



VILLAGE OF NORTH PALM BEACH REGULAR SESSION AGENDA

**VILLAGE HALL COUNCIL CHAMBERS
501 U.S. HIGHWAY 1**

**THURSDAY, MARCH 28, 2024
7:00 PM**

Susan Bickel
Mayor

Deborah Searcy
Vice Mayor

Judy Pierman
President Pro Tem

Kristin Garrison
Councilmember

Lisa Interlandi
Councilmember

Chuck Huff
Village Manager

Leonard G. Rubin
Village Attorney

Jessica Green
Village Clerk

INSTRUCTIONS FOR “WATCH LIVE” MEETING

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

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

ROLL CALL

INVOCATION - MAYOR

PLEDGE OF ALLEGIANCE - VICE MAYOR

ADDITIONS, DELETIONS, AND MODIFICATIONS TO THE AGENDA

AWARDS AND RECOGNITION

1. Proclamation – Florida Bicycle Month

APPROVAL OF MINUTES

2. Minutes of the Regular Session held March 14, 2024

COUNCIL BUSINESS MATTERS

3. RESOLUTION ACCEPTING ELECTION RESULTS
4. ADMINISTRATION OF COUNCILMEMBER OATHS
5. NOMINATION OF OFFICERS - MAYOR, VICE MAYOR, PRESIDENT PRO TEM
6. RESOLUTION APPOINTING COUNCIL OFFICERS
7. ADMINISTRATION OF OFFICER OATHS - MAYOR, VICE MAYOR, PRESIDENT PRO TEM

STATEMENTS FROM THE PUBLIC, PETITIONS AND COMMUNICATIONS

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

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

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

8. 2024 LEGISLATIVE SESSION UPDATE - Senator Bobby Powell, District 24**CONSENT AGENDA**

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

- 9. RESOLUTION** – Accepting a proposal from Gator Lawn and Landscape Services 2013 LLC for swale restoration at specified locations within the Village at a total cost of \$48,325; and authorizing execution of the Contract.
- 10.** Receive for file Minutes of the Business Advisory Board meeting held 1/16/24.
- 11.** Receive for file Minutes of the Audit Committee meeting held 1/31/24.
- 12.** Receive for file Minutes of the Golf Advisory Board meeting held 2/13/24.
- 13.** Receive for file Minutes of the Recreation Advisory Board meeting on 2/13/24.

DECLARATION OF EX PARTE COMMUNICATIONS**PUBLIC HEARINGS AND QUASI-JUDICIAL MATTERS****OTHER VILLAGE BUSINESS MATTERS**

- 14. RESOLUTION – ACCEPTANCE OF FY 2023 AUDIT REPORT** Consider a motion to adopt a resolution accepting the Annual Comprehensive Financial Report prepared by the Village Auditor for Fiscal Year ending September 30, 2023; and authorizing its filing with the State.
- 15. RESOLUTION – PROFESSIONAL ENGINEERING SERVICES FOR REPLACEMENT OF EAST ALLEY WALL** Consider a motion to adopt a resolution approving a proposal from Engenuity Group, Inc. for Professional Engineering Services for the replacement of the East Alley Wall at a total cost of \$99,744; and authorizing the Village Manager to execute all required documents to effectuate these services.

COUNCIL AND ADMINISTRATION MATTERS**MAYOR AND COUNCIL MATTERS/REPORTS**

- 16. DISCUSSION** – Advisory Board and Committee attendance by telephone

VILLAGE MANAGER MATTERS/REPORTS

- 17.** Heritage Day Update

REPORTS (SPECIAL COMMITTEES AND ADVISORY BOARDS)

ADJOURNMENT

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

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

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



DRAFT MINUTES OF THE REGULAR SESSION
VILLAGE COUNCIL OF NORTH PALM BEACH, FLORIDA
MARCH 14, 2024

Present:

Susan Bickel, Mayor
Deborah Searcy, Vice Mayor
Judy Pierman, President Pro Tem
Chuck Huff, Village Manager
Len Rubin, Village Attorney
Jessica Green, Village Clerk

ROLL CALL

Mayor Bickel called the meeting to order at 7:00 p.m. All members of Council were present. All members of staff were present.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Bickel gave the invocation and Vice Mayor Searcy led the public in the Pledge.

AWARDS AND RECOGNITION

President Pro Tem Pierman read a statement and presented a dedication plaque to the family of Tom Magill who served on the Village's Audit Committee for eighteen (18) years and had passed away in October 2022. The plaque would be hung on the wall at the back of the Council Chambers and above the chair that Mr. Magill always sat in when he attended Council meetings.

Mr. Magill's family thanked and expressed their gratitude to Council for the dedication plaque.

Mayor Bickel read proclamations for International Women's Day and Women's History Month. Mayor Bickel stated that the proclamations were appropriate for that evening's Council meeting, since it would be the first time in the Village's history having five (5) women as Councilmembers.

APPROVAL OF MINUTES

The Minutes of the Regular Session held February 22, 2024 were approved as written.

ADMINISTRTION OF INTERIM COUNCILMEMBER OATHS

Village Clerk Jessica Green administered the Oath of Office to interim councilmembers Lisa Interlandi and Kristin Garrison. Said Oaths are attached to the official Minutes of Record.

STATEMENTS FROM THE PUBLIC

Orlando Puyol, 149 Ebbtide Drive, gave a background and history regarding the legalities of driving golf carts and low speed vehicles within the Village and stated that he had a low speed vehicle that met the requirements to legally drive on U.S. Hwy 1 or any street that was 35 miles per hour or less.

Rita Budnyk, 804 Shore Drive, recommended preserving more green space within the Village and that Council consider green space when making decisions on new development.

Ashley Knieriemen, 845 Anchorage Drive, gave recommendations as it related to the Master Plan.

Mary Phillips, 525 Ebbtide Drive, expressed how five (5) women on the Council was a historic moment for the Village and the fact that it was made up of five (5) accomplished women in their fields with great families who were choosing to spend time to serve the community was a big deal.

CONSENT AGENDA APPROVED

Councilmember Garrison moved to approve the Consent Agenda. Councilmember Interlandi seconded the motion, which passed unanimously. The following items were approved:

Receive for file Minutes of the Library Advisory Board meeting held 1/23/24.

Receive for file Minutes of the Waterways Advisory Board meeting held 1/30/24.

Receive for file Minutes of the Infrastructure Surtax Committee meeting held 2/13/24.

PUBLIC HEARINGS AND QUASI-JUDICIAL MATTERS

PUBLIC HEARING AND SECOND READING OF ORDINANCE 2024-04 – CODE AMENDMENT – TREES AND SHRUBBERY

A motion was made by Vice Mayor Searcy and seconded by Councilmember Interlandi to adopt and enact on second reading Ordinance 2024-04 entitled:

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, AMENDING CHAPTER 27, “TREES AND SHRUBBERY,” OF THE VILLAGE CODE OF ORDINANCES TO ADOPT A NEW ARTICLE III, “SIGHT TRIANGLES,” PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

Mr. Rubin explained that Village Council’s adoption of Ordinance No. 2020-06 made extensive modifications to the Village’s commercial zoning regulations to implement the Citizens’ Master Plan. One of these modifications was to consolidate the Village’s landscape regulations and adopt a new Article VII, “Landscaping,” of Chapter 45, “Zoning,” of the Village Code. Mr. Rubin explained that most of the provisions of the former Article III of Chapter 27 have been included in Article VII of Chapter 45, but the article did not apply to single-family and two-family dwellings. Village Staff was recommending the re-adoption of the sight triangle requirements formerly set forth in Section 27-66 of the Village Code of Ordinances.

PUBLIC HEARING AND SECOND READING OF ORDINANCE 2024-04 – CODE AMENDMENT – TREES AND SHRUBBERY *continued*

Mr. Rubin stated that a revision was made to the ordinance since its first reading. The modified ordinance now applied only to residentially zoned properties and would not apply to commercial or mixed use zoning districts.

Mayor Bickel opened the public hearing on Ordinance 2024-04.

Orlando Puyol, 149 Ebbtide Drive, asked if the ordinance would be retroactive or only for new construction.

There being no further comments from the public, Mayor Bickel closed the public hearing.

Discussion ensued between Councilmembers and Mr. Rubin regarding the revised proposed ordinance.

Thereafter, the motion to adopt and enact on second reading Ordinance 2024-04 passed unanimously.

RESOLUTION 2024-18 – COUNTRY CLUB STABILIZATION PROJECT

A motion was made by Vice Mayor Searcy and seconded by President Pro Tem Pierman to adopt Resolution 2024-18 entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, APPROVING A PROPOSAL FROM MARSH MANAGEMENT SYSTEMS, LLC FOR POND STABILIZATION WORK AT THE NORTH PALM BEACH COUNTRY CLUB GOLF COURSE AND AUTHORIZING THE MAYOR AND VILLAGE CLERK TO EXECUTE A CONTRACT FOR SUCH SERVICES; WAIVING THE VILLAGE'S PURCHASING POLICES AND PROCEDURES; AND PROVIDING FOR AN EFFECTIVE DATE.

Head Golf Professional Allan Bowman showed pictures and explained why pond bank stabilization was necessary at the golf course for safety and aesthetic reasons.

David Norris, 131 Davit Drive, congratulated the newly appointed Councilmembers. Mr. Norris expressed his support for the pond bank stabilization project at the golf course.

John Samadi, 512 Marlin Road, expressed his concern regarding waiving the Village's Purchasing Policies and Procedures in order to award the contract for the pond stabilization project.

Russell Beverstein, 415 U.S. Highway 1, expressed his support for the pond bank stabilization project at the golf course.

Orlando Puyol, 149 Ebbtide Drive, expressed his support for awarding the contract for the pond bank stabilization project at the golf course to Marsh Management Systems LLC because the work they have previously done at the golf course over the past few years as well as their good pricing and reputation.

Mr. Bowman explained that Marsh Management Systems LLC was chosen because they were an approved contractor for Jack Nicklaus signature golf courses.

RESOLUTION 2024-18 – COUNTRY CLUB STABILIZATION PROJECT *continued*

Discussion ensued between Vice Mayor Searcy, Mr. Rubin and Mr. Bowman regarding the process utilized to choose and award the contract for the pond stabilization contract and the reasons why the pond banks were falling and deteriorating, and what could be done to prevent that in the future.

Thereafter the motion to adopt Resolution 2024-18 passed unanimously.

RESOLUTION 2024-19 – GOLF COURSE MAINTENANCE SERVICES CONTRACT

A motion was made by Councilmember Interlandi and seconded by Vice Mayor Searcy to adopt Resolution 2024-19 entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA APPROVING A CONTRACT FOR GOLF COURSE MAINTENANCE SERVICES WITH BRIGHTVIEW GOLF MAINTENANCE, INC. AND AUTHORIZING THE MAYOR AND VILLAGE CLERK TO EXECUTE THE CONTRACT ON BEHALF OF THE VILLAGE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Mr. Bowman gave a history of maintenance contractors that were used for the golf course. Mr. Bowman explained that an Evaluation and Selection Committee met in order to review the three (3) proposals received from Down to Earth, BrightView Golf and Cypress Golf. At the meeting, each proposer gave a twenty-minute presentation and at the conclusion of the meeting, the Committee reaffirmed its selection of BrightView Golf Maintenance, Inc. as the top-ranked proposer.

John Samadi, 512 Marlin Road, expressed his concerns with BrightView Golf Maintenance, Inc. being chosen to provide golf course maintenance services.

David Norris, 131 Davit Drive, expressed his support for using BrightView Golf Maintenance, Inc. to provide golf course maintenance services.

Thereafter the motion to adopt Resolution 2024-19 passed unanimously.

