

To: **Village Council**
North Palm Beach

April 8, 2019

From: **Thomas Magill**
Chairman- NPB Audit Committee

RE: Annual Report Requirement:
NPB Ordinance: 06-2004, Section 4, Paragraph 4.

Council Members:

This report is submitted in compliance with the subject ordinance.

We extend our compliments to Mr. Terry Morton, of Nowlen, Holt et. al. Our Village Auditor continues to provide excellent service and contribution to the professional and quality excellence of NPB financial management. This year's **Comprehensive Annual Financial Report (CAFR)** was provided on schedule and represents an accurate analysis of the financial condition of the Village.

The Committee extends congratulations to Finance Director, Samia Janjua and her staff for the 30th consecutive, Certificate of Achievement for Excellence in Financial Reporting. This award is presented by the Government Finance Officers Association.

The Committee notes the contribution of former member, Richard Podell for his long and excellent service to the Village. Further we extend our continuing condolence to the family of Judge Emery Newell. His long and generous service to the Village will be remembered.

Committee Activity

Committee Members: Edward Katz
Donald Kazimir
Suzanne Mehregan *
Mary Phillips*
Christian Searcy
David Talley
Tom Magill-Chairman
(*Joined this year)

Meetings

The Committee held six meetings between April 9, 2018 and March 11, 2019. Minutes from all meetings have been completed. Discussions centered on the ordinance requirement of Annual Audit Report and Council Direction.

General Fund

The Committee takes note of the drop in Unallocated Fund Balance (UAB) from roughly 56% of anticipated annual expenditure to 31%. Chief reasons were the loan to the Enterprise Fund of \$1.7 million for the golf course renovation and an additional commitment \$4 million for completion of the clubhouse construction. The Committee urges the Administration and Council to continue prudent use of these funds. They serve as an important emergency buffer.

The Committee also encourages continued monitor of returns forecasts for the several pension funds. Lack of anticipated return can impact Village contribution to the funds.

Village Investments: Our agent, PFM continues to provide good service. Returns are consistent given the limitations we have placed on investment options.

Overall Debt service, while significant, is within Village capability.

Enterprise Fund

This fund is now involved only with the golf course and the new clubhouse. Revenues and expenditures are in a state of flux due to the delayed reopening of the golf course. The new clubhouse is not expected to generate any substantial income until Q1-FY 2020.

It should be noted that substantial effort continues to be required to complete the renovation of the course. Further, excellent maintenance is a necessity in order to realize the maximum return from the renovation.

Summary

The Committee expresses its thanks to Council, Village Manager, Andrew Lukasik, Finance Director, Samia Janjua and Village Clerk, Melissa Teal for continuing support and assistance. Each has provided strong help to our effort.

On behalf of the Committee, we welcome the opportunity to continue to serve the Village.

FOR THE COMMITTEE

Tom Magill-Chairman

Copy to:

Andrew Lukasik
Samia Janjua

Melissa Teal
Chuck Huff