employees</u>	<u>Fire and Police</u>
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>	<u>Long-Term Expected Real Rate of Return</u>	
	<u>General Employees</u>	<u>Fire and Police</u>
Domestic equity	9.75%	7.50%
International equity	10.24%	8.50%
Domestic bonds	5.12%	2.50%
Real estate	N/A	4.50%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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.

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	<u>\$ 4,658,569</u>	<u>\$ 2,235,943</u>	<u>\$ 211,808</u>

Fire and Police Retirement System

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

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, 2023, are reported using a measurement date of September 30, 2022. The above information on the plan required by GASB 67 are reported using a measurement date of September 30, 2023.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2021 updated to September 30, 2022 using the following actuarial assumptions applied to the September 30, 2022, 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 7/1/20 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, 2022, 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%	9.44%	7.50%
International equity	18	10	10.07%	8.50%
Domestic bonds	40	25	4.20%	2.50%
Real estate	<u>N/A</u>	<u>10</u>	N/A	4.50%
Total	<u>100%</u>	<u>100%</u>		

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2022, the components of the net pension liability reported by the Village at September 30, 2023, 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, 2021	\$ 18,787,481	\$ 20,540,857	\$ (1,753,376)
Changes due to:			
Service cost	164,218		164,218
Interest	1,157,772		1,157,772
Difference between expected and actual experience	(62,808)		(62,808)
Changes of Assumptions			
Employer contributions		165,928	(165,928)
Employee contributions		68,012	(68,012)
Benefit payments and refunds	(854,693)	(854,693)	
Net investment income		(3,586,330)	3,586,330
Administrative expenses		(66,486)	66,486
Total changes	<u>404,489</u>	<u>(4,273,569)</u>	<u>4,678,058</u>
Balances at September 30, 2022	<u>\$ 19,191,970</u>	<u>\$ 16,267,288</u>	<u>\$ 2,924,682</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

Plan fiduciary net position as a
percentage of total pension liability 84,76%

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

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
Village's net pension liability	\$ 5,317,868	\$ 2,924,682	\$ 931,847

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2023, the Village recognized pension expense of \$456,229. 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	\$ 2,643,179	\$
Differences between expected and actual experience		14,494
Assumption changes		
Village plan contributions subsequent to the measurement date	178,999	
Total	\$ 2,822,178	\$ 14,494

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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 \$178,999 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:

<u>Year ended September 30:</u>	<u>Amount</u>
2023	\$ 569,484
2024	507,950
2025	581,518
2026	969,733
2027	
Thereafter	
	<u>\$ 2,628,685</u>

Fire and Police Retirement System

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

	1% Decrease	Current Discount Rate	1% Increase
	6.45%	7.45%	8.45%
Village's net pension liability	<u>\$ 13,368,236</u>	<u>\$ 7,950,627</u>	<u>\$ 3,495,254</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Changes in Net Pension Liability

Using a measurement date of September 30, 2022, the components of the net pension liability reported by the Village at September 30, 2023, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability(asset) (a)-(b)
Balances at September 30, 2021	\$ 34,104,753	\$ 34,479,354	\$ (374,601)
Changes due to:			
Service cost	1,186,982		1,186,982
Interest	2,639,997		2,639,997
Differences between expected and actual experience	617,530		617,530
Change of benefit terms	419,712		419,712
Change of assumptions			
Employer contributions		662,686	(662,686)
Employer contributions-state		414,511	(414,511)
Employee contributions		416,272	(416,272)
Employee contributions buy back	3,498	3,498	
Benefit payments and refunds	(946,116)	(946,116)	
Net investment income		(4,870,319)	4,870,319
Administrative expenses		(84,157)	84,157
Total changes	<u>3,921,603</u>	<u>(4,403,625)</u>	<u>8,325,228</u>
Balances at September 30, 2022	<u>\$ 38,026,356</u>	<u>\$ 30,075,729</u>	<u>\$ 7,950,627</u>
Plan fiduciary net position as a percentage of total pension liability	<u>79.09%</u>		

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, the Village recognized pension expense of \$361,193. 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	\$ 4,489,385	\$
Differences between expected and actual experience	629,424	1,523,066
Change of assumptions	549,536	885,362
Village plan contributions subsequent to the measurement date	<u>1,383,039</u>	<u></u>
Total	<u>\$ 7,051,384</u>	<u>\$ 2,408,428</u>

The deferred outflows of resources totaling \$1,383,039 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:

<u>Year ended September 30:</u>	<u>Amount</u>
2023	\$ 889,934
2024	654,683
2025	627,676
2026	1,263,671
2027	(236,006)
Thereafter	<u>59,959</u>
	<u>\$ 3,259,917</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, using a measurement date of September 30, 2022, are as follows:

	<u>General Employees</u>	<u>Fire and Police</u>	<u>Total</u>
Total pension liability	\$ 19,191,970	\$ 38,026,356	\$ 57,218,326
Plan fiduciary net position	16,267,288	30,075,729	46,343,017
Net pension liability(asset)	2,924,682	7,950,627	10,875,309
Deferred outflows of resources	2,822,178	7,051,384	9,873,562
Deferred inflows of resources	14,494	2,408,428	2,422,922
Pension expense	456,299	2,449,544	2,905,843
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, 2023, \$472,893 was recorded as revenues and expenditures in the On-Behalf Pension Contribution Special Revenue Fund relating to on-behalf payments received from the state.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, is presented below.

STATEMENT OF FIDUCIARY NET POSITION

	General Employees’ Pension
Assets	
Cash and cash equivalents	\$ 261,549
Investments:	
Domestic equity securities	2,358,265
International equity securities	1,505,794
U.S. Government and agencies	1,613,110
Municipal bonds	842,113
Domestic corporate bonds	1,799,504
International corporate bonds	188,779
Domestic equity income ETF	2,769,791
International equity ETF	715,804
Fixed income mutual funds	2,088,523
Domestic equity mutual funds	2,198,944
International equity mutual funds	1,140,774
Accrued dividends and interest	57,349
Accounts receivable	30,504
Prepays	3,537
Total assets	17,574,340
Liabilities	
Accounts payable	21,824
Total liabilities	21,824
Net position	
Held in trust for pension benefits and other purposes	\$ 17,552,516

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 11 – PENSION PLAN FINANCIAL INFORMATION (Continued)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	General Employees’ Pension
Additions	
Contributions	
Employer	\$ 178,999
Plan members	72,071
Total contributions	251,070
Investment earnings	
Dividends and interest	396,831
Change in the fair value of investments	1,748,528
Less investment expense	94,145
Total investment earnings	2,051,214
Total additions	2,302,284
Deductions	
Administration	61,276
Refund of member contributions	
Benefits	955,780
Total deductions	1,017,056
Change in net position	1,285,228
Net position - beginning	16,267,288
Net position - ending	\$ 17,552,516

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2023, is listed below:

	<u>Village Manager</u>	<u>Directors</u>	<u>General Employees</u>	<u>Municipal Employees</u>
Employee contributions	\$ 5,832	\$ 74,621	\$ 115,868	\$ 69,779
Village pension expense	17,495	142,910	297,691	221,529
Forfeitures	-	-	22,368	3,630
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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2022, the date of the last actuarial valuation, the following employees were covered by benefit terms:

Participants	
Active employees	123
Inactive employees currently receiving benefits	3
Inactive employees entitled to but not receiving benefits	<u>-</u>
Total	<u>126</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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 \$632,729 was measured as of September 30, 2023 and was determined by the actuarial valuation as September 30, 2022.

Actuarial Assumptions and Methods

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

Valuation Date:	September 30, 2022
Measurement Date:	September 30, 2023
Discount Rate:	4.63% 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 5.75% decreasing to an ultimate rate of 3.99%.
Inflation Rate:	2.25%
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).

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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 4.63%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2022	\$ 602,349
Changes for the Year:	
Service Cost	44,764
Interest Cost	27,792
Difference between expected and actual experience	
Changes of Assumptions and Other Inputs	(11,200)
Benefit Payments	(30,976)
Net Change in Total OPEB Liability	30,380
Balance at September 30, 2023	\$ 632,729

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Assumptions

The discount rate was 4.40% at 10/1/22 and 4.63% at 9/30/23.

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 (3.63%)	Discount Rate (4.63%)	1.0% Increase (5.63%)
Total OPEB Liability	\$ 683,153	\$ 632,729	\$ 586,712

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	\$ 565,139	\$ 632,729	\$ 712,133

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

For the year ended September 30, 2023, the Village recognized OPEB revenue of \$318,850. At September 30, 2023, 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	\$ 38,837	\$ 888,633
Differences Between Expected and Actual Experience		417,764
Total	\$ 38,387	\$ 1,306,397

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

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, 2024	\$ (391,406)
September 30, 2025	(391,406)
September 30, 2026	(137,420)
September 30, 2027	(147,171)
September 30, 2028	(125,337)
Thereafter	(74,820)
	\$ (1,267,560)

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 \$243,574 to Seacoast during the fiscal year for water and sewer service.