RESOLUTION 2024-20 – FDOT GRANT AGREEMENT FOR DESIGN OF LIGHTHOUSE DRIVE BRIDGE REPLACEMENT

A motion was made by Vice Mayor Searcy and seconded by Councilmember Garrison to adopt Resolution 2024-20 entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, APPROVING A STATE-FUNDED GRANT AGREEMENT WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION FOR THE DESIGN OF THE LIGHTHOUSE DRIVE BRIDGE REPLACEMENT AND AUTHORIZING EXECUTION OF THE AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

Public Works Director Chad Girard explained the purpose of the proposed state funded FDOT Grant Agreement. Mr. Girard explained the process and a proposed timeline for the proposed Lighthouse Drive Bridge replacement project.

John Samadi, 512 Marlin Road, expressed his concerns with and gave his recommendations regarding the FDOT Grant Agreement and the proposed Lighthouse Drive Bridge replacement project.

RESOLUTION 2024-20 – FDOT GRANT AGREEMENT FOR DESIGN OF LIGHTHOUSE DRIVE BRIDGE REPLACEMENT *continued*

Orlando Puyol, 149 Ebbtide Drive, expressed his concerns with and gave his recommendations regarding the FDOT Grant Agreement and the proposed Lighthouse Drive Bridge replacement project.

Vice Mayor Searcy stated that there would be community outreach for both the traffic-calming project for Lighthouse Drive and the replacement of the Lighthouse Drive Bridge and they were considered two (2) separate projects.

Mr. Girard addressed concerns from the public regarding the FDOT Agreement.

Thereafter the motion to adopt Resolution 2024-20 passed unanimously.

MAYOR AND COUNCIL MATTERS/REPORTS

Mayor Bickel asked Mr. Huff to give an update on the U.S. Highway 1 Bridge.

Mr. Huff gave an update on the U.S. Highway 1 Bridge. Mr. Huff stated that FDOT issued a Notice to Proceed in January; the project would begin in April and would take approximately eighteen (18) months to two (2) years to complete.

Mayor Bickel stated that she agreed with Ms. Budnyk's concerns regarding the addition of preservation of green space to the Village's Comprehensive Plan and recommended that the Environmental Committee be involved in the process.

Mr. Huff stated that the Environmental Committee was planning to be involved in the process of adding the preservation of green space to the Village's Comprehensive Plan.

President Pro Tem Pierman asked if the meeting would be her last meeting as Councilmember.

Village Clerk Jessica Green explained that traditionally the current sitting Council attends the meeting and sits on the dais until the certified election results are approved and then the former Councilmember steps down from the dais and the newly elected Councilmember steps up to sit at the dais.

President Pro Tem Pierman stated that she had visited the Village's Departments and she wrote letters to the different Departments to let them know what a good job they were doing.

President Pro Tem Pierman stated that even though there will be one winning candidate after the election, that there was an opportunity for the non-winning candidate to volunteer on a Village Advisory Board or Committee.

President Pro Tem Pierman thanked the Council for allowing her to be a part of making history.

President Pro Tem Pierman stated that former Councilmember Tom Kelsey and family donated funds to the Village's Library.

Leisure Services Director Zak Sherman discussed and explained the items what would be purchased for the Library with the \$25,000 donation that was received.

MAYOR AND COUNCIL MATTERS/REPORTS *continued*

President Pro Tem Pierman gave the following advice to the new Councilmembers:

- Get to know your staff
- Do your homework
- Think things through
- Listen to the residents
- Know as much as you can about the rules and regulations of the Village.

President Pro Tem Pierman gave a brief history on the first woman Councilmember of the Village who was Patsy Love. President Pro Tem Pierman also gave a history of how she was the first woman Mayor of the Village in 1989 and returned to fill vacancies on Council three (3) times. President Pro Tem expressed her gratitude for being a part of the first all-women Council in the Village's history, and reminded everyone to go out and vote in the upcoming election.

Councilmember Interlandi stated that several large oak trees were cut down in the Village recently. Councilmember Interlandi recommended bringing a tree protection ordinance back for consideration before bringing back the residential landscape code.

Councilmember Garrison recommended consulting with an arborist when constructing an ordinance for the protection of trees within the Village.

Council agreed that an arborist should be consulted to provide feedback on a proposed tree protection ordinance.

REPORTS (SPECIAL COMMITTEES AND ADVISORY BOARDS)

Field Operations Manager Marc Holloway gave a recommendation on behalf of the Waterways Advisory Board. The recommendation read as follows:

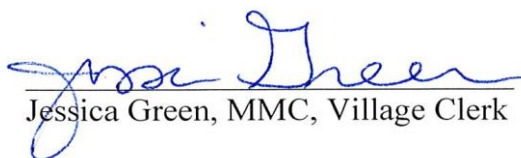
“Council to authorize the Village contracted engineer up to 40 hours and also have Mr. David Norris for 4 hours to research the plat issue outlined in the materials and make suggestions regarding the value of pursuing more substantive legal and engineering efforts to clarify ownership and rights of the waterway to avoid conflict and later potentially impacting the Village interest at Anchorage Park bulkhead and to benefit the Village residents similarly impacted by unclear verbiage and descriptions of the plat along the Earman River.”

Mayor Bickel asked that staff look into the Waterways Advisory Board recommendation and stated that it was worth discussing.

Mr. Huff stated that he and staff would gather information to bring back for discussion at a future meeting.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 8:18 p.m.


Jessica Green, MMC, Village Clerk

**VILLAGE OF NORTH PALM BEACH
OFFICE OF THE VILLAGE CLERK**

TO: Honorable Mayor and Council

THRU: Chuck Huff, Village Manager

FROM: Jessica Green, Village Clerk

DATE: March 28, 2024

SUBJECT: **RESOLUTION – Accepting and declaring the results of the March 19, 2024 general election**

Article III (“Legislative”), Section 2 (“Election and terms”) of the Village Charter provides that “[o]n the second Tuesday in March of each year, a general election shall be held to elect members of the village council.”

On October 12, 2023, the Village Council adopted and enacted on second reading Ordinance 2023-19 changing the date of the March 2024 general election to March 19, 2024 in order to coincide with the Presidential Preference Primary and to utilize both the County voting system and the services of the Supervisor of Elections.

Furthermore, Article V (“Qualifications and Elections”) of the Village Charter provides as follows:

Section 4. General and runoff election. “Whenever a general or special election is held to fill any elective office in the Village of North Palm Beach, the candidate receiving a majority of the votes cast at such election to fill such office shall be declared to be duly elected ...”

Section 5. Unopposed candidates. “In the event not more than one (1) person qualified as a candidate for a designated seat on the village council to be filled at an election, that seat shall not be listed on the regular village election ballot. Each unopposed candidate shall be deemed to have voted for himself.”

The official results of the general election held March 19, 2024 are attached.

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

Recommendation:

Village Staff recommends Council consideration and approval of the attached Resolution officially accepting and declaring the results of the March 19, 2024 general election.

RESOLUTION 2024-_____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, ACCEPTING AND DECLARING THE RESULTS OF THE MARCH 19, 2024 GENERAL ELECTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on March 19, 2024, the Village of North Palm Beach held a general election in accordance with all applicable Village and state law requirements for the purpose of electing Councilmembers to the Village Council for Groups 1, 3, 4 and 5; and

WHEREAS, because only one candidate each qualified for Group 1, Group 4, and Group 5, these offices were not placed on the ballot and in accordance with the provisions of the Village Charter and the Florida Election Code, these candidates were presumed to have voted for themselves; and

WHEREAS, two candidates qualified for Group 3 during the time required for the filing of a Notice of Candidacy, and the names of these candidates were placed on the ballot and submitted to the electorate; and

WHEREAS, the Village Council wishes to officially accept and declare the results of the March 19, 2024 general election.

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

Section 1. The foregoing “whereas” clauses are hereby ratified and incorporated herein.

Section 2. The Village Council accepts that the following are the results of the general election held on March 19, 2024:

For Village Councilmember, Group 1:

Deborah Searcy unopposed

For Village Councilmember, Group 3:

Orlando Puyol 1,645

William Luzuriagga 634

For Village Councilmember, Group 4:

Kristin Garrison unopposed

For Village Councilmember, Group 5:

Lisa Interlandi unopposed

Section 3. Based on the foregoing results, the Village Council hereby declares that the following candidates are elected as Councilmembers for Groups 1, 3, 4, and 5:

For Village Councilmember, Group 1:

Deborah Searcy

For Village Councilmember, Group 3:

Orlando Puyol

For Village Councilmember, Group 4:

Kristin Garrison

For Village Councilmember, Group 5:

Lisa Interlandi

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

PASSED AND ADOPTED THIS _____ DAY OF _____, 2024.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

**BACKUP INFORMATION FOR THIS
AGENDA ITEM TO BE PROVIDED.**

**BACKUP INFORMATION FOR THIS
AGENDA ITEM TO BE PROVIDED.**

RESOLUTION 2024-__

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

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

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

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

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

Mayor

Vice Mayor

President Pro Tem

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

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

PASSED AND ADOPTED THIS 28TH DAY OF MARCH, 2024.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

**VILLAGE OF NORTH PALM BEACH
PUBLIC WORKS DEPARTMENT**

TO: Honorable Mayor and Council

THRU: Chuck Huff, Village Manager

FROM: Marc Holloway, Field Operations Manager

DATE: March 28, 2024

SUBJECT: **RESOLUTION – Accepting a proposal from Gator Lawn and Landscape Services for swale renovation in multiple areas of the Village at a total cost of \$48,325.00 and authorizing execution of a Contract**

Village Staff is continuing its efforts to repair and improve the Stormwater system throughout the Village by re-grading and sodding swales that are not functioning properly. Staff will be utilizing Stormwater Funds to address the multiple locations identified during inspections:

- 119 Davitt Drive
- 716, 720 and 724 Nighthawk Way
- 121, 126, 127, 132, 138, 144 and 150 Anchorage Drive South
- 150 and 400 Corsair Drive

The Village solicited written proposals for the work, and Staff is recommending accepting the lowest cost proposal submitted by Gator Law and Landscape Services. In accordance with the Village's purchasing policies and procedures, Village Council approval is required when the aggregate fiscal year spending to a single vendor exceeds \$25,000.

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

Account Information:

| Fund | Department / Division | Account Number | Account Description | Amount |
|------------|--|----------------|---------------------------|-------------|
| STORMWATER | Public Works/ R&M STORM DRAINAGE SYS | H7321-34684 | R&M STORM DRAINAGE SYS | \$48,325.00 |

Recommendation:

Village Staff requests Council consideration and approval of the attached Resolution accepting the proposal from Gator Lawn and Landscape Services for swale renovations at specified locations throughout the Village at a total cost of \$48,325.00, with funds expended from Account No. H7321-34684 (R & M Storm Drainage System), and authorizing the Mayor and Village Clerk to execute a Contract for such services in accordance with Village policies and procedures.

RESOLUTION 2024-_____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, ACCEPTING A PROPOSAL FROM GATOR LAWN AND LANDSCAPE SERVICES 2013 LLC FOR SWALE RESTORATION AT SPECIFIED LOCATIONS WITHIN THE VILLAGE AND AUTHORIZING THE MAYOR AND VILLAGE CLERK TO EXECUTE A CONTRACT FOR SUCH SERVICES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Village solicited written quotes for swale restoration at the following locations within the Village: 119 Davit Drive; 716, 720, and 724 Nighthawk Way; 121, 126, 127, 132, 138, 144, and 150 Anchorage Drive South; and 150 and 400 Corsair Drive; and

WHEREAS, Village Staff recommended accepting the lowest cost proposal submitted by Gator Lawn and Landscape Services to perform the work; and

WHEREAS, the Village Council determines that adoption of this Resolution is in the best interests of the residents of the Village of North Palm Beach.

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

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

Section 2. The Village Council hereby accepts the proposal from Gator Lawn and Landscape Services 2013 LLC for swale restoration work at specified locations within the Village at a total cost of \$48,325.00, with funds expended from Account No. H7321-34684 (Stormwater Utility Fund – Repair and Maintenance of Storm Drainage System), and authorizes the Mayor and Village Clerk to execute the Contract, a copy of which is attached hereto and incorporated herein.

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

PASSED AND ADOPTED THIS _____ DAY OF _____, 2024.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

CONTRACT

This Contract is made as of this _____ day of _____, 2024, by and between the VILLAGE OF NORTH PALM BEACH, 501 U.S. Highway One, North Palm Beach, Florida 33408, a Florida municipal corporation (hereinafter "VILLAGE"), and Gator Lawn and Landscape Services 2013 LLC, a Florida limited liability company, 609 E. Whitney Drive, Jupiter, Florida 33458 (mailing address P.O. Box 7911, Jupiter, Florida 33468) (hereinafter "CONTRACTOR").

RECITALS

WHEREAS, the VILLAGE solicited written proposals for swale restoration services at the following locations within the Village: 119 Davit Drive; 716, 720, and 724 Nighthawk Way; 121, 126, 127, 132, 138, 144, and 150 Anchorage Drive South; and 150 and 400 Corsair Drive ("Work"); and

WHEREAS, the VILLAGE wishes to accept the written estimates submitted by CONTRACTOR, and CONTRACTOR has agreed to perform the Work in accordance with the terms and conditions of this Contract.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals.

The parties agree that the recitals set forth above are true and correct and are fully incorporated herein by reference.

2. CONTRACTOR's Services and Time of Completion.

- A. CONTRACTOR shall perform the Work in accordance with its Estimates dated January 17, 2024 (716, 720, and 724 Nighthawk Way), February 5, 2024 (121, 126, 127, 132, 138, 144, and 150 Anchorage Drive South and 150 and 500 Corsair Drive), and February 22, 2024, which are incorporated herein by reference.
- B. This Contract shall remain in effect until such time as the Work is completed, inspected, and accepted by the VILLAGE, provided, however, that any obligations of a continuing nature shall survive the expiration or termination of this Contract.
- C. The total cost of the Work shall not exceed **Forty-Eight Thousand Three Hundred and Twenty-Five Dollars and No Cents (\$48,325.00)**.
- D. The services to be provided by CONTRACTOR shall be commenced subsequent to the execution and approval of this Contract by the VILLAGE and upon written notice from the VILLAGE to CONTRACTOR to proceed and shall be completed within **ninety (90) calendar days**.

3. Compensation to CONTRACTOR.

Payments by the VILLAGE to CONTRACTOR under this Contract shall not exceed the amount of compensation stated in Section 3(C) above without prior written consent of the VILLAGE.

CONTRACTOR shall submit invoices to the VILLAGE for review and approval by the VILLAGE's representative, indicating that goods and services have been provided and rendered in conformity with this Contract, and they then will be sent to the Finance Department for payment. Invoices will normally be paid within thirty (30) days following the VILLAGE representative's approval. CONTRACTOR waives consequential or incidental damages for claims, disputes or other matters in question arising out of or relating to this Contract. In order for both parties herein to close their books and records, CONTRACTOR will clearly state "final invoice" on CONTRACTOR's final/last billing to the VILLAGE. This certifies that all goods and services have been properly performed and all charges have been invoiced to the VILLAGE. Since this account will thereupon be closed, any and other further charges if not properly included in this final invoice are waived by CONTRACTOR. The VILLAGE will not be liable for any invoice from CONTRACTOR submitted thirty (30) days after the provision of all goods and services.

4. Insurance.

During the term of this Contract, CONTRACTOR shall maintain the following minimum insurance coverages and provide certificates evidencing such coverage to the Village (all insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida):

- A. CONTRACTOR shall maintain, during the life of this Contract, commercial general liability, including contractual liability insurance in the amount of \$1,000,000 per occurrence to protect CONTRACTOR from claims for damages for bodily and personal injury, including wrongful death, as well as from claims of property damages which may arise from any operations under this Contract.
- B. CONTRACTOR shall maintain, during the life of this Contract, comprehensive automobile liability insurance in the minimum amount of \$500,000 combined single limit for bodily injury and property damages liability to protect CONTRACTOR from claims for damages for bodily and personal injury, including death, as well as from claims for property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including rented automobiles.
- C. CONTRACTOR shall carry Workers' Compensation Insurance and Employer's Liability Insurance for all employees as required by Florida Statutes.
- D. All insurance, other than Worker's Compensation, Automobile and Professional Liability Insurance, to be maintained by CONTRACTOR shall specifically include the VILLAGE as an "Additional Insured".

5. Indemnification.

- A. To the fullest extent permitted by applicable laws and regulations, CONTRACTOR shall indemnify and save harmless and defend the VILLAGE, its officials, agents, servants, and employees from and against any and all claims, liability, losses, and/or causes of action arising out of or in any way related to the services furnished by CONTRACTOR pursuant to this Contract, including, but not limited to, those caused by or arising out of any act, omission,

negligence or default of CONTRACTOR and/or its subcontractors, agents, servants or employees.

- B. CONTRACTOR shall not be required to indemnify the VILLAGE, its officials, agents, servants, and employees when the occurrence results solely from the wrongful acts or omissions of the VILLAGE, its officials, agents, servants, and employees. The terms of this Section shall survive completion of all services, obligations and duties provided for in this Contract as well as the termination of this Contract for any reason.
- C. Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against either the VILLAGE or CONTRACTOR, nor shall this Contract be construed a waiver of sovereign immunity beyond the limited waiver provided in Section 768.28, Florida Statutes.

6. Compliance with all Laws, Regulations and Ordinances.

In performing the services contemplated by this Contract, CONTRACTOR shall obtain all required permits and comply with all applicable federal, state, and local laws, regulations, and ordinances, including, but by no means limited to, all requirements of the Village Code and the Florida Building Code.

7. Warranty/Guaranty.

CONTRACTOR warrants that all Work, including goods and services, provided under this Contract will be free of defects in material and workmanship for a period of one (1) year following completion of the Work and successful final inspection or as otherwise set forth in the Estimate. Should any Work fail to comply with this warranty during the warranty period, upon written notification from the VILLAGE, CONTRACTOR shall immediately repair or replace said defective materials and/or workmanship at CONTRACTOR's sole expense. The CONTRACTOR shall provide the VILLAGE with copies of all manufacturer warranties and certify that the Work complies with the conditions set forth in such warranties, if any.

8. Access/Audits.

CONTRACTOR shall maintain adequate records to justify all charges, expenses, and costs incurred in estimating and performing services pursuant to this Contract for at least five (5) years after termination of this Contract. The VILLAGE shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at CONTRACTOR's place of business. Under no circumstances will CONTRACTOR be required to disclose any confidential or proprietary information regarding its products and service costs.

9. Protection of Work and Property.

- A. CONTRACTOR shall continuously maintain adequate protection of all Work from damage, and shall protect the VILLAGE's property and adjacent private and public property from injury or loss arising in connection with the Contract. Except for any such damage, injury, or loss, except that which may be directly due to errors caused by the VILLAGE or employees of the VILLAGE, CONTRACTOR shall provide any necessary materials to maintain such

protection.

- B. Until acceptance of the Work by the VILLAGE, the VILLAGE's property shall be under the charge and care of CONTRACTOR and CONTRACTOR shall take every necessary precaution against injury or damage to the work by the action of elements or from any other cause whatsoever, and CONTRACTOR shall repair, restore and make good, without additional Work occasioned by any of the above causes before its completion and acceptance.
- C. CONTRACTOR will also take every necessary precaution to ensure the safety of the VILLAGE, public and other guests and invitees thereof at or near the areas where work is being accomplished during and throughout the completion of all work.

10. Miscellaneous Provisions.

- A. Failure of a party to enforce or exercise any of its right(s) under this Contract shall not be deemed a waiver of that parties' right to enforce or exercise said right(s) at any time thereafter.
- B. CONTRACTOR is, and shall be, in the performance of all Work under this Contract, an Independent Contractor, and not an employee, agent, or servant of the VILLAGE. All persons engaged in any of the Work performed pursuant to this Contract shall at all times, and in all places, be subject to CONTRACTOR's sole direction, supervision, and control. CONTRACTOR shall exercise control over the means and manner in which it and its employees perform the Work.
- C. This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof. **The parties knowingly, voluntarily and intentionally waive any right they may have to trial by jury** with respect to any litigation arising out of this Contract.
- D. If any legal action or other proceeding is brought for the enforcement of this Contract, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Contract, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all expenses (including taxes) even if not taxable as court awarded costs (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.
- E. If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, to remainder of this Contract, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

- F. All notices required in this Contract shall be sent by certified mail, return receipt requested, and sent to the addresses appearing on the first page of this Contract.
- G. The VILLAGE and CONTRACTOR agree that this Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto. Any provision of this Contract which is of a continuing nature or imposes an obligation which extends beyond the term of this Contract shall survive its expiration or earlier termination. In the event of a conflict between this Contract and CONTRACTOR's Estimate, the terms of this Contract shall control.
- H. CONTRACTOR warrants and represents that CONTRACTOR and all subcontractors are in compliance with Section 448.095, Florida Statutes, as may be amended. CONTRACTOR has registered to use, and shall continue to use, the E-Verify System (E-Verify.gov) to electronically verify the employment eligibility of newly hired employees and has received an affidavit from each subcontractor stating that the subcontractor does not employ, contract with or subcontract with an unauthorized alien. If the VILLAGE has a good faith belief that CONTRACTOR has knowingly violated Section 448.09(1), Florida Statutes, the VILLAGE shall terminate this Contract pursuant to Section 448.095(2), Florida Statutes, as may be amended. If the VILLAGE has a good faith believe that a subcontractor has knowingly violated Section 448.09(1), Florida Statutes, but CONTRACTOR has otherwise complained, it shall notify CONTRACTOR, and CONTRACTOR shall immediately terminate its contract with the subcontractor.
- I. IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: (561) 841-3355; NPBCLERK@VILLAGE-NPB.ORG; OR 501 U.S. HIGHWAY ONE, NORTH PALM BEACH, FL 33408.

In performing services pursuant to this Contract, CONTRACTOR shall comply with all relevant provisions of Chapter 119, Florida Statutes. As required by Section 119.0701, Florida Statutes, CONTRACTOR shall:

- (1) Keep and maintain public records required by the VILLAGE to perform the service.
- (2) Upon request from the VILLAGE's custodian of public records, provide the VILLAGE with a copy the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following completion of the Contract if the CONTRACTOR does not transfer the records to the VILLAGE.

- (4) Upon completion of the Contract, transfer, at no cost, to the VILLAGE all public records in possession of CONTRACTOR or keep and maintain public records required by the VILLAGE to perform the services. If CONTRACTOR transfers all public records to the VILLAGE upon completion of the Contract, CONTRACTOR shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If CONTRACTOR keeps and maintains public records upon completion of the Contract, CONTRACTOR shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the VILLAGE, upon request from the VILLAGE's custodian of public records, in a format that is compatible with the information technology systems of the VILLAGE.
- J. CONTRACTOR is aware that the Inspector General of Palm Beach County has the authority to investigate and audit matters relating to the negotiation and performance of this Contract, and in furtherance thereof, may demand and obtain records and testimony from CONTRACTOR and its subcontractors. CONTRACTOR understands and agrees that in addition to all other remedies and consequences provided by law, the failure of CONTRACTOR or its subcontractors to fully cooperate with the Inspector General when requested may be deemed by the VILLAGE to be a material breach of the Contract justifying termination.
- K. CONTRACTOR acknowledges and agrees that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit, proposals, or replies on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, or subcontractor with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of thirty-six (36) months following the date of being placed on the convicted vendor list. CONTRACTOR will advise the VILLAGE immediately if it becomes aware of any violation of this statute.
- L. CONTRACTOR certifies that it and its subcontractors are not on the Scrutinized Companies that Boycott Israel List and are not engaged in the boycott of Israel. Pursuant to Section 287.135, Florida Statutes, the VILLAGE may immediately terminate this Contract at its sole option if CONTRACTOR or any of its subcontractors are placed on the Scrutinized Companies that Boycott Israel List or is engaged in the boycott of Israel during the term of this Contract.