NOTE 16 –INTERFUND ACTIVITY

Due from/to other funds

The due to General Fund of \$84,357 from the Nonmajor Governmental Fund are cash flow purposes due to grant receivables that are in unavailable revenue which also caused the negative \$84,357 unassigned fund balance in the Nonmajor Governmental Funds.

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 16 –INTERFUND ACTIVITY (Continued)

Transfers

Interfund transfers during the year ended September 30, 2023, are as follows:

The \$679,800 from the General Fund to the Capital Projects Fund were to fund capital projects according to the original budget and subsequent budget amendments. The \$482,550 from the General Fund to the Country Club Enterprise Fund were to help fund the operations of the Tennis and Pool activities. The \$6,591,584 from the Nonmajor Governmental Fund was to the Special Capital Projects Fund was to fund capital projects. The \$800,000 from the Special Capital Projects Fund to the Country Club Fund were for 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, 2023 is \$526,250. On August 11, 2021, a second interlocal agreement was signed for five years expiring on September 30, 2026.

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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 18 – 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, 2023:

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement will improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Village did not have any transactions that met the requirements in the current year.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Village did not have any contracts that met the requirements in the current year.

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. 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. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years ending September 30, 2024, and all reporting periods thereafter.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2023

NOTE 18 – NEW ACCOUNTING STANDARDS (Continued)

Recently Issued Accounting Pronouncements (Continued)

- 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.

- 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.

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

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TREND INFORMATION

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2023

Schedule of Changes in Total OPEB Liability
Last Ten Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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	<u>3,210,652</u>	<u>1,442,974</u>	<u>1,641,689</u>	<u>803,795</u>	<u>882,549</u>
Total OPEB liability, end of year	<u>\$ 1,442,974</u>	<u>\$ 1,641,689</u>	<u>\$ 803,795</u>	<u>\$ 882,549</u>	<u>\$ 602,349</u>
Covered employee payroll	<u>\$ 10,148,392</u>	<u>\$ 10,566,520</u>	<u>\$ 9,347,911</u>	<u>\$ 11,834,425</u>	<u>\$ 8,871,817</u>
Net OPEB liability as a percentage of covered employee payroll	<u>14.22%</u>	<u>15.54%</u>	<u>8.60%</u>	<u>7.46%</u>	<u>6.79%</u>
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%
	<u>2023</u>				
Total OPEB liability					
Service cost	\$ 44,764				
Interest cost	27,792				
Change in benefit terms					
Difference between expected and actual experience					
Changes of assumptions and other inputs	(11,200)				
Benefit payments	(30,976)				
Net change in total OPEB liability	30,380				
Total OPEB liability, beginning of year	<u>602,349</u>				
Total OPEB liability, end of year	<u>\$ 632,729</u>				
Covered employee payroll	<u>\$ 13,609,837</u>				
Net OPEB liability as a percentage of covered employee payroll	<u>4.65%</u>				
Changes of Assumptions					
Discount rate	4.63%				
Coverage acceptance rate	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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2023

General Employees Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

Reporting Year	2015	2016	2017	2018	2019
Measurement Year	2014	2015	2016	2017	2018
Total pension liability:					
Service cost	\$ 374,926	\$ 317,676	\$ 357,344	\$ 275,504	\$ 250,072
Interest	972,865	1,048,746	1,106,085	1,116,142	1,162,025
Differences between Expected and Actual Experience		(329,040)	(129,381)	(246,222)	(307,977)
Assumption changes			928,295	23,053	
Benefit payments, including refunds of employee contributions	(263,674)	(293,890)	(331,174)	(454,571)	(472,027)
Net change in total pension liability	1,084,117	743,492	1,931,169	713,906	632,093
Total pension liability - beginning	12,728,438	13,812,555	14,556,047	16,487,216	17,201,122
Total pension liability - ending (a)	<u>\$ 13,812,555</u>	<u>\$ 14,556,047</u>	<u>\$ 16,487,216</u>	<u>\$ 17,201,122</u>	<u>\$ 17,833,215</u>
Plan fiduciary net position					
Contributions - employer	\$ 562,953	\$ 464,189	\$ 458,615	\$ 527,617	\$ 451,560
Contributions - Employees	142,609	125,738	126,947	110,417	101,858
Net investment income	1,072,009	(96,116)	1,161,530	1,487,313	1,190,603
Benefit payments, including refunds of employee contributions	(263,674)	(293,890)	(331,174)	(454,571)	(472,027)
Administrative expenses	(17,171)	(20,655)	(24,794)	(22,361)	(21,489)
Net change in plan fiduciary net position	1,496,726	179,266	1,391,124	1,648,415	1,250,505
Plan fiduciary net position - beginning	10,433,153	11,929,879	12,109,145	13,500,269	15,148,684
Plan fiduciary net position - ending (b)	<u>\$ 11,929,879</u>	<u>\$ 12,109,145</u>	<u>\$ 13,500,269</u>	<u>\$ 15,148,684</u>	<u>\$ 16,399,189</u>
Net pension liability(asset) (a) - (b)	<u>\$ 1,882,676</u>	<u>\$ 2,446,902</u>	<u>\$ 2,986,947</u>	<u>\$ 2,052,438</u>	<u>\$ 1,434,026</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.37%</u>	<u>83.19%</u>	<u>81.88%</u>	<u>88.07%</u>	<u>91.96%</u>
Covered payroll	<u>\$ 2,701,771</u>	<u>\$ 2,375,585</u>	<u>\$ 2,376,069</u>	<u>\$ 2,072,121</u>	<u>\$ 1,966,566</u>
Net pension liability as a percentage of covered payroll	<u>69.68%</u>	<u>103.00%</u>	<u>125.71%</u>	<u>99.05%</u>	<u>72.92%</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.

2020	2021	2022	2023	2024
2019	2020	2021	2022	2023
\$ 251,678	\$ 216,125	\$ 211,929	\$ 164,218	\$ 176,461
1,201,578	1,211,026	1,232,553	1,157,772	1,180,659
(625,948)	(343,736)	(29,429)	(62,808)	195,149
(283,447)				
(567,472)	(736,101)	(784,490)	(854,693)	(955,780)
259,836	347,314	347,116	404,489	596,489
17,833,215	18,093,051	18,440,365	18,787,481	19,191,970
<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>
\$ 358,152	\$ 232,738	\$ 197,770	\$ 165,928	\$ 178,999
97,522	85,829	76,595	68,012	72,071
721,786	1,497,222	3,135,663	(3,586,330)	2,051,214
(567,472)	(736,101)	(784,490)	(854,693)	(955,780)
(38,690)	(60,096)	(74,760)	(66,486)	(61,276)
571,298	1,019,592	2,550,778	(4,273,569)	1,285,228
16,399,189	16,970,487	17,990,079	20,540,857	16,267,288
<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>\$ 1,122,564</u>	<u>\$ 450,286</u>	<u>\$ (1,753,376)</u>	<u>\$ 2,924,682</u>	<u>\$ 2,235,943</u>
<u>93.80%</u>	<u>97.56%</u>	<u>109.33%</u>	<u>84.76%</u>	<u>88.70%</u>
<u>\$ 1,834,767</u>	<u>\$ 1,612,777</u>	<u>\$ 1,472,661</u>	<u>\$ 1,316,077</u>	<u>\$ 1,407,674</u>
<u>61.18%</u>	<u>27.92%</u>	<u>-119.06%</u>	<u>222.23%</u>	<u>158.84%</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%.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2023
Fire and Police Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

Reporting Year	2015	2016	2017	2017	2019
Measurement Year	2014	2015	2016	2017	2018
Total pension liability:					
Service cost	\$ 699,244	\$ 810,654	\$ 833,909	\$ 851,932	\$ 897,280
Interest	1,419,425	1,555,518	1,738,069	1,779,947	1,922,314
Changes in excess state money	90,535	67,645	79,505	83,231	77,905
Changes of benefit terms		1,682			
Differences between Expected and Actual Experience		483,189	(31,422)	(197,249)	187,041
Changes of assumptions	246,146		(1,223,780)	198,680	174,565
Contributions - Buy Back		65,446	7,609	7,902	4,746
Benefit payments, including refunds of employee contributions	(451,574)	(611,678)	(653,993)	(680,673)	(751,317)
Net change in total pension liability	2,003,776	2,372,456	749,897	2,043,770	2,512,534
Total pension liability - beginning	17,476,586	19,480,362	21,852,818	22,602,715	24,646,485
Total pension liability - ending (a)	<u>\$ 19,480,362</u>	<u>\$ 21,852,818</u>	<u>\$ 22,602,715</u>	<u>\$ 24,646,485</u>	<u>\$ 27,159,019</u>
Plan fiduciary net position					
Contributions - employer	\$ 943,634	\$ 975,733	\$ 969,836	\$ 945,880	\$ 822,951
Contributions - State	321,230	298,340	310,200	309,138	308,600
Contributions - Employees	87,010	151,450	190,989	211,474	224,469
Contributions - Buy Back		65,446	7,609	7,902	4,746
Net investment income	1,468,473	111,884	1,475,735	2,198,298	1,637,891
Benefit payments, including refunds of employee contributions	(451,574)	(611,678)	(653,993)	(680,673)	(751,317)
Administrative expenses	(66,748)	(76,457)	(76,967)	(76,293)	(78,399)
Net change in plan fiduciary net position	2,302,025	914,718	2,223,409	2,915,726	2,168,941
Plan fiduciary net position - beginning	14,499,921	16,801,946	17,716,664	19,940,073	22,855,799
Plan fiduciary net position - ending (b)	<u>\$ 16,801,946</u>	<u>\$ 17,716,664</u>	<u>\$ 19,940,073</u>	<u>\$ 22,855,799</u>	<u>\$ 25,024,740</u>
Net pension liability(asset) (a) - (b)	<u>\$ 2,678,416</u>	<u>\$ 4,136,154</u>	<u>\$ 2,662,642</u>	<u>\$ 1,790,686</u>	<u>\$ 2,134,279</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.25%</u>	<u>81.07%</u>	<u>88.22%</u>	<u>92.73%</u>	<u>92.14%</u>
Covered payroll	<u>\$ 4,312,746</u>	<u>\$ 4,518,020</u>	<u>\$ 4,601,075</u>	<u>\$ 4,772,092</u>	<u>\$ 5,088,564</u>
Net pension liability as a percentage of covered payroll	<u>62.10%</u>	<u>91.55%</u>	<u>57.87%</u>	<u>37.52%</u>	<u>41.94%</u>

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%.

2020	2021	2022	2023	2024
2019	2020	2021	2022	2023
\$ 1,031,048	\$ 1,102,333	\$ 1,026,423	\$ 1,186,982	\$ 1,329,402
2,236,125	2,423,113	2,574,829	2,639,997	2,887,764
(600,965)				
1,660,762			617,530	
(138,741)	319,251	(1,956,361)	419,712	701,705
205,896	(981,457)	464,035		
6,698	3,498	3,498	3,498	2,422
(793,277)	(799,809)	(841,165)	(946,116)	(1,187,659)
3,607,546	2,066,929	1,271,259	3,921,603	3,733,634
27,159,019	30,766,565	32,833,494	34,104,753	38,026,356
<u>\$ 30,766,565</u>	<u>\$ 32,833,494</u>	<u>\$ 34,104,753</u>	<u>\$ 38,026,356</u>	<u>\$ 41,759,990</u>
\$ 918,263	\$ 863,762	\$ 754,690	\$ 662,686	\$ 910,146
328,826	339,482	350,777	414,511	472,893
239,271	329,454	383,070	416,272	533,218
6,698	3,498	3,498	3,498	2,422
787,045	1,228,865	5,607,643	(4,870,319)	3,289,833
(793,277)	(799,809)	(841,165)	(946,116)	(1,187,659)
(83,413)	(85,101)	(87,463)	(84,157)	(103,780)
1,403,413	1,880,151	6,171,050	(4,403,625)	3,917,073
25,024,740	26,428,153	28,308,304	34,479,354	30,075,729
<u>\$ 26,428,153</u>	<u>\$ 28,308,304</u>	<u>\$ 34,479,354</u>	<u>\$ 30,075,729</u>	<u>\$ 33,992,802</u>
<u>\$ 4,338,412</u>	<u>\$ 4,525,190</u>	<u>\$ (374,601)</u>	<u>\$ 7,950,627</u>	<u>\$ 7,767,188</u>
<u>85.90%</u>	<u>86.22%</u>	<u>101.10%</u>	<u>79.09%</u>	<u>81.40%</u>
<u>\$ 5,451,987</u>	<u>\$ 5,134,942</u>	<u>\$ 5,169,073</u>	<u>\$ 5,627,173</u>	<u>\$ 6,344,818</u>
<u>79.57%</u>	<u>88.13%</u>	<u>-7.25%</u>	<u>141.29%</u>	<u>122.42%</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.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2023

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>					
2014	\$ 562,509	\$ 562,953	\$ (444)	\$ 2,701,771	20.84%
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%

Fire and Police Retirement Fund

2014	\$ 1,173,930	\$ 1,174,329	\$ (399)	\$ 4,312,746	27.23%
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%

* 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
2014	10.50%	10.00%
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%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Schedule of Contributions
September 30, 2023

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, 2021	October 1, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, closed	Level Percentage of Compensation
Remaining Amortization Period	30	29
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	2010 Headcount wighted tables as used by the FRS in their 7/1/20 Actuarial Valuation	PubS.H-2010 for Employees, set forward one year

GENERAL FUND

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Taxes	\$ 24,122,970	\$ 24,122,970	\$ 24,962,269	\$ 839,299
Licenses and permits	1,625,500	1,625,500	1,707,690	82,190
Intergovernmental	1,730,142	1,730,142	2,066,901	336,759
Charges for services	1,896,575	1,896,575	2,090,941	194,366
Fines and forfeitures	125,950	125,950	244,487	118,537
Investment	35,530	435,530	1,040,548	605,018
Miscellaneous	11,600	11,600	354,359	342,759
Total revenues	<u>29,548,267</u>	<u>29,948,267</u>	<u>32,467,195</u>	<u>2,518,928</u>
Expenditures				
Current				
General government	3,806,195	3,849,043	3,674,104	174,939
Public safety	12,122,013	12,122,013	12,592,521	(470,508)
Public works	5,721,170	5,729,170	5,453,097	276,073
Community development and planning	1,688,166	1,804,546	1,462,865	341,681
Leisure services	2,893,594	3,360,917	3,852,206	(491,289)
Other government	240,682	240,682		240,682
Capital outlay	20,000	138,670	185,248	(46,578)
Debt service				
Principal payments	1,422,411	1,422,411	1,422,411	
Interest paid on debt	471,686	471,686	453,154	18,532
Total expenditures	<u>28,385,917</u>	<u>29,139,138</u>	<u>29,095,606</u>	<u>43,532</u>
Excess of revenues over expenditures	<u>1,162,350</u>	<u>809,129</u>	<u>3,371,589</u>	<u>2,562,460</u>
Other financing sources (uses)				
Appropriated fund balance		353,221		(353,221)
Insurance recoveries			59,754	59,754
Transfer out	(1,162,350)	(1,162,350)	(1,162,350)	
Total other financing uses	<u>(1,162,350)</u>	<u>(809,129)</u>	<u>(1,102,596)</u>	<u>(293,467)</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	2,268,993	<u>\$ 2,268,993</u>
Fund Balances				
Beginning of year			<u>16,043,376</u>	
End of year			<u>\$ 18,312,369</u>	

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Budgetary
Required Supplementary Information (RSI)
General Fund
September 30, 2023

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.

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Village Council					
Personnel services	\$ 50,441	\$ 50,441	\$ 51,433	\$ (992)	-1.97
Operating expenses	107,250	112,600	102,450	10,150	9.01
Total Village Council	<u>157,691</u>	<u>163,041</u>	<u>153,883</u>	<u>9,158</u>	<u>5.62</u>
Village Manager					
Personnel services	591,477	591,477	427,555	163,922	27.71
Operating expenses	81,450	118,948	124,557	(5,609)	-4.72
Total Village Manager	<u>672,927</u>	<u>710,425</u>	<u>552,112</u>	<u>158,313</u>	<u>22.28</u>
Village Finance					
Personnel services	702,727	702,727	721,896	(19,169)	-2.73
Operating expenses	56,400	56,400	78,544	(22,144)	-39.26
Total Village Finance	<u>759,127</u>	<u>759,127</u>	<u>800,440</u>	<u>(41,313)</u>	<u>-5.44</u>
Village Attorney					
Operating expenses	<u>185,000</u>	<u>185,000</u>	<u>199,585</u>	<u>(14,585)</u>	<u>-7.88</u>
Village Clerk					
Personnel services	241,514	241,514	243,904	(2,390)	-0.99
Operating expenses	73,332	73,332	20,937	52,395	71.45
Total Village Clerk	<u>314,846</u>	<u>314,846</u>	<u>264,841</u>	<u>50,005</u>	<u>15.88</u>
Information Technology					
Personnel services	482,209	482,209	479,120	3,089	0.64
Operating expenses	102,700	102,700	122,438	(19,738)	-19.22
Total Information Technology	<u>584,909</u>	<u>584,909</u>	<u>601,558</u>	<u>(16,649)</u>	<u>-2.85</u>
Human Resources					
Personnel services	377,235	377,235	306,573	70,662	18.73
Operating expenses	177,900	177,900	192,451	(14,551)	-8.18
Total Human Resources	<u>555,135</u>	<u>555,135</u>	<u>499,024</u>	<u>56,111</u>	<u>10.11</u>
Police					
Personnel services	6,486,424	6,486,424	7,011,344	(524,920)	-8.09
Operating expenses	1,317,623	1,317,623	1,161,571	156,052	11.84
Total Police	<u>7,804,047</u>	<u>7,804,047</u>	<u>8,172,915</u>	<u>(368,868)</u>	<u>-4.73</u>
Fire Rescue					
Personnel services	3,800,496	3,800,496	3,905,531	(105,035)	-2.76
Operating expenses	394,480	394,480	387,596	6,884	1.75
Total Fire Rescue	<u>4,194,976</u>	<u>4,194,976</u>	<u>4,293,127</u>	<u>(98,151)</u>	<u>-2.34</u>