IN WITNESS WHEREOF, the VILLAGE and CONTRACTOR hereto have made and executed this Contract as of the day and year first above written.

GATOR LAWN AND LANDSCAPE SERVICES 2013 LLC

By: _____

Print Name: _____

Position: _____

VILLAGE OF NORTH PALM BEACH

By: _____
SUSAN BICKEL
MAYOR

ATTEST:

BY: _____
JESSICA GREEN
VILLAGE CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

BY: _____
VILLAGE ATTORNEY

| LOCATION | GATOR LAWN | ON GRADE | WPB LAWN & LANDSCAPE |
|---------------------------|--------------|--------------|----------------------|
| 119 DAVITT DR | \$ 3,875.00 | \$ 4,300.00 | \$ 4,700.00 |
| 720 NIGHTHAWK | \$ 5,000.00 | \$ 5,500.00 | \$ 5,800.00 |
| 724 NIGHTHAWK | \$ 5,000.00 | \$ 5,500.00 | \$ 5,800.00 |
| 716 NIGHTHAWK | \$ 5,000.00 | \$ 5,500.00 | \$ 5,800.00 |
| 121 & 127 S. ANCHORAGE DR | \$ 5,425.00 | \$ 5,900.00 | \$ 6,500.00 |
| S. ANCHORAGE DR | \$ 13,175.00 | \$ 15,200.00 | \$ 16,375.00 |
| 150 & 400 CORSAIR DR | \$ 10,850.00 | \$ 12,100.00 | \$ 13,450.00 |
| TOTALS | \$ 48,325.00 | \$ 54,000.00 | \$ 58,425.00 |

126, 132, 138, 144, 150

Michael Mercy

Gator lawn and landscape
po box 7911
Jupiter, fl, 33468
us

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0112

Estimate Date 02.05.2024

| Item Name | Quantity | Rate | Amount |
|--|----------|----------|------------|
| 150,400 corsair | 1 | 0.00 | 0.00 |
| Prep swales for new sod | 1 | 3500.00 | 3500.00 |
| Pallets of new sod delivered and installed | 7 | 650.00 | 4550.00 |
| Haul excess soil and old grass | 1 | 1750.00 | 1750.00 |
| Fix irrigation | 1 | 1050.00 | 1050.00 |
| | | Subtotal | 10850.00 |
| | | Total | \$10850.00 |

On Grade Excavating, LLC

15865 Alexander Run

Jupiter, FL 33478

(561) 315-0312

Connect@ongradeexcavating.com

gfl.com

Estimate 1635**ADDRESS**

Village Of North Palm

Beach

645 Prosperity Farms

Road N

North Palm Beach

FL

33408

DATE
02/08/2024**TOTAL**
\$12,100.00**DESCRIPTION****QTY****RATE****AMOUNT**

150, 200 Corsair St.

1

0.00

0.00

- Scrape, prep and grade swale.

12,100.00

12,100.00

- Haul away all debris.

- Supply and lay sod in area of swale disturbed.

- Fix irrigation.

* Accepted estimate with 50% deposit down to get scheduled.

0.00

0.00

* 50% due day of completion.

Thank you for your business.

TOTAL**\$12,100.00**

THANK YOU.

Accepted By

Accepted Date

Valentine vasquez

Wpb lawn and landscape
P.o. box 8771
West palm beach , Fl, 33407

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0002

Estimate Date 15 Feb 2024

| Item Name | Quantity | Rate | Amount |
|--------------------------|----------|---------|-------------------|
| 150,400 corsair | 0 | 0.00 | 0.00 |
| Prep swales for new sod | 1 | 3850.00 | 3850.00 |
| Pallets of new sod | 7 | 750.00 | 5250.00 |
| Haul all debris and soil | 1 | 3150.00 | 3150.00 |
| Irrigation repair | 1 | 1200.00 | 1200.00 |
| | Subtotal | | 13450.00 |
| | Total | | \$13450.00 |

Notes

Looking forward for your business.

Michael Mercy

Gator lawn and landscape
po box 7911
Jupiter, fl, 33468
us

ESTIMATE

Bill To

Village of north palm

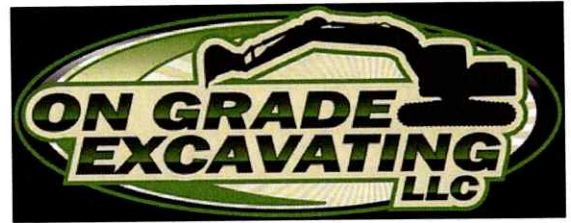
Estimate Number EST-0100

Estimate Date 01.17.2024

| Item Name | Quantity | Rate | Amount |
|---|----------|---------|------------------|
| 720 nighthawk dr | 1 | 0.00 | 0.00 |
| Remove sod and excess soil,haul debris, re grade swale,install new sod and irrigation repair | 1 | 5000.00 | 5000.00 |
| | Subtotal | | 5000.00 |
| | Total | | \$5000.00 |

On Grade Excavating, LLC
15865 Alexander Run
Jupiter, FL 33478
(561) 315-0312
Connect@ongradeexcavatingllc.com
gfl.com

Estimate 1610



ADDRESS

Village Of North Palm
Beach
645 Prosperity Farms
Road N
North Palm Beach
FL
33408

DATE
01/18/2024

TOTAL
\$5,500.00

| DESCRIPTION | QTY | RATE | AMOUNT |
|--|-----|----------|----------|
| 720 Nighthawk Dr. NPB, FL | 1 | 0.00 | 0.00 |
| - Skidsteer to scrape grass and fill off swale area and haul away. | | 5,500.00 | 5,500.00 |
| - Regrade swale and sod with floratan. | | | |

Thank you for your business.

TOTAL

\$5,500.00

THANK YOU.

Accepted By

Accepted Date

Valentine vasquez

Wpb lawn and landscape
P.o. box 8771
West palm beach , Fl, 33407

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0001

Estimate Date 08 Feb 2024

| Item Name | Quantity | Rate | Amount |
|---|----------|---------|------------------|
| 720 Nighthawk dr | 0 | 0.00 | 0.00 |
| Remove sod and excess soil,haul debris, re grade swale,install new sod and irrigation repair | 1 | 5800.00 | 5800.00 |
| Subtotal | | | 5800.00 |
| Total | | | \$5800.00 |

Notes

Looking forward for your business.

Michael Mercy

Gator lawn and landscape
po box 7911
Jupiter, fl, 33468
us

ESTIMATE

Bill To

Village of north palm

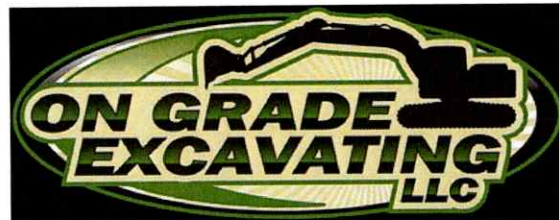
Estimate Number EST-0112

Estimate Date 02.05.2024

| Item Name | Quantity | Rate | Amount |
|--|----------|---------|------------|
| 126,132,138,144,150 South Anchorage | 1 | 0.00 | 0.00 |
| Prep swales for new sod | 1 | 4250.00 | 4250.00 |
| Pallets of new sod delivered and installed | 8.5 | 650.00 | 5525.00 |
| Haul excess soil and old grass | 1 | 2125.00 | 2125.00 |
| Fix irrigation | 1 | 1275.00 | 1275.00 |
| Subtotal | | | 13175.00 |
| Total | | | \$13175.00 |

On Grade Excavating, LLC
15865 Alexander Run
Jupiter, FL 33478
(561) 315-0312
Connect@ongradeexcavating.com
gfl.com

Estimate 1634



ADDRESS

Village Of North Palm
Beach
645 Prosperity Farms
Road N
North Palm Beach
FL
33408

DATE
02/08/2024

TOTAL
\$15,200.00

| DESCRIPTION | QTY | RATE | AMOUNT |
|---|-----|-----------|-----------|
| 126, 132, 138, 144, 150 South Anchorage | 1 | 0.00 | 0.00 |
| - Scrape, prep and grade swale. | | 15,200.00 | 15,200.00 |
| - Haul away all debris. | | | |
| - Supply and lay sod in area of swale disturbed. | | | |
| - Fix irrigation. | | | |
| * Accepted estimate with 50% deposit down to get scheduled. | | 0.00 | 0.00 |
| * 50% due day of completion. | | | |

Thank you for your business.

TOTAL \$15,200.00

THANK YOU.

Accepted By

Accepted Date

Valentine vasquez

Wpb lawn and landscape
P.O. box 8771
West palm beach , Fl, 33407

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0002

Estimate Date 15 Feb 2024

| Item Name | Quantity | Rate | Amount |
|-------------------------------------|----------|---------|-------------------|
| 126,132,138,144,150 South Anchorage | 0 | 0.00 | 0.00 |
| Prep swales for new sod | 1 | 4675.00 | 4675.00 |
| Pallets of new sod | 8.5 | 750.00 | 6375.00 |
| Haul all debris and soil | 1 | 3825.00 | 3825.00 |
| Irrigation repair | 1 | 1500.00 | 1500.00 |
| | Subtotal | | 16375.00 |
| | Total | | \$16375.00 |

Notes

Looking forward for your business.

Michael Mercy

Gator lawn and landscape
po box 7911
Jupiter, fl, 33468
us

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0100

Estimate Date 01.17.2024

| Item Name | Quantity | Rate | Amount |
|---|----------|---------|-----------|
| 724 nighthawk dr | 1 | 0.00 | 0.00 |
| Remove sod and excess soil,haul debris, re grade swale,install new sod and irrigation repair | 1 | 5000.00 | 5000.00 |
| Subtotal | | | 5000.00 |
| Total | | | \$5000.00 |

On Grade Excavating, LLC
15865 Alexander Run
Jupiter, FL 33478
(561) 315-0312
Connect@ongradeexcavating.com
gfl.com

Estimate 1611



ADDRESS

Village Of North Palm
Beach
645 Prosperity Farms
Road N
North Palm Beach
FL
33408

DATE
01/18/2024

TOTAL
\$5,500.00

| DESCRIPTION | QTY | RATE | AMOUNT |
|--|-----|----------|----------|
| 724 Nighthawk Dr. NPB, FL | 1 | 0.00 | 0.00 |
| - Skidsteer to scrape grass and fill off swale area and haul away. | | 5,500.00 | 5,500.00 |
| - Regrade swale and sod with floratan. | | | |

Thank you for your business.

TOTAL

\$5,500.00

THANK YOU.

Accepted By

Accepted Date

Valentine vasquez

Wpb lawn and landscape
P.o. box 8771
West palm beach , Fl, 33407

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0001

Estimate Date 08 Feb 2024

| Item Name | Quantity | Rate | Amount |
|---|----------|---------|------------------|
| 724 Nighthawk dr | 0 | 0.00 | 0.00 |
| Remove sod and excess soil,haul debris, re grade swale,install new sod and irrigation repair | 1 | 5800.00 | 5800.00 |
| | Subtotal | | 5800.00 |
| | Total | | \$5800.00 |

Notes

Looking forward for your business.