(Continued)

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Public Works Administration					
Personnel services	\$ 575,864	\$ 575,864	\$ 580,270	\$ (4,406)	-0.77
Operating expenses	96,100	96,100	99,807	(3,707)	-3.86
Total Public Works	<u>671,964</u>	<u>671,964</u>	<u>680,077</u>	<u>(8,113)</u>	<u>-1.21</u>
Sanitation					
Personnel services	1,340,063	1,340,063	1,509,446	(169,383)	-12.64
Operating expenses	411,500	411,500	413,715	(2,215)	-0.54
Total Sanitation	<u>1,751,563</u>	<u>1,751,563</u>	<u>1,923,161</u>	<u>(171,598)</u>	<u>-9.80</u>
Facility Services					
Personnel services	304,409	304,409	347,888	(43,479)	-14.28
Operating expenses	614,700	614,700	447,813	166,887	27.15
Total Facility Services	<u>919,109</u>	<u>919,109</u>	<u>795,701</u>	<u>123,408</u>	<u>13.43</u>
Street Maintenance					
Personnel services	305,850	305,850	291,872	13,978	4.57
Operating expenses	1,411,000	1,419,000	1,161,309	257,691	18.16
Total Street Maintenance	<u>1,716,850</u>	<u>1,724,850</u>	<u>1,453,181</u>	<u>271,669</u>	<u>15.75</u>
Vehicle Maintenance					
Personnel services	271,834	271,834	282,015	(10,181)	-3.75
Operating expenses	389,850	389,850	303,962	85,888	22.03
Total Vehicle Maintenance	<u>661,684</u>	<u>661,684</u>	<u>585,977</u>	<u>75,707</u>	<u>11.44</u>
Planning and Engineering					
Personnel services	329,273	329,273	157,955	171,318	52.03
Operating expenses	149,400	235,990	143,238	92,752	39.30
Total Planning and Engineering	<u>478,673</u>	<u>565,263</u>	<u>301,193</u>	<u>264,070</u>	<u>46.72</u>
Building					
Personnel services	659,677	659,677	680,044	(20,367)	-3.09
Operating expenses	239,750	269,540	258,425	11,115	4.12
Total Building	<u>899,427</u>	<u>929,217</u>	<u>938,469</u>	<u>(9,252)</u>	<u>-1.00</u>
Code Enforcement					
Personnel services	285,791	285,791	195,192	90,599	31.70
Operating expenses	31,775	31,775	30,011	1,764	5.55
Total Code Enforcement	<u>317,566</u>	<u>317,566</u>	<u>225,203</u>	<u>92,363</u>	<u>29.08</u>
Recreation					
Personnel services	694,481	694,481	714,707	(20,226)	-2.91
Operating expenses	1,027,035	1,427,035	1,854,203	(427,168)	-29.93
Total Leisure Services-Recreation	<u>1,721,516</u>	<u>2,121,516</u>	<u>2,568,910</u>	<u>(447,394)</u>	<u>-21.09</u>

(Continued)

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Library					
Personnel services	\$ 781,578	\$ 781,578	\$ 802,468	\$ (20,890)	-2.67
Operating expenses	273,625	340,948	350,782	(9,834)	-2.88
Total Library	<u>1,055,203</u>	<u>1,122,526</u>	<u>1,153,250</u>	<u>(30,724)</u>	<u>-2.74</u>
Special Events					
Operating expenses	116,875	116,875	130,046	(13,171)	-11.27
Total Special Events	<u>116,875</u>	<u>116,875</u>	<u>130,046</u>	<u>(13,171)</u>	<u>-11.27</u>
Debt Service	<u>1,894,097</u>	<u>1,894,097</u>	<u>1,875,565</u>	<u>18,532</u>	<u>0.98</u>
Reserves and contingencies					
Operating expenses			15,000	(15,000)	
Contingencies	240,682	240,682		240,682	100.00
	<u>240,682</u>	<u>240,682</u>	<u>15,000</u>	<u>225,682</u>	<u>93.77</u>
Non-Departmental					
Operating expenses	692,050	692,050	727,140	(35,090)	-5.07
	<u>692,050</u>	<u>692,050</u>	<u>727,140</u>	<u>(35,090)</u>	<u>-5.07</u>
Capital Outlay					
Police	20,000	28,336	16,131	12,205	
Facility Services			8,253	(8,253)	
Vehicle Maintenance		18,130	18,130		
Street Maintenance		71,269	66,269	5,000	
Leisure Services-Recreation		20,935	76,465	(55,530)	
Total Capital Outlay	<u>20,000</u>	<u>138,670</u>	<u>185,248</u>	<u>(46,578)</u>	<u>-33.59</u>
Total expenditures	<u>\$ 28,385,917</u>	<u>\$ 29,139,138</u>	<u>\$ 29,095,606</u>	<u>\$ 43,532</u>	<u>0.15%</u>

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

Capital Projects Fund

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	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	\$	\$	\$ 2,514,314	\$ 2,517,058
Due from other governments			300,000	67,198		367,198
Total assets	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ 300,000</u>	<u>\$ 67,198</u>	<u>\$ 2,514,314</u>	<u>\$ 2,884,256</u>
Liabilities						
Accounts payable	\$	\$	\$	\$ 67,198	\$ 45,956	\$ 113,154
Due to other funds			84,357			84,357
Total liabilities			<u>84,357</u>	<u>67,198</u>	<u>45,956</u>	<u>197,511</u>
Deferred inflows of resources						
Unavailable revenue			<u>300,000</u>			<u>300,000</u>
Fund balances						
Assigned	757	1,987			2,468,358	2,471,102
Unassigned			(84,357)			(84,357)
Total fund balances	<u>757</u>	<u>1,987</u>	<u>(84,357)</u>		<u>2,468,358</u>	<u>2,386,745</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ 300,000</u>	<u>\$ 67,198</u>	<u>\$ 2,514,314</u>	<u>\$ 2,884,256</u>

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, 2023

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Public Safety Fund	Northlake Boulevard Fund	Recreation	ARPA Grant Fund	On-Behalf Pension Contributions	Capital Projects Fund	
Revenues							
Intergovernmental	\$ 3,703	\$	\$	\$	\$ 472,893	\$	\$ 476,596
Total revenues	<u>3,703</u>				<u>472,893</u>		<u>476,596</u>
Expenditures							
Current							
Public safety					472,893		472,893
Capital outlay			405,914			792,573	1,198,487
Total expenditures			<u>405,914</u>		<u>472,893</u>	<u>792,573</u>	<u>1,671,380</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,703</u>		<u>(405,914)</u>			<u>(792,573)</u>	<u>(1,194,784)</u>
Other financing sources (uses)							
Transfers in						679,800	679,800
Transfers out				(6,591,584)			(6,591,584)
Total other financing sources (uses)				<u>(6,591,584)</u>		<u>679,800</u>	<u>(5,911,784)</u>
Net changes in fund balances	3,703		(405,914)			(112,773)	(514,984)
Fund balances - Beginning of year	(2,946)	1,987	321,557	6,591,584		2,581,131	9,493,313
Fund balances - End of year	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ (84,357)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,468,358</u>	<u>\$ 2,386,745</u>

FIDUCIARY FUNDS

Pension Trust Funds

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Statement of Net Position - Pension Trust Funds
September 30, 2023

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
Assets			
Cash and cash equivalents	\$ 261,549	\$ 469,643	\$ 731,192
Investments:			
Domestic common equity securities	2,358,265	8,141,982	10,500,247
International common equity securities	1,505,794	1,692,838	3,198,632
U.S. Government and agencies	1,613,110	5,575,424	7,188,534
Municipal bonds	842,113	353,805	1,195,918
Domestic corporate bonds	1,799,504	2,311,091	4,110,595
International corporate bonds	188,779	137,009	325,788
Domestic equity exchange traded funds	2,769,791		2,769,791
International equity exchange traded funds	715,804	31,499	747,303
Fixed income mutual funds	2,088,523		2,088,523
Domestic equity mutual funds	2,198,944	9,827,574	12,026,518
International equity mutual funds	1,140,774	1,698,917	2,839,691
Real estate investment fund		3,285,078	3,285,078
Money market mutual funds		372,403	372,403
Accrued interest and dividends	57,349	46,900	104,249
Accounts receivable		67,198	67,198
Accounts receivable, broker-dealers	30,504		30,504
Prepays	3,537	1,985	5,522
Total assets	<u>17,574,340</u>	<u>34,013,346</u>	<u>51,587,686</u>
Liabilities			
Accounts payable	<u>21,824</u>	<u>20,544</u>	<u>42,368</u>
Total liabilities	<u>21,824</u>	<u>20,544</u>	<u>42,368</u>
Net Position restricted for pensions	<u>\$ 17,552,516</u>	<u>\$ 33,992,802</u>	<u>\$ 51,545,318</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2023