Michael Mercy

Gator lawn and landscape

po box 7911

Jupiter, fl, 33468

us

ESTIMATE**Bill To**

Village of north palm beach

Estimate Number EST-0126**Estimate Date** 02.22.2024

| Item Name | Quantity | Rate | Amount |
|------------------------------|----------|---------|------------------|
| 119 davit dr | 0 | 0.00 | 0.00 |
| Prep swales for new sod | 1 | 1250.00 | 1250.00 |
| Pallets of new sod | 2.5 | 650.00 | 1625.00 |
| Haul excess soil and old sod | 1 | 625.00 | 625.00 |
| Fix irrigation | 1 | 375.00 | 375.00 |
| | Subtotal | | 3875.00 |
| | Total | | \$3875.00 |

On Grade Excavating, LLC
15865 Alexander Run
Jupiter, FL 33478
(561) 315-0312
Connect@ongradeexcavating.com
gfl.com

Estimate 1661



ADDRESS

Village Of North Palm
Beach
645 Prosperity Farms
Road N
North Palm Beach
FL
33408

DATE
03/04/2024

TOTAL
\$4,300.00

| DESCRIPTION | QTY | RATE | AMOUNT |
|--|-----|----------|----------|
| 119 Davit Drive NPB, Florida | 1 | 0.00 | 0.00 |
| - Skidsteer to prep and grade swales and haul away excess material. | | 4,300.00 | 4,300.00 |
| - Supply and lay new Bahia sod in swales. | | | |
| - Fix any irrigation issues that arise. | | | |
| * Accepted estimate with 50% deposit down to get scheduled. | | 0.00 | 0.00 |
| * 50% due day of completion. | | | |

Thank you for your business.

TOTAL

\$4,300.00

THANK YOU.

Accepted By

Accepted Date

Valentine vasquez

Wpb lawn and landscape
P.o. box 8771
West palm beach , Fl, 33407

ESTIMATE

Bill To
Village of north palm

Estimate Number EST-0003
Estimate Date 08 Mar 2024

| Item Name | Quantity | Rate | Amount |
|-----------------------------|----------|---------|------------------|
| 119 davit dr | 0 | 0.00 | 0.00 |
| Prep swales | 1 | 1450.00 | 1450.00 |
| Pallets of sod | 2.5 | 800.00 | 2000.00 |
| Haul excess soil and debris | 1 | 775.00 | 775.00 |
| Fix irrigation | 1 | 475.00 | 475.00 |
| | Subtotal | | 4700.00 |
| | Total | | \$4700.00 |

Notes
Looking forward for your business.

Michael Mercy
Gator lawn and landscape
po box 7911
Jupiter, fl, 33468
us

ESTIMATE

Bill To
Village of north palm

Estimate Number EST-0112
Estimate Date 02.05.2024

| Item Name | Quantity | Rate | Amount |
|--|----------|---------|-----------|
| 127 & 121 South Anchorage | 1 | 0.00 | 0.00 |
| Prep swales for new sod | 1 | 1575.00 | 1575.00 |
| Pallets of new sod delivered and installed | 3.5 | 650.00 | 2275.00 |
| Haul excess soil and old grass | 1 | 1050.00 | 1050.00 |
| Fix irrigation | 1 | 525.00 | 525.00 |
| Subtotal | | | 5425.00 |
| Total | | | \$5425.00 |

On Grade Excavating, LLC
15865 Alexander Run
Jupiter, FL 33478
(561) 315-0312
Connect@ongradeexcavating.com
gfl.com

Estimate 1633



ADDRESS

Village Of North Palm
Beach
645 Prosperity Farms
Road N
North Palm Beach
FL
33408

DATE
02/08/2024

TOTAL
\$5,900.00

| DESCRIPTION | QTY | RATE | AMOUNT |
|---|-----|----------|----------|
| 127 & 121 South Anchorage | 1 | 0.00 | 0.00 |
| - Scrape, prep and grade swale. | | 5,900.00 | 5,900.00 |
| - Haul away all debris. | | | |
| - Supply and lay sod in area of swale disturbed. | | | |
| - Fix irrigation. | | | |
| * Accepted estimate with 50% deposit down to get scheduled. | | 0.00 | 0.00 |
| * 50% due day of completion. | | | |

Thank you for your business.

TOTAL

\$5,900.00

THANK YOU.

Accepted By

Accepted Date

Valentine vasquez

Wpb lawn and landscape
P.o. box 8771
West palm beach , Fl, 33407

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0002
Estimate Date 15 Feb 2024

| Item Name | Quantity | Rate | Amount |
|--------------------------|----------|---------|------------------|
| 127&121 South Anchorage | 0 | 0.00 | 0.00 |
| Prep swales for new sod | 1 | 1750.00 | 1750.00 |
| Pallets of new sod | 3.5 | 750.00 | 2625.00 |
| Haul all debris and soil | 1 | 1575.00 | 1575.00 |
| Irrigation repair | 1 | 550.00 | 550.00 |
| | Subtotal | | 6500.00 |
| | Total | | \$6500.00 |

Notes

Looking forward for your business.

Michael Mercy

Gator lawn and landscape
po box 7911
Jupiter, fl, 33468
us

ESTIMATE

Bill To

Village of north palm

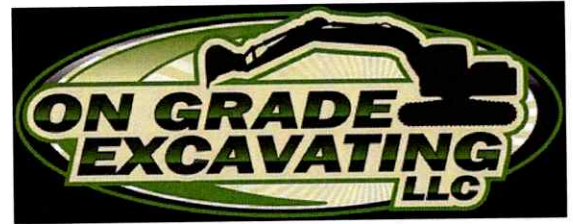
Estimate Number EST-0100

Estimate Date 01.17.2024

| Item Name | Quantity | Rate | Amount |
|---|----------|---------|-----------|
| 716 nighthawk dr | 1 | 0.00 | 0.00 |
| Remove sod and excess soil,haul debris, re grade swale,install new sod and irrigation repair | 1 | 5000.00 | 5000.00 |
| | Subtotal | | 5000.00 |
| | Total | | \$5000.00 |

On Grade Excavating, LLC
15865 Alexander Run
Jupiter, FL 33478
(561) 315-0312
Connect@ongradeexcavatin
gfl.com

Estimate 1609



ADDRESS

Village Of North Palm
Beach
645 Prosperity Farms
Road N
North Palm Beach
FL
33408

DATE
01/18/2024

TOTAL
\$5,500.00

| DESCRIPTION | QTY | RATE | AMOUNT |
|--|-----|----------|----------|
| 716 Nighthawk Dr. NPB, FL | 1 | 0.00 | 0.00 |
| - Skidsteer to scrape grass and fill off swale area and haul away. | | 5,500.00 | 5,500.00 |
| - Regrade swale and sod with floratan. | | | |

Thank you for your business.

TOTAL

\$5,500.00

THANK YOU.

Accepted By

Accepted Date

Valentine vasquez

Wpb lawn and landscape
P.o. box 8771
West palm beach , Fl, 33407

ESTIMATE

Bill To

Village of north palm

Estimate Number EST-0001

Estimate Date 08 Feb 2024

| Item Name | Quantity | Rate | Amount |
|---|----------|---------|------------------|
| 716 Nighthawk dr | 0 | 0.00 | 0.00 |
| Remove sod and excess soil,haul debris, re grade swale,install new sod and irrigation repair | 1 | 5800.00 | 5800.00 |
| | Subtotal | | 5800.00 |
| | Total | | \$5800.00 |

Notes

Looking forward for your business.

Terms & Conditions

Upon accepting this estimate, you hereby agree to the terms & conditions.

**VILLAGE OF NORTH PALM BEACH
BUSINESS ADVISORY BOARD
MEETING MINUTES
TUESDAY, JANUARY 16, 2024**

.....

1. CALL TO ORDER

Caryn Gardner-Young called the meeting to order at 5:30 p.m.

2. ROLL CALL

Present: Nina Belgar, Veronica Frehm, Marshall Gillespie (at 5:32), Nathan Kennedy,
Ronald Lantz, and David Talley

Absent: Adam Jones

Staff: Caryn Gardner-Young, Community Development Director

3. APPROVAL OF MINUTES

- **Motion** to approve minutes from December 19, 2023, made by Ronald Lantz. Second by Nina Belgar. **Motion passed** unanimously. (5-0)

4. PUBLIC COMMENTS

- None

5. NEW BUSINESS

Sign Code

- Ms. Gardner-Young provided a brief overview of proposed updates to the Sign Code and invited comments from the Board. She noted the item was scheduled to go before Planning and Zoning in February and discussed weighing the impacts on the community with the impacts on the success of local businesses.
- Dr. Kennedy asked about “space available” signs and whether they could be limited under temporary signage. Ms. Gardner-Young read the definition in the Code. Discussion ensued regarding real estate signage and enforcement of restrictions.
- Board members discussed limiting temporary signs, enforceability of restrictions, signage placed by a broker versus an owner, streamlining the Code, restrictions on marquees for tenants, the approval process, business friendliness, deviations from the Code, and aesthetics.
- Dr. Kennedy commented that a previous after-the-fact signage application had left a bad taste in people’s mouths and highlighted the subjectivity of the Code. Ms. Gardner-Young agreed the process was subjective, and shared ideas for addressing the concern.
- Ms. Belgar suggested consideration of a time limit on temporary signage. Discussion continued.
- **Motion** to recommend approval of the Sign Code with a suggestion that Planning and Zoning Board discuss a modification to prohibit or limit sale/lease/space available signage, made by Ronald Lantz. Second by Veronica Frehm. **Motion passed** unanimously. (6-0)

New Business Guide

- Ms. Gardner-Young shared sample business guides from other cities and counties and sought direction on the type of guide the Board would prefer.
- Ms. Frehm asked for clarification on the target market for the guide. She noted that a checklist would be useful for new businesses coming to the Village.
- Mr. Lantz asked that the item be tabled to allow the Board additional time to review the examples provided.
- Mr. Talley asserted they should keep it simple and stated he liked the checklist.
- Ms. Belgar commented on the benefit of having a document that highlights the questions new business owners don't know to ask.
- Discussion continued as to the intent of the business guide and how it would be utilized. Consensus was to utilize the checklist as a first step.
- **Motion** to recommend creation of a checklist for new businesses, made by Veronica Frehm. Second by Ronald Lantz. **Motion passed** unanimously. (6-0)

6. OLD BUSINESS

Sign Code

- Ms. Gardner-Young shared details of the Community Development meet and greet scheduled for January 23 at 8 a.m. at the Country Club.

Business Survey Results

- Ms. Gardner-Young provided a summary of the results of the survey. She reviewed comments received and noted more than 70 percent of respondents were satisfied. She advised that the results would also be shared with Council.

7. MEMBER COMMENTS

- None.

8. STAFF COMMENTS

- Ms. Gardner-Young stated she would provide the Board with a framework for the new business checklist and noted the business of the quarter program would be publicized shortly.

9. ADJOURNMENT

- **Motion** to adjourn by Ronald Lantz. Motion passed unanimously. (6-0)
- Meeting adjourned at 6:18 p.m. The next regular meeting of the Board is scheduled for February 20, 2024.

Village of North Palm Beach

Audit Committee Meeting

Minutes

January 31, 2024

Attending

Marie Silvani, Vice Chair, Dave Talley, Don Kazimir, Allen Kramer, Samia Janjua, Deborah Searcy and Terry Morton

Minutes from the November 7, 2023, meeting were approved.

There were no public comments.

Marie Silvani reviewed the 12/31/2023 quarter ending PFM Report.

Terry Morton, auditor, explained the audit drafting process that will begin during February and end March 7th. The draft will be available to review on March 8th.

Our next meeting to review the draft will be March 12th at 5:30 p.m.

Old Business: None

No member comments.

No Staff comments.

The meeting was adjourned at 6:00 p.m.

Respectfully Submitted,

Marie Silvani, Vice Chair

VILLAGE OF NORTH PALM BEACH
GOLF ADVISORY BOARD
Minutes of February 13, 2024

I. CALL TO ORDER

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

II. ROLL CALL

| A. <u>Board:</u> | Present | Absent |
|---------------------------------------|---------|--------|
| Stephen Mathison – Chairman | X | |
| Rich Pizzolato – Vice Chairman | X | |
| Curtis Witters – Secretary | X | |
| Landon Wells – Member | | X |
| Orlando Puyol – Member | X | |
| Sandra Felis – Member | X | |
| Karen O’Connell – Member | X | |
| B. <u>Staff Members:</u> | | |
| Allan Bowman, Director of Golf | X | |
| Beth Davis, General Manager | X | |
| Lenore Dingle, Membership Coordinator | | |
| C. <u>Council Members:</u> | | |
| Susan Bickel | | |
| Deborah Searcy | | |
| Karen Marcus | | |
| D. <u>Public Present:</u> | | |
| David Norris | | |

III. APPROVAL OF MEETING MINUTES

Minutes of the January 8, 2024 GAB Meeting were approved 6-0.

IV. ADMINISTRATIVE REPORTS

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

The current condition of our course is of course impacted by our weather this winter which is the result of El Nino. Allan has played at other courses in the past week, and they too have less than ideal conditions.

The pine straw that is being installed in sandy area is giving the course a more finished appearance. Another shipment is arriving and will allow us to finish more areas of the course. The only complaint has been the occasional lost ball, but this will be less of a problem as the pine straw settles.

The pace of play seems be good and is improving.

It was suggested that signed directing players from the 1st green to the second tee and the 3rd green to the 4th tee would be useful to visitors who do no know the course.

Allan was asked whether extra players are being squeezed at the 1st tee. He explained that on occasion that is done as a courtesy when visitors arrive late due to traffic or other issues. These visitors have paid in advance for their golf and we need to do our best to accommodate them for public relations.

Allan reviewed the financial reports of the club. Comparing this January to last, golf fees are down \$53,000, range revenue is up \$300, merchandise sales are down \$5,200, and golf rounds are down by 620.

Allan asked whether 2023 was a typical year for the club, or were the numbers out of the ordinary? Was our budgeting for 2024 too aggressive?

Comparing the first four months of the fiscal year (October through January) golf fees are down by \$80,000, range revenue is up \$20,000, merchandise sales are down by \$11,000, and rounds are down by 1,600.

We are still having a problem with private carts on the course after hours. We will install a fence on the back side of the empty lot by the 8th hole. The fence will be on golf course property on the back side of the lot.

Brightview has been selected by the committee considering maintenance contract proposals. The company will be submitting an amended proposal to add additional work treat the golf course grass and grounds out to the boundaries of the property.

Under the new contract, certain items will be purchased by the Village to save the 7% sales tax that Brightview must pay. Those items will include fuel, sand and topsoil.

We continue to move forward with the environmental center. An architect will be required for the project and we have issued an RFP for the work. The selection committee will meet later this month to consider proposals.

The pond banks on holes 8, 13, and 14 will be repaired at a cost of \$180,000. These funds will come out of the \$750,000 which has been allocated for the environmental center.

Our current golf cart lease is up in January 2025. We are seeking proposals from EZ Go, Club Car, and Yamaha. We are considering extending the current lease for nine additional months, through September, so that it coincides with our fiscal year.

The membership waiting list which now numbers 265 will be published by the club.

We continue to plan to market our last five holes to compare with the “Bear Trap” at the Champion Course at PGA National. The working name is “Jack’s Trap”. Our last five holes have the same pars as those in the Bear Trap, 4-3-4-3-5.

We are exploring whether we can equip our golf carts to be able to order food at the turn, for both marketing and pace of play.

Allan told the Board that he continues to monitor the group play at the club for possible improvements.

Beth Davis spoke about the financial audit for the last fiscal year. Although the auditor is not finished, it appears that we will have a surplus of revenue which will be utilized to offset debt, and to reinvest in the golf course.

IV. DISCUSSION TOPICS

V. ADJOURNMENT

The meeting was adjourned at 7:00 p.m.

The next meeting will be March 11, 2024.

Minutes by Curtis L. Witters, Secretary.

**Village of North Palm Beach
Recreation Advisory Board Meeting
MINUTES
February 13, 2024 at 7:00 pm
Anchorage Park**

- 1) Call to Order:** Chair Budnyk at 7:00 p.m.
- 2) Roll Call:** Stephen Heiman, Rita Budnyk, Jennifer Dumas, and Christi Chane. Director Zak Sherman present. Resident Belinda Morrell present. Resident William Luzuriagga present. Absent: Mia St John and Ashley Knieriemen. No Council member present.
- 2) Approval of Minutes:** Motion to approve by Stephen Heiman, Jennifer Dumas second. Approved unanimously 4-0.
- 3) Public Comments:** William Luzuriagga– running for Village Council. Concerned that many of the children are going to Jupiter and Gardens for youth sports. Said that parents are willing to help. Said businesses would be willing to sponsor teams. Rita and Zak explained how we have been working on increasing participation. Zak mentioned the advantages of some outside organizations like Perseverance. South Florida Thunder is renting and organizing T-ball. Atlantic volleyball club may collaborate with the Village in the summer for kids' volleyball. William asks what the vision is 5 years from now with sports. Zak says he hopes the baseball program will grow and that Staff will find more partners that will help draw in kids.
- 4) Director's Report:** The report began with an update on the Anchorage boat ramp. The Director informed the board that the geotechnical report for the boat ramp had been received, and draft plans from Sea Diversified were under review. A unique condition in the dewatering process, as mentioned in the permits, was being investigated for its implications and potential need for additional permits.

Regarding the dry storage area, the Director noted ongoing collaboration with Florida Power & Light (FPL) for finalizing plans. Recent route changes in undergrounding utilities had been considered to preserve parking space and avoid additional costs.

Environmental initiatives were highlighted, including the installation of no balloon signs and the designation of the Village as a Tree City for 18 years. New signage was planned for various locations, including the marina, to better manage parking and use of facilities. Staff were also seeking a proposal for beach stabilization at the north end of Lakeside Park.

The Director mentioned the removal of an additional tree by the Anchorage activities building, approved by the environmental committee, to make way for new plantings of gumbo-limbos, red fire spikes, and mahoganies. The tree had not been doing well and was slowly dying. The master planning process was progressing, with staff awaiting topographical surveys from Wallace. This information would be pivotal in finalizing the action plan for the master planning process.

In terms of sports and recreation, the Director highlighted partnerships with external organizations for T-ball and the introduction of a volleyball program for adults.

Director also discussed upcoming programs such as Beats & Eats and the Movie in the Park.

5) New Business:

- Discussion of the 2024 Recreational Trails Program (RTP) grant application in the amount of \$216,000 for the improvements to Anchorage Park.

Discussed trails grant application for Anchorage Park, exploring options for trail materials and considering the incorporation of fitness equipment. Rita Budnyk – motion to support and pursue the grant, Christi Chane seconds.

- Heritage Day Parade entries

Discussed the upcoming Heritage Day parade and the involvement of local businesses and organizations. Rita Budnyk spoke about the businesses and organizations she reached out to.

6) Old Business:

- Number of RVs on waitlist (Question asked by Board Member)

21 RVs on the waitlist.

- Review of Dry Storage Delinquencies

Discussed the issue of dry storage delinquencies. A strategy was developed to tackle non-compliance, involving notification and the possibility of towing. It was noted that eight individuals have failed to renew their leases, accumulating arrears totaling \$800. Furthermore, it was highlighted that one out of these eight boats is currently non-operational. The owner of this non-operational boat will be provided with a 10-day period to address several requirements: they must demonstrate the boat's operational status, settle the outstanding arrears, and sign a new lease. As for the owners of the other boats, they will be given a 30-day window to comply with the necessary requirements.

7) Member Comments: Beats and Eats time – 5pm

8) Staff Comments: Zak – Pickleball – Community Center is the best bet for courts. Six courts from scratch is about \$120,000-\$150,000. Zak – Talked about a past summer camp partnership with Lake Park – their residents received our resident rate, and then the town reimbursed the Village for the difference. Recently, a resident suggested that we do the same thing for Palm Beach Gardens' pickleball at Lilac Park.

9) Adjournment: Motion to adjourn, Stephen Heiman. Second by Rita 7:56pm.

**VILLAGE OF NORTH PALM BEACH
FINANCE DEPARTMENT**

TO: Honorable Mayor and Council
THRU: Charles Huff, Village Manager
FROM: Samia Janjua, Deputy Village Manager
DATE: March 28, 2024
SUBJECT: **RESOLUTION – Acceptance of Fiscal Year 2023 Audit Report**

The September 30, 2023 year-end annual comprehensive financial report will be distributed by our auditors at this coming week's Council meeting. This report is published to provide the Village Council, Village staff, our citizens, our lenders, and other interested parties with detailed information concerning the financial condition and activities of the Village government. This annual financial report reflects continuing improvement in our Village's financial operations and overall financial condition.

On March 12th, the Independent Auditors from Nowlen, Holt & Miner P.A. presented the FY2023 "Annual Comprehensive Financial Report" to the Village's Audit Committee.

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

Recommendation:

Village Staff requests Council consideration and approval of the attached Resolution authorizing the Mayor and Village Clerk to accept the annual comprehensive financial report prepared by the Auditor for the fiscal year ending September 30, 2023 and to file the report with the state as required by law.

RESOLUTION 2024-_____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, ACCEPTING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT PREPARED BY THE VILLAGE AUDITOR FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023 AND AUTHORIZING ITS FILING WITH THE STATE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, as required by Chapter 218, Florida Statutes, the Village Council selected the firm of Nowlen, Holt & Miner, P.A. (“Auditor”) to prepare an Annual Comprehensive Financial Report, including an audit report, for the fiscal year ending September 30, 2023; and

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

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

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

Section 2. The Village Council hereby authorizes the Mayor and Village Clerk to accept the Annual Comprehensive Financial Report prepared by the Auditor for the fiscal year ending September 30, 2023 and to file said report with the state as required by law.

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

PASSED AND ADOPTED THIS _____ DAY OF _____, 2024.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

Audit Presentation to North Palm Beach Village Council

March 28, 2024



Nowlen, Holt & Miner, P.A.

Terry L. Morton, Jr., CPA

Reports Issued

- **Independent Auditor's Report on the Financial Statements** – Our report expressed an Unmodified Opinion on the financial statements.
 - This is a new format that started last year. The report does a much better job of explaining what an audit is, Management's responsibilities, the Auditor's responsibilities, and how the Audit Opinion relates to the various sections of the report.
- **Independent Auditor's Report on Internal Control and on Compliance and Other Matters** – No material weaknesses reported and no instances of noncompliance or other matters that are required to be reported.
- **Independent Auditor's Management Letter Required by Chapter 10.550, Rules of the Auditor General:** There were no items reported in the current year.
- **Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes** – Section 218.415, Florida Statutes governs the Village's Investment Policies. Our report expressed an Unmodified Opinion on the Village's compliance with the requirements.

Awards



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of North Palm Beach for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. This was the 35th consecutive year that the Village has achieved this prestigious award.