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
	<u> </u>	<u> </u>	<u> </u>
Additions			
Contributions			
Employer	\$ 178,999	\$ 910,146	\$ 1,089,145
Plan members	72,071	514,284	586,355
DROP contributions		21,356	21,356
State on-behalf payments		472,893	472,893
Total contributions	<u>251,070</u>	<u>1,918,679</u>	<u>2,169,749</u>
Investment earnings			
Dividends and interest	396,831	713,854	1,110,685
Change in fair value of investments	<u>1,748,528</u>	<u>2,720,679</u>	<u>4,469,207</u>
Total investment earnings	<u>2,145,359</u>	<u>3,434,533</u>	<u>5,579,892</u>
Less: investment expenses	<u>94,145</u>	<u>144,700</u>	<u>238,845</u>
Total investment earnings	<u>2,051,214</u>	<u>3,289,833</u>	<u>5,341,047</u>
Total additions	<u>2,302,284</u>	<u>5,208,512</u>	<u>7,510,796</u>
Deductions			
Administration	61,276	103,780	165,056
Refund of member contributions		7,513	7,513
Lump sum DROP distributions		187,531	187,531
Benefits	<u>955,780</u>	<u>992,615</u>	<u>1,948,395</u>
Total deductions	<u>1,017,056</u>	<u>1,291,439</u>	<u>2,308,495</u>
Change in net position	1,285,228	3,917,073	5,202,301
Net position - beginning	<u>16,267,288</u>	<u>30,075,729</u>	<u>46,343,017</u>
Net position - ending	<u>\$ 17,552,516</u>	<u>\$ 33,992,802</u>	<u>\$ 51,545,318</u>

PROPRIETARY FUND
(ENTERPRISE FUND)

Country Club Fund

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Revenue					
Greens fee/cart rentals/membership fees	\$ 4,233,750	\$ 4,433,750	\$ 4,745,770	\$ 312,020	7.04
Golf shop revenues	668,000	668,000	767,794	99,794	14.94
Driving range revenues	477,600	477,600	524,489	46,889	9.82
Restaurant revenues	365,000	365,000	295,381	(69,619)	-19.07
Tennis revenues	858,480	858,480	788,639	(69,841)	-8.14
Pool revenues	209,700	209,700	233,766	24,066	11.48
Interest revenues			66,191	66,191	
Miscellaneous	19,800	19,800	25,157	5,357	27.06
Operating transfers	482,550	482,550	482,550		
Capital transfers		800,000		(800,000)	
Appropriated net position		187,215		(187,215)	-100.00
Total revenues	7,314,880	8,502,095	7,929,737	(572,358)	-6.73
Golf Maintenance					
Operating expenses	1,958,500	1,958,500	1,947,174	11,326	0.58
Capital outlay	450,000	832,115	611,238	220,877	
Total Golf Maintenance	2,408,500	2,790,615	2,558,412	232,203	8.32
Clubhouse and Grounds					
Personnel services	74,753	74,753	52,042	22,711	30.38
Operating expenses	556,030	561,130	485,799	75,331	13.42
Total Clubhouse and Grounds	630,783	635,883	537,841	98,042	15.42
Golf Pro Shop and Range					
Personnel services	1,056,729	1,056,729	1,002,489	54,240	5.13
Operating expenses	803,850	803,850	961,494	(157,644)	-19.61
Capital outlay			8,975	(8,975)	
Total Golf Pro Shop and Range	1,860,579	1,860,579	1,972,958	(112,379)	-6.04
Food and Beverage					
Personnel services					
Operating expenses	20,000	20,000	21,881	(1,881)	-9.41
Capital outlay					
Total Food and Beverage	20,000	20,000	21,881	(1,881)	(9.41)
Tennis					
Personnel services	684,901	684,901	548,936	135,965	
Operating expenses	181,836	181,836	185,095	(3,259)	-1.79
Capital outlay	58,000	858,000	6,532	851,468	
Total Tennis	924,737	1,724,737	740,563	984,174	57.06
Pool					
Personnel services	242,598	242,598	171,337	71,261	
Operating expenses	207,794	207,794	177,752	30,042	14.46
Capital outlay			7,173	(7,173)	
Total Pool	450,392	450,392	356,262	94,130	20.90

(Continued)

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Administration					
Personnel services	\$ 331,551	\$ 331,551	\$ 345,691	\$ (14,140)	-4.26
Operating expenses	48,100	48,100	45,390	2,710	5.63
Total Administration	<u>379,651</u>	<u>379,651</u>	<u>391,081</u>	<u>(11,430)</u>	<u>-3.01</u>
Insurance and General Liability					
Operating expenses	25,000	25,000	27,417	(2,417)	(9.67)
Reserves					
Operating	7,549	7,549	6,576	973	12.89
Capital	174,000	174,000	174,000		0.00
Total Reserves	<u>181,549</u>	<u>181,549</u>	<u>180,576</u>	<u>973</u>	<u>0.54</u>
Debt service					
Debt service	433,689	433,689	433,689		
Total expenses on the budgetary basis	<u>7,314,880</u>	<u>8,502,095</u>	<u>7,220,680</u>	<u>1,281,415</u>	<u>15.07</u>
Revenues over expenses	<u>\$</u>	<u>\$</u>	<u>\$ 709,057</u>	<u>\$ 709,057</u>	<u></u>
Adjustments to reconcile to the GAAP Basis					
Total expenses on the budgetary basis			\$ 7,220,680		
OPEB adjustments			(342)		
Less: capital reserve			(174,000)		
Less: capital outlay costs capitalized			(633,918)		
Less: debt service			(433,689)		
Less: lease adjustment			(7,173)		
Add: depreciation expense			900,421		
Total operating expenses			<u>\$ 6,871,979</u>		

STATISTICAL SECTION

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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<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time. These schedules include:</i>	
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Revenue Capacity	
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<i>These schedules contain service and infrastructure data to help understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.</i>	
Full-Time Equivalent Village Government Employees by Function	117
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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				
	<u>2014</u>	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental Activities:					
Net investment in capital assets	\$ 14,966,927	\$ 14,711,016	\$ 14,102,547	\$ 13,484,731	\$ 15,429,484
Restricted	180,755	177,431	398,519	992,538	484,568
Unrestricted	<u>11,314,096</u>	<u>6,168,366</u>	<u>6,677,850</u>	<u>6,536,225</u>	<u>6,658,744</u>
Total governmental activities net position	<u>26,461,778</u>	<u>21,056,813</u>	<u>21,178,916</u>	<u>21,013,494</u>	<u>22,572,796</u>
Business-Type Activities:					
Net investment in capital assets	1,907,746	1,833,975	1,880,421	1,991,168	3,056,715
Unrestricted	<u>514,167</u>	<u>544,523</u>	<u>418,726</u>	<u>361,461</u>	<u>(1,324,978)</u>
Total business-type activities net position	<u>2,421,913</u>	<u>2,378,498</u>	<u>2,299,147</u>	<u>2,352,629</u>	<u>1,731,737</u>
Primary government:					
Net investment in capital assets	16,874,673	16,544,991	15,982,968	15,475,899	18,486,199
Restricted	180,755	177,431	398,519	992,538	484,568
Unrestricted	<u>11,828,263</u>	<u>6,712,889</u>	<u>7,096,576</u>	<u>6,897,686</u>	<u>5,333,766</u>
Total primary government net position	<u>\$ 28,883,691</u>	<u>\$ 23,435,311</u>	<u>\$ 23,478,063</u>	<u>\$ 23,366,123</u>	<u>\$ 24,304,533</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities:					
Net investment in capital assets	\$ 18,814,116	\$ 22,423,120	\$ 18,910,112	\$ 20,231,457	\$ 22,360,893
Restricted	525,536	986,489	1,418,916	3,331,270	1,923,630
Unrestricted	<u>7,504,062</u>	<u>6,689,693</u>	<u>10,078,079</u>	<u>17,346,639</u>	<u>19,242,051</u>
Total governmental activities net position	<u>26,843,714</u>	<u>30,099,302</u>	<u>30,407,107</u>	<u>40,909,366</u>	<u>43,526,574</u>
Business-Type Activities:					
Net investment in capital assets	3,422,142	2,947,241	5,874,752	5,976,057	6,236,086
Unrestricted	<u>(3,162,414)</u>	<u>(3,161,738)</u>	<u>(2,599,491)</u>	<u>(1,248,264)</u>	<u>612,692</u>
Total business-type activities net position	<u>259,728</u>	<u>(214,497)</u>	<u>3,275,261</u>	<u>4,727,793</u>	<u>6,848,778</u>
Primary government:					
Net investment in capital assets	22,236,258	25,370,361	24,784,864	26,207,514	28,596,979
Restricted	525,536	986,489	1,418,916	3,331,270	1,923,630
Unrestricted	<u>4,341,648</u>	<u>3,527,955</u>	<u>7,478,588</u>	<u>16,098,375</u>	<u>19,854,743</u>
Total primary government net position	<u>\$ 27,103,442</u>	<u>\$ 29,884,805</u>	<u>\$ 33,682,368</u>	<u>\$ 45,637,159</u>	<u>\$ 50,375,352</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.

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 2,696,298	\$ 3,028,716	\$ 2,985,185	\$ 3,205,903	\$ 3,213,886
Public safety	9,259,442	9,311,441	9,308,778	9,905,815	10,045,757
Public works	4,485,246	4,963,704	5,106,651	5,707,570	5,911,225
Community development and planning	1,046,299	1,308,924	1,382,121	1,255,115	1,458,523
Leisure services	3,114,213	2,973,687	2,904,715	3,114,720	3,058,410
Interest on long-term debt				266,892	499,929
Total governmental activities expenses	<u>20,601,498</u>	<u>21,586,472</u>	<u>21,687,450</u>	<u>23,456,015</u>	<u>24,187,730</u>
Business-type activities:					
Country club	3,902,131	3,842,660	3,845,547	2,903,224	2,912,523
Stormwater					
Total business-type activities	<u>3,902,131</u>	<u>3,842,660</u>	<u>3,845,547</u>	<u>2,903,224</u>	<u>2,912,523</u>
Total primary government expenses	<u>\$ 24,503,629</u>	<u>\$ 25,429,132</u>	<u>\$ 25,532,997</u>	<u>\$ 26,359,239</u>	<u>\$ 27,100,253</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 110,694	\$ 131,445	\$ 128,459	\$ 134,249	\$ 140,998
Public safety	592,644	537,064	628,529	557,265	548,019
Public works	402,814	514,354	565,011	547,596	510,732
Community development and planning	1,621,471	1,163,875	1,213,032	1,222,464	1,495,298
Leisure services	1,096,021	1,006,382	994,918	1,022,175	876,174
Other government					
Operating grants and contributions	90,520	380,567	365,823	377,339	422,255
Capital grants and contributions	16,098	26,548	229,161	102,187	9,591
Total governmental activities program revenues	<u>3,930,262</u>	<u>3,760,235</u>	<u>4,124,933</u>	<u>3,963,275</u>	<u>4,003,067</u>
Business-type activities:					
Charges for services:					
Country club	3,645,706	3,788,852	3,720,573	2,946,432	2,946,432
Stormwater					
Operating grants and contributions					
Capital grants and contributions					
Total business-type activities program revenues	<u>3,645,706</u>	<u>3,788,852</u>	<u>3,720,573</u>	<u>2,946,432</u>	<u>2,254,638</u>
Total primary government program revenues	<u>\$ 7,575,968</u>	<u>\$ 7,549,087</u>	<u>\$ 7,845,506</u>	<u>\$ 6,909,707</u>	<u>\$ 6,257,705</u>
Net (Expense)/Revenue					
Governmental activities	\$ (16,671,236)	\$ (17,826,237)	\$ (17,562,517)	\$ (19,492,740)	\$ (20,184,663)
Business-type activities	(256,425)	(53,808)	(124,974)	43,208	(657,885)
Total primary government net expense	<u>\$ (16,927,661)</u>	<u>\$ (17,880,045)</u>	<u>\$ (17,687,491)</u>	<u>\$ (19,449,532)</u>	<u>\$ (20,842,548)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 10,154,695	\$ 11,364,888	\$ 12,253,917	\$ 13,091,985	\$ 15,003,141
Local option gas taxes	266,147	282,549	288,150	305,700	302,208
Local option infrastructure surtax				552,600	879,565
Utility service taxes	2,277,366	2,267,118	2,303,294	2,413,679	2,511,877
Franchise taxes	1,232,669	1,253,139	1,263,812	1,306,997	1,294,280
Sales and use taxes	1,260,617	1,332,209	1,363,954	1,371,890	1,413,335
Unrestricted grants and contributions					
Investment earnings	16,653	108,794	103,353	126,926	376,227
Miscellaneous	146,360	57,137	60,026	150,698	268,471
Gain on disposal of equipment	55,636	30,457	48,114	6,843	74,449
Transfers					
Total governmental activities	<u>15,410,143</u>	<u>16,696,291</u>	<u>17,684,620</u>	<u>19,327,318</u>	<u>22,123,553</u>
Business-type activities:					
Investment income	10,930	10,393	9,230	10,274	13,874
Miscellaneous			36,393		
Transfers					
Total business-type activities	<u>10,930</u>	<u>10,393</u>	<u>45,623</u>	<u>10,274</u>	<u>13,874</u>
Total primary government	<u>\$ 15,421,073</u>	<u>\$ 16,706,684</u>	<u>\$ 17,730,243</u>	<u>\$ 19,337,592</u>	<u>\$ 22,137,427</u>
Change in net position					
Governmental activities	\$ (1,261,093)	\$ (1,129,946)	\$ 122,103	\$ (165,422)	\$ 1,938,890
Business-type activities	(245,495)	(43,415)	(79,351)	53,482	(644,011)
Total primary government	<u>\$ (1,506,588)</u>	<u>\$ (1,173,361)</u>	<u>\$ 42,752</u>	<u>\$ (111,940)</u>	<u>\$ 1,294,879</u>

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	3,312,770	\$ 3,541,302	\$ 3,819,733	\$ 3,565,793	\$ 3,781,088
	10,505,278	12,103,224	11,260,437	10,899,752	14,930,313
	5,603,991	5,633,427	5,416,934	5,359,535	6,172,611
	1,685,525	1,398,876	1,261,701	1,406,266	1,497,167
	3,037,981	2,795,698	2,706,225	3,441,248	4,941,996
	489,988	520,755	477,717	470,896	435,245
	<u>24,635,533</u>	<u>25,993,282</u>	<u>24,942,747</u>	<u>25,143,490</u>	<u>31,758,420</u>
	2,879,376	4,242,674	5,942,293	6,566,206	6,936,277
				123,196	182,297
	<u>2,879,376</u>	<u>4,242,674</u>	<u>5,942,293</u>	<u>6,689,402</u>	<u>7,118,574</u>
	<u>\$ 27,514,909</u>	<u>\$ 30,235,956</u>	<u>\$ 30,885,040</u>	<u>\$ 31,832,892</u>	<u>\$ 38,876,994</u>
\$	147,104	\$ 152,779	\$ 217,227	\$ 200,020	\$ 188,225
	687,905	488,393	496,492	597,258	609,761
	538,459	511,916	461,166	464,084	485,449
	1,799,878	1,723,949	1,955,663	2,139,067	2,177,673
	899,164	853,581	375,196	544,283	615,554
	395,376	717,982	602,032	7,109,940	600,847
	808,193	850,187	21,775	30,817	1,152,105
	<u>5,276,079</u>	<u>5,298,787</u>	<u>4,129,551</u>	<u>11,085,469</u>	<u>5,829,614</u>
	1,406,563	3,768,449	5,903,220	6,833,669	7,375,933
				479,459	484,614
				50,000	
	<u>1,406,563</u>	<u>3,768,449</u>	<u>5,903,220</u>	<u>7,363,128</u>	<u>7,860,547</u>
	<u>\$ 6,682,642</u>	<u>\$ 9,067,236</u>	<u>\$ 10,032,771</u>	<u>\$ 18,448,597</u>	<u>\$ 13,690,161</u>
\$	(19,359,454)	\$ (20,694,495)	\$ (20,813,196)	\$ (14,058,021)	\$ (25,928,806)
	(1,472,813)	(474,225)	(39,073)	673,726	741,973
	<u>\$ (20,832,267)</u>	<u>\$ (21,168,720)</u>	<u>\$ (20,852,269)</u>	<u>\$ (13,384,295)</u>	<u>\$ (25,186,833)</u>
\$	16,185,283	\$ 16,991,314	\$ 17,629,392	\$ 17,833,603	\$ 20,000,861
	307,130	273,428	283,233	297,106	305,894
	922,937	869,852	1,011,627	1,228,691	1,287,744
	2,521,954	2,558,092	2,539,175	2,726,954	3,000,981
	1,352,464	1,304,936	1,354,110	1,492,336	1,654,533
	1,448,423	1,345,508	1,548,330	1,868,788	1,942,316
	811,915	502,335	81,338	(248,726)	1,394,072
	80,266	104,618	181,109	92,879	72,707
			21,384	29,460	169,456
			(3,528,697)	(760,811)	(1,282,550)
	<u>23,630,372</u>	<u>23,950,083</u>	<u>21,121,001</u>	<u>24,560,280</u>	<u>28,546,014</u>
	804		134	17,995	96,462
			3,528,697	760,811	1,282,550
	804		3,528,831	778,806	1,379,012
	<u>\$ 23,631,176</u>	<u>\$ 23,950,083</u>	<u>\$ 24,649,832</u>	<u>\$ 25,339,086</u>	<u>\$ 29,925,026</u>
\$	4,270,918	\$ 3,255,588	\$ 307,805	\$ 10,502,259	\$ 2,617,208
	(1,472,009)	(474,225)	3,489,758	1,452,532	2,120,985
	<u>\$ 2,798,909</u>	<u>\$ 2,781,363</u>	<u>\$ 3,797,563</u>	<u>\$ 11,954,791</u>	<u>\$ 4,738,193</u>