The Introductory section orients and guides the reader through the report. The Financial section includes the independent auditors' report, Management's Discussion and Analysis and presents the entity's basic financial statements as well as notes to the statements. Management's Discussion and Analysis offers a narrative, overview, and analysis of the fundamental financial statements whereas the notes to the statements provide more detailed information about the financial statement amounts and the Villages accounting policies. The Statistical section provides additional financial and statistical data, including data about financial trends that may better inform the reader about the government's activities. The Other Reports sections provides reports required by Government Auditing Standards or Florida Statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of North Palm Beach, Florida are described in Note 1 to the financial statements. The application of existing policies was not changed during the year. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

New Accounting Standards Implemented in the Current Year

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).

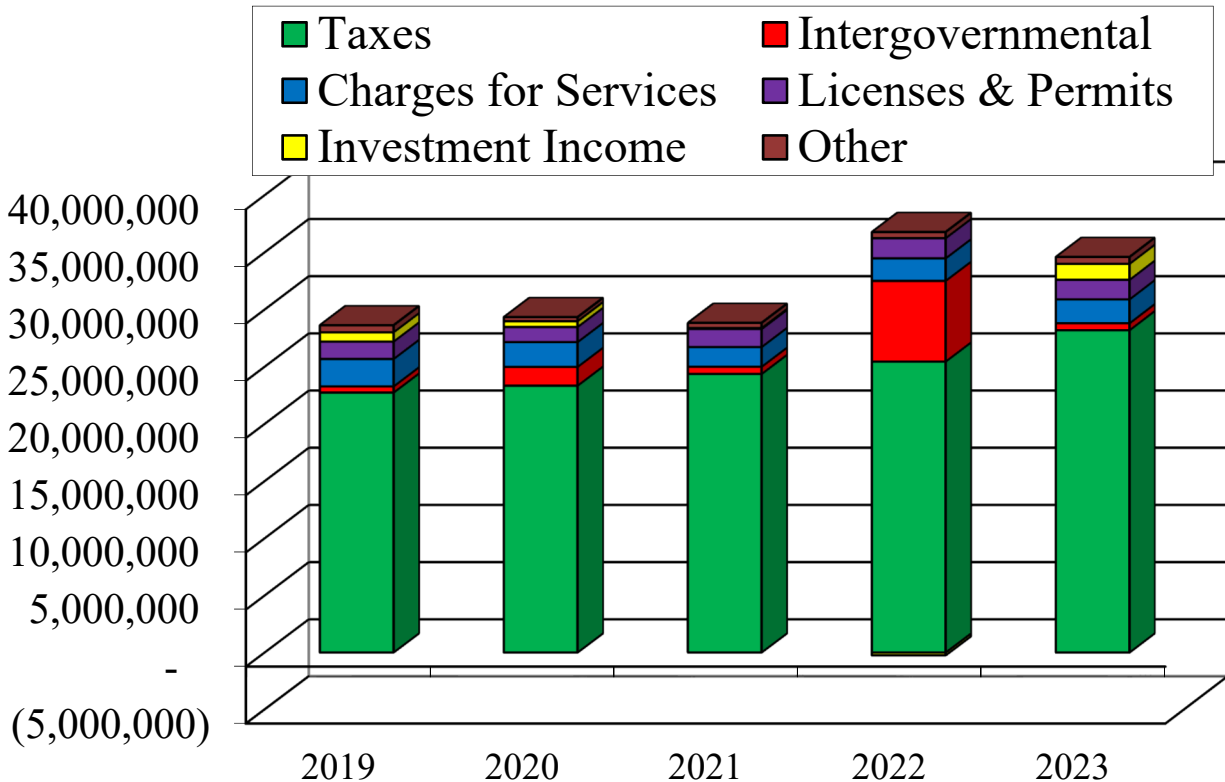
This statement recognizes assets and liabilities for subscription-based information technology arrangements, such as the accounting software package. There were not any contracts in the current year that met the requirements of the standard.

New Accounting Standards and Other Items Affecting Next Year's Audit

No significant impacts are expected next year.

Governmental Revenues

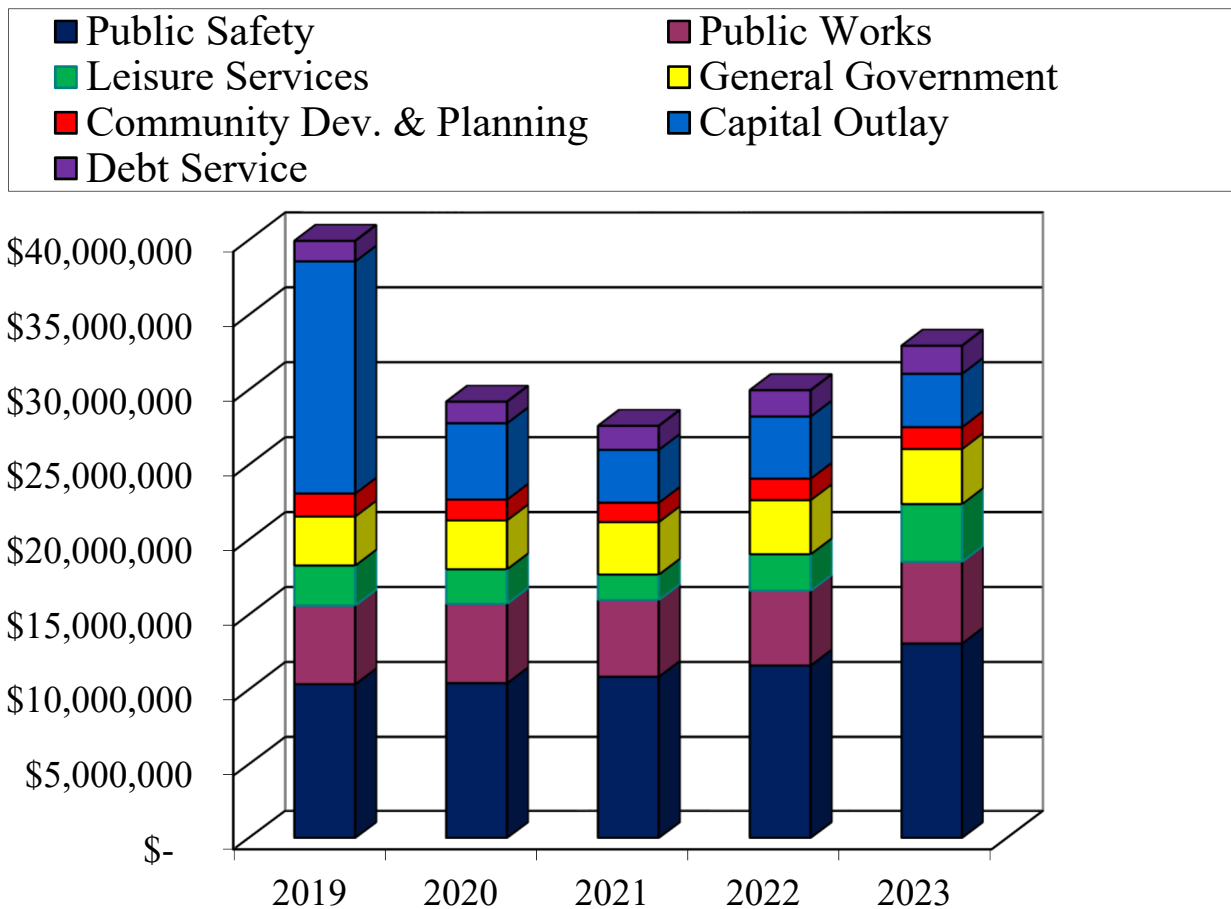
| | 2022 | 2023 | Increase (Decrease) |
|---------------------------|---------------|---------------|------------------------|
| Ad Valorem Taxes | \$ 17,833,603 | \$ 20,000,861 | \$ 2,167,258 |
| Other Local Taxes | 3,394,585 | 3,535,954 | 141,369 |
| Franchise & Utility Taxes | 4,219,290 | 4,655,514 | 436,224 |
| Intergovernmental | 7,058,295 | 608,983 | (6,449,312) |
| Charges for Services | 1,968,268 | 2,090,941 | 122,673 |
| Licenses & Permits | 1,764,430 | 1,707,690 | (56,740) |
| Investment Income | (248,726) | 1,394,071 | 1,642,797 |
| Other | 533,956 | 598,846 | 64,890 |
| Total | \$ 36,523,701 | \$ 34,592,860 | \$ (1,930,841) |



Total revenues decreased 5.3% over 2022. The largest decrease was in intergovernmental, which was caused by the \$6,574,709 American Rescue Plan Act funding in 2022. Ad Valorem Taxes increased by \$2,167,258 due to increases in the property values.

Governmental Expenditures

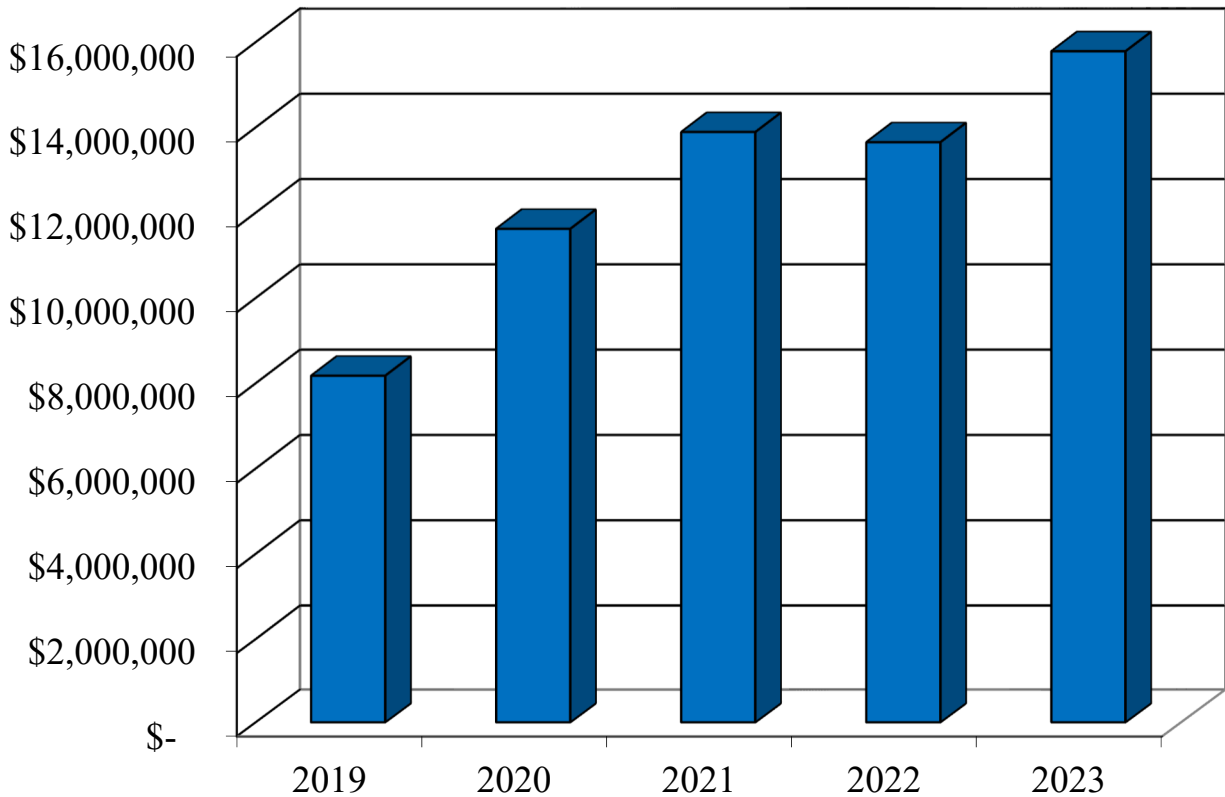
| | 2022 | 2023 | Increase (Decrease) |
|-------------------------------------|----------------------|----------------------|------------------------|
| Public Safety | \$ 11,602,110 | \$ 13,065,414 | \$ 1,463,304 |
| Public Works | 4,988,651 | 5,453,097 | 464,446 |
| Leisure Services | 2,431,335 | 3,852,206 | 1,420,871 |
| General Government | 3,612,174 | 3,674,104 | 61,930 |
| Community Development & Planning | 1,437,597 | 1,462,865 | 25,268 |
| Capital Outlay | 4,145,090 | 3,555,836 | (589,254) |
| Debt Service | 1,755,047 | 1,875,565 | 120,518 |
| Total | <u>\$ 29,972,004</u> | <u>\$ 32,939,087</u> | <u>\$ 2,967,083</u> |



Total expenditures increased by 9.9% from 2022. The largest increases were in Public Safety and Leisure Services. Public Safety was due to increased payroll costs and Leisure Services was due to increased usage of programs and increased repair and maintenance costs.