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VILLAGE OF NORTH PALM BEACH
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING) Unaudited

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 244,438	\$ 155,594	\$ 358,606	\$ 183,220	\$ 2,789,824
Restricted	135,255	131,931	353,019	781,756	61,227
Committed					
Assigned	216,808	319,888	208,204	316,266	582,008
Unassigned	12,391,362	10,802,623	10,724,049	11,811,468	8,177,758
Total general fund	<u>\$ 12,987,863</u>	<u>\$ 11,410,036</u>	<u>\$ 11,643,878</u>	<u>\$ 13,092,710</u>	<u>\$ 11,610,817</u>
All other Governmental Funds					
Restricted	\$ 45,500	\$ 45,500	\$ 45,500	\$ 13,988,744	\$ 11,826,016
Assigned					
Special revenue funds	325,152	318,526	508,481	388,981	3,506
Capital projects funds	841,850	1,448,620	1,604,073	1,670,196	5,398,245
Unassigned					(114,279)
Total all other governmental funds	<u>\$ 1,212,502</u>	<u>\$ 1,812,646</u>	<u>\$ 2,158,054</u>	<u>\$ 16,047,921</u>	<u>\$ 17,113,488</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund					
Nonspendable	\$ 2,789,824	\$ 2,325,778	\$ 2,102,739	\$ 1,839,603	\$ 1,895,720
Restricted	61,227	79,730	87,342	180,748	174,211
Committed					
Assigned	582,008	176,865	494,163	369,653	456,392
Unassigned	8,177,758	11,622,285	13,892,476	13,653,372	15,786,046
Total general fund	<u>\$ 11,610,817</u>	<u>\$ 14,204,658</u>	<u>\$ 16,576,720</u>	<u>\$ 16,043,376</u>	<u>\$ 18,312,369</u>
All other Governmental Funds					
Restricted	\$ 464,309	\$ 906,759	\$ 1,331,574	\$ 1,022,545	\$ 1,749,419
Assigned					
Special revenue funds	3,507	263,798	252,000	6,915,128	4,544,422
Capital projects funds	3,727,482	1,151,011	1,010,681	2,581,131	2,468,358
Unassigned	(421,599)			(2,946)	(84,357)
Total all other governmental funds	<u>\$ 3,773,699</u>	<u>\$ 2,321,568</u>	<u>\$ 2,594,255</u>	<u>\$ 10,515,858</u>	<u>\$ 8,677,842</u>

VILLAGE OF NORTH PALM BEACH
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING) Unaudited

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues:					
Taxes	\$ 13,930,877	\$ 15,167,694	\$ 16,109,173	\$ 17,118,361	\$ 19,111,506
Licenses and Permits	1,344,653	947,158	1,235,782	997,656	1,222,594
Intergovernmental	1,688,608	1,758,246	1,765,836	2,417,809	2,679,389
Charges for services	2,320,305	2,231,673	2,364,013	2,321,298	2,200,860
Fines and forfeitures	117,869	128,235	91,534	124,395	100,140
Investment earnings	16,653	108,794	103,353	126,926	376,227
Miscellaneous	258,086	122,107	191,250	157,063	412,513
Total revenues	<u>19,677,051</u>	<u>20,463,907</u>	<u>21,860,941</u>	<u>23,263,508</u>	<u>26,103,229</u>
Expenditures:					
General government	2,541,546	2,904,553	2,876,521	2,970,223	3,059,623
Public safety	8,947,627	8,966,077	9,129,947	9,166,060	9,669,361
Public works	3,773,689	4,255,636	4,266,749	4,882,159	5,313,834
Community development	1,004,642	1,270,399	1,351,061	1,190,759	1,429,764
Leisure services	2,644,598	2,514,495	2,448,164	2,591,866	2,613,664
Other government					
Capital outlay	1,117,234	1,530,430	1,209,249	2,123,742	5,507,617
Debt service					
Principal payments					680,000
Interest paid on debt					613,101
Total expenditures	<u>20,029,336</u>	<u>21,441,590</u>	<u>21,281,691</u>	<u>22,924,809</u>	<u>28,886,964</u>
Excess of revenues over (under) expenditures	(352,285)	(977,683)	579,250	338,699	(2,783,735)
Other financing sources (uses)					
Transfers in	323,000	2,091,246	1,503,750	1,503,750	4,963,307
Transfers out	(323,000)	(2,091,246)	(1,503,750)	(1,503,750)	(4,963,307)
Financing contracts					
Proceeds from debt issuance				15,000,000	
Insurance proceeds					
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>	<u>15,000,000</u>	<u> </u>
Net change in fund balances	<u>\$ (352,285)</u>	<u>\$ (977,683)</u>	<u>\$ 579,250</u>	<u>\$ 15,338,699</u>	<u>\$ (2,783,735)</u>
Debt service as a percentage of noncapital expenditures	-	-	-	-	-

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 20,366,831	\$ 21,127,770	\$ 21,805,910	\$ 22,349,999	\$ 24,962,269
1,522,913	1,320,361	1,574,639	1,764,430	1,707,690
2,910,395	3,857,230	3,189,191	10,155,774	3,839,043
2,399,174	2,169,814	1,726,853	1,968,268	2,090,941
100,188	197,343	154,410	169,045	244,487
811,915	502,335	81,338	(248,726)	1,394,071
510,688	160,147	296,245	364,911	354,359
<u>28,622,104</u>	<u>29,335,000</u>	<u>28,828,586</u>	<u>36,523,701</u>	<u>34,592,860</u>
3,275,570	3,265,210	3,507,052	3,612,174	3,674,104
10,350,598	10,418,956	10,853,605	11,602,110	13,065,414
5,255,606	5,300,077	5,117,986	4,988,651	5,453,097
1,532,428	1,382,443	1,292,216	1,437,597	1,462,865
2,664,689	2,305,309	1,695,054	2,431,335	3,852,206
15,487,329	5,094,135	3,528,772	4,145,090	3,555,836
882,777	934,496	1,106,148	1,278,543	1,422,411
488,786	502,193	491,022	476,504	453,154
<u>39,937,783</u>	<u>29,202,819</u>	<u>27,591,855</u>	<u>29,972,004</u>	<u>32,939,087</u>
(11,315,679)	132,181	1,236,731	6,551,697	1,653,773
407,000	844,475	625,280	2,913,315	7,271,384
(407,000)	(844,475)	(899,280)	(3,291,865)	(8,553,934)
343,299	1,009,529	1,682,018	1,215,112	
				59,754
<u>343,299</u>	<u>1,009,529</u>	<u>1,408,018</u>	<u>836,562</u>	<u>(1,222,796)</u>
<u>\$ (10,972,380)</u>	<u>\$ 1,141,710</u>	<u>\$ 2,644,749</u>	<u>\$ 7,388,259</u>	<u>\$ 430,977</u>
5.53%	5.70%	5.90%	6.79%	6.39%

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		
2014	2013	\$ 1,287,481,785	\$ 203,512,929	\$ 33,792,851	\$ 1,524,787,565	6.8731
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

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

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	
2014	2013	6.8731	7.5860	4.9852	2.2280	21.6723
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

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.)

**VILLAGE OF NORTH PALM BEACH
PRINCIPAL PROPERTY TAXPAYERS
2023 & 2014 Presented**

<u>Taxpayers</u>	<u>2023</u>			<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Village Net Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Village Net Taxable Assessed Value</u>
Olen Residential Realty	\$ 44,573,652	1	1.51%	\$ 20,310,994	2	1.33%
Sanctuary Bay Trust Corporation	35,159,413	2	1.19%	15,989,705	4	1.05%
SHM Old Port Cove LLC	33,079,591	3	1.12%			
Crystal Cove Commons LLC	30,257,455	4	1.02%			
Shoppes at City Centre LLC	28,631,139	5	0.97%			
Florida Power & Light	30,754,022	6	1.04%	16,963,014	3	1.11%
New Country Motor Cars of PB LLC	18,526,724	7	0.63%	11,441,435	5	0.75%
NP Devland Holdings LLC	15,455,122	8	0.52%			
Chouest Gary	11,630,384	9	0.39%			
SHM North Palm Beach LLC	13,168,136	10	0.45%			
Old Port Cove Equities, INC				21,790,372	1	1.43%
Crystal Tree Property Owners				7,000,000	9	0.46%
CF02 Palm Beach III LP				7,200,000	8	0.47%
Old Port Cove Holdings, INC				7,705,060	7	0.51%
Bozzuto, Michael A				5,737,390	10	0.38%
Domani Development LLC				10,020,009	6	0.66%
Total	\$ 261,235,638		8.84%	\$ 124,157,979		8.15%

Source: Palm Beach Country Appraiser

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

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
2014	2013	\$ 10,358,172	\$ 10,097,763	96.14%	\$ 57,493	\$ 10,155,256	96.68%
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%

Source: Palm Beach Country Property Appraiser

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			
2014	\$ -	\$ -	\$ 3,096,925	\$ 274,471	\$ 3,371,396	0.46%	\$ 267
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

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.

VILLAGE OF NORTH PALM BEACH
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2023
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	\$ 18,243	1.16%	\$ 212
Palm Beach County School Board	3,314	1.03%	34
Other debt:			
Palm Beach County	796,558	1.16%	9,240
Palm Beach County School Board		1.03%	—
Subtotal, overlapping debt			9,486
Village of North Palm Beach Direct Debt			12,945,583
Total direct and overlapping debt			\$ 12,955,069

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.

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>
2014	\$ 3,656,636	\$ 3,248,284	\$ 408,352	\$ 394,900	1.03
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

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.

VILLAGE OF NORTH PALM BEACH
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
Unaudited

Calendar Year	Population (1)	Median Personal Income (1)	Per Capita Personal Income (1)	Palm Beach County Unemployment Rate
2014 (estimate)	12,645	\$ 63,349	\$ 43,120	3.92
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

Sources: Business Development Board
US Census Bureau

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

VILLAGE OF NORTH PALM BEACH
PRINCIPAL EMPLOYERS
2023 & 2014 Presented

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Palm Beach Country School District	22,426	2.87%	22,000	3.22%
State Government	10,247	1.31%		0.00%
Federal Government	7,058	0.90%		0.00%
Palm Beach County Government	5,753	0.74%	5,507	0.81%
Tenet Coastal Division PBC	5,734	0.73%	6,100	0.89%
NextEra Energy (Florida Power & Light)	5,330	0.68%	3,854	0.56%
Florida Atlantic University	5,059	0.65%	2,655	0.39%
Boca Raton Regional Hospital (2)	3,135	0.40%	2,500	0.37%
Veterans Health Administration	2,600	0.33%	2,500	0.37%
Hospital Corporation of America (HCA) (1)	2,419	0.31%	2,714	0.40%
The Breakers Hotel	2,300	0.29%	2,000	0.29%
Baptist Health South Florida Hospital (3)	2,282	0.29%	2,600	0.38%
Office Depot	2,000	0.26%	2,000	0.29%
Florida Crystal Corp.	2,000	0.26%	1,700	0.25%
Jupiter Medical Center	1,880	0.24%	2,000	0.29%
City of Boca Raton	1,810	0.23%	1,228	0.18%
City of West Palm Beach	1,725	0.22%	1,326	0.19%
	83,758	10.71%	60,684	8.88%

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

VILLAGE OF NORTH PALM BEACH
Full-Time Equivalent Village Government Employees by Function
LAST TEN FISCAL YEARS (*)

	<u>2014</u>	<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>
Number of Employees:										
General Government										
Village Manager										
Full-Time	2	2	2	4	4	4	4	4	3	3
Part-Time	0	0	0	1	1	1	1	0	0	1
Information Technology										
Full-Time	3	3	3	3	3	3	3	3	4	4
Part-Time	0	0	0	0	0	0	1	1	0	0
Human Resources										
Full-Time	2	2	2	2	2	2	2	2	2	3
Part-Time	0	1	2	2	2	2	2	2	2	1
Village Clerk - Full-Time	3	3	3	3	3	3	3	3	3	2
Finance										
Full-time	5	7	7	5	6	6	6	6	6	6
Part-Time	1	0	0	1	0	0	0	0	0	0
Public Works										
Full-time	37	35	34	36	37	37	37	36	32	32
Part-Time	0	0	0	0	0	2	2	2	2	3
Public Safety										
Police										
Full-time	43	36	36	36	38	38	38	38	40	42
Part-Time	13	13	13	13	15	15	15	15	15	15
Fire Rescue										
Full-time	24	24	24	24	24	24	24	24	24	25
Part-Time	0	0	0	0	0	0	0	1	1	0
Community Development and Planning										
Full-time	10	11	12	13	14	15	15	14	14	15
Part-Time	1	0	0	1	1	1	0	2	2	2
Leisure Services										
Library										
Full-time	6	7	7	7	7	7	7	7	7	7
Part-Time	10	9	9	9	7	7	9	9	9	9
Recreation										
Full-time	6	6	6	6	6	6	5	5	5	5
Part-Time	43	43	43	43	42	42	16	17	16	18
Other Government - Country Club **										
Full-time	8	8	8	5	5	6	7	9	10	12
Part-Time	65	65	65	27	27	27	28	26	62	59
Total Number of Employees Budgeted FY Ending	282	275	276	241	244	248	225	226	259	264

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

** Includes Golf/Pool/Tennis

Source: Village of North Palm Beach Budget Report

VILLAGE OF NORTH PALM BEACH
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	<u>2014</u>	<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>
PUBLIC WORKS										
Sanitation (Tons of Refuse Collected)	10,720	11,167	12,556	12,980	12,624	12,330	12,059	12,398	10,683	11,274
No. of collection units for solid waste (residential)	7,616	7,618	7,614	7,614	7,632	7,632	7,627	7,627	7,715	7,715
Number of vehicles maintained	98	98	92	85	89	88	89	90	97	103
Number of repair overlays completed (miles)	-	-	-	-	-	-	-	-	6.86	2.80
POLICE										
Number of arrests by police officers	238	293	247	233	192	134	150	150	161	171
Number of traffic citations issued	2,799	3,407	2,494	1,974	2,014	1,184	853	2,038	2,617	2,454
FIRE RESCUE										
EMS average response times (minutes)	5.10	5.05	5.26	5.21	5.37	4.50	5.42	5.44	5.40	5.55
Number of EMS calls	1,110	1,499	1,601	1,746	1,550	1,577	1,452	1,620	1,724	1,705
COMMUNITY DEVELOPMENT & PLANNING										
Bldg Dept - Number of Permits, Subpermits and certificates	2,103	3,920	4,242	4,665	2,173	2,737	4,832	5,103	2,989	4,781
Number of code enforcement violations/cases	887	769	680	**516/357	**726/317	885	941	327	**217/20	423
Number of code violations brought to board/magistrate (Calendar Yr End)	28	56	42	98	246	263	183***	173	97	47
RECREATION										
Number of community events presented	53	57	48	40	38	24	8	19	23	24
Number of registrants in athletic programs	1,439	1,389	1,174	1,109	1,174	1,077	120***	275	435	863
LIBRARY										
Library - Number of Volumes	46,546	47,339	*57,935	41,161	43,992	45,446	39,886	33,315	30,357	31,015
OTHER GOVERNMENT										
Country Club										
Number of Golf Members	250	255	265	271	178	198	278	263	208	227
Number of Tennis/Pool Members	194	193	183	183	159	182	241	786	569	308

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

VILLAGE OF NORTH PALM BEACH
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program:	<u>2014</u>	<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>
General Government										
No. of General Government Buildings	23	23	23	23	23	23	23	23	23	23.0
Public Works										
Square Miles	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.40	5.40	5
Miles of Streets	36.00	36.00	32.30**	32.30	32.30	32.30	32.30	32.30	32.30	32.00
Number of Street Lights (within corp surroundings)	513	513	513	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	22	23	24	21	23	18	17	18	19
Number of Fire Captains	0	0	0	0	0	0	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	28	30	28	30	24	31	31
Number of Police Captains	2	2.5	2.5	2.5	2.5	2.5	2.5	1	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	1
Number of Volumes (Printed items only)	46,546	47,339	48,913	33,502	36,009	37,429	33,672	28,575	26,031	27,068
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

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

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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*

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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, 2023, 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 21, 2024.

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.

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.

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.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 21, 2024



NOWLEN, HOLT & MINER, P.A.

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

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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, 2023, and have issued our report thereon dated March 21, 2024.

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 21, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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, 2023.

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.

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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, 2023, 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.

Nowlen, Holt & Mimer, P.A.

March 21, 2024
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

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

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

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We have examined the Village of North Palm Beach, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. 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, 2023.

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 & Miner, P.A.

West Palm Beach, Florida
March 21, 2024