General Fund Unreserved Fund Balance

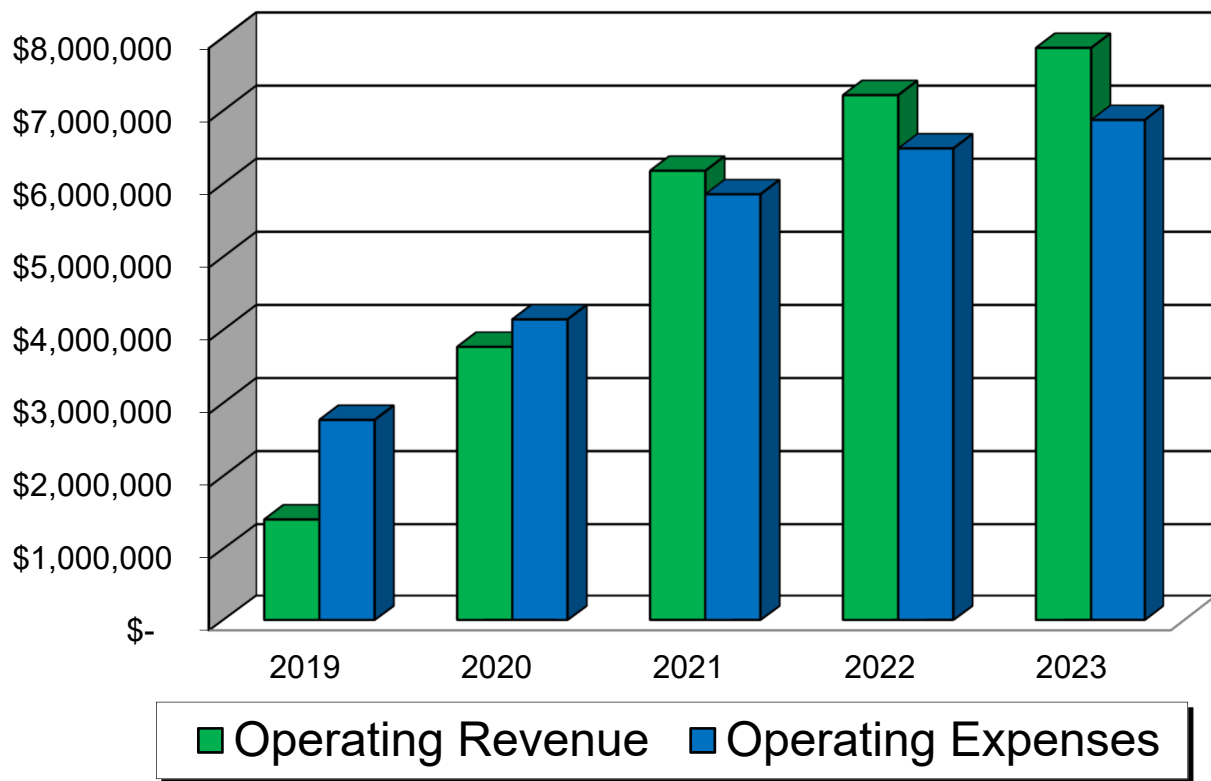
The following graph presents the general fund unreserved fund balance (available, spendable resources) for the past five years.



General fund unassigned fund balance at September 30, 2023 was \$15,786,046. This represents approximately 54% of non-capital expenditures for fiscal year 2023.

Country Club Operations

| | 2022 | 2023 | Increase (Decrease) |
|-------------------------|--------------|--------------|--------------------------------|
| Operating Revenue | \$ 7,212,219 | \$ 7,858,483 | 646,264 |
| Operating Expenses | 6,482,728 | 6,871,979 | 389,251 |
| Operating income (loss) | 729,491 | 986,504 | 257,013 |
| Nonoperating (expenses) | (68,722) | 8,058 | 76,780 |
| Capital contributions | 72,607 | 800,000 | 727,393 |
| Income (loss) | \$ 733,376 | \$ 1,794,562 | \$ 1,061,186 |



Operating revenues include transfers from the General Fund primarily to help cover the costs of the pool and tennis operations. The \$800,000 capital contributions in 2023 was from the Special Projects Fund for new Tennis Court lights and fencing.



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

TABLE OF CONTENTS

INTRODUCTORY SECTION

| | |
|---|------|
| Letter of Transmittal | i |
| Principal Village Officials | vii |
| Organizational Structure | viii |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | ix |

FINANCIAL SECTION

| | |
|--|---|
| Independent Auditor's Report | 1 |
| Management's Discussion and Analysis | 5 |

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

| | |
|---------------------------------|----|
| Statement of Net Position | 15 |
| Statement of Activities | 16 |

Fund Financial Statements:

| | |
|---|----|
| Balance Sheet - Governmental Funds | 18 |
| Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 20 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities | 21 |
| Statement of Net Position - Proprietary Fund | 22 |
| Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund | 23 |
| Statement of Cash Flows - Proprietary Fund | 24 |
| Statement of Fiduciary Net Position - Fiduciary Funds | 25 |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds | 26 |
| Notes to the Basic Financial Statements | 27 |

REQUIRED SUPPLEMENTARY INFORMATION:

| | |
|---|----|
| Schedule of Changes in Total OPEB liability | 84 |
| Schedule of Changes in Net Pension Liability – General Employees Retirement Fund..... | 85 |
| Schedule of Changes in Net Pension Liability – Fire and Police Retirement Fund..... | 87 |
| Schedules Contributions and Investment Returns – Retirement Funds | 89 |
| Notes to the Schedule of Contributions | 90 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund | 91 |
| Notes to the Budgetary Required Supplementary Information | 92 |

THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

TABLE OF CONTENTS

(Continued)

OTHER SUPPLEMENTARY INFORMATION:

| | |
|--|-----|
| Schedule of Departmental Expenditures– Budget and Actual – General Fund | 93 |
| Combining Balance Sheet – Nonmajor Governmental Funds | 96 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds | 97 |
| Combining Statement of Net Position – Pension Trust Funds | 98 |
| Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds | 99 |
| Schedule of Revenues and Departmental Expenses – Budget and Actual – Country Club Fund – Budgetary Basis..... | 100 |

STATISTICAL SECTION

| | |
|---|-----|
| Net Position by Component | 102 |
| Changes in Net Position | 103 |
| Fund Balances, Governmental Funds | 105 |
| Changes in Fund Balances, Governmental Funds | 106 |
| Net Assessed Value and Estimated Actual Value of Taxable Property | 108 |
| Property Tax Rates - Direct and Overlapping Governments..... | 109 |
| Principal Property Taxpayers | 110 |
| Property Tax Levies and Collections | 111 |
| Ratios of Outstanding Debt by Type..... | 112 |
| Direct and Overlapping Governmental Activities Debt | 113 |
| Pledged-Revenue Coverage | 114 |
| Demographic and Economic Statistics..... | 115 |
| Principal Employers | 116 |
| Full-Time Equivalent Village Government Employees by Function..... | 117 |
| Operating Indicators by Function/Program | 118 |
| Capital Asset Statistics by Function/Program | 119 |

OTHER REPORTS

| | |
|--|-----|
| 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 | 120 |
| Management Letter in Accordance with the Rules of the Auditor General of the State of Florida | 122 |
| Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes..... | 125 |

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. Morill

Executive Director/CEO

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPCA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

INDEPENDENT AUDITOR'S REPORT

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
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 & Mimer, 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) | Statement 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 | 68,160 | 67,229 | 9,039 | 7,414 | 77,199 | 74,643 |
| Deferred outflows of resources: | 9,910 | 2,312 | 2 | 2 | 9,912 | 2,314 |
| 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 | 27,901 | 17,370 | 1,999 | 2,394 | 29,900 | 19,764 |
| Deferred inflows of resources: | 6,643 | 11,262 | 193 | 294 | 6,836 | 11,556 |
| 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 | \$ 43,526 | \$ 40,909 | \$ 6,849 | \$ 4,728 | \$ 50,375 | \$ 45,637 |

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 | 40,909 | 30,407 | 4,728 | 3,275 | 45,637 | 33,682 |
| 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 | 68,160,101 | 9,039,017 | 77,199,118 |
| 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 | 9,910,612 | 1,787 | 9,912,399 |
| 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 | 27,901,365 | 1,998,924 | 29,900,289 |
| 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 | 6,642,774 | 193,102 | 6,835,876 |
| 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 | \$ 43,526,574 | \$ 6,848,778 | \$ 50,375,352 |

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 | 31,758,420 | 4,076,662 |
| Business-type activities - country club | 6,936,277 | 7,375,933 |
| Business-type activities - stormwater | 182,297 | 484,614 |
| Total business-type activities | 7,118,574 | 7,860,547 |
| Total government | \$ 38,876,994 | \$ 11,937,209 |

| 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) |
| 600,847 | 1,152,105 | (25,928,806) | | (25,928,806) |
| | | | 439,656 | 439,656 |
| | | | 302,317 | 302,317 |
| | | | 741,973 | 741,973 |
| \$ 600,847 | \$ 1,152,105 | (25,928,806) | 741,973 | (25,186,833) |
| 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 | | (1,282,550) | 1,282,550 | |
| Total general revenues and transfers | | 28,546,014 | 1,379,012 | 29,925,026 |
| Change in net position | | 2,617,208 | 2,120,985 | 4,738,193 |
| Net position, beginning of year | | 40,909,366 | 4,727,793 | 45,637,159 |
| Net position, end of year | | \$ 43,526,574 | \$ 6,848,778 | \$ 50,375,352 |

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 |
|--|---------------|

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 | (20,331,175) | |
| | | 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 | 1,174,035 |
|--|-----------|

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 | (1,607,048) | |
| | | (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 | (2,422,922) | |
| | | 6,224,077 |

| | |
|---|---------------|
| Net position of governmental activities | \$ 43,526,574 |
|---|---------------|

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

| | General | Infrastructure Surtax Fund | Special Projects Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|---|--------------------------------------|--|---|
| 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 |
|----------------------------|-----------|

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 |
|--|-----------|

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 |
|------------------------|--------------|

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 | <u>51,587,686</u> | <u>339,291</u> |
| Liabilities | | |
| Accounts payable | <u>42,368</u> | |
| Total liabilities | <u>42,368</u> | |
| Net position | | |
| Restricted for pensions | 51,545,318 | |
| Restricted for individuals, organizations, and other governments | | 339,291 |
| | <u>\$ 51,545,318</u> | <u>\$ 339,291</u> |

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 |
|--|---------------------------------|--------------------------|
| 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> | |
| Investment earnings | | |
| Dividends and interest | 1,110,685 | 12,748 |
| Change in fair value of investments | <u>4,469,207</u> | |
| Total investment earnings | 5,579,892 | 12,748 |
| Less: investment expenses | <u>238,845</u> | |
| Total net investment earnings | <u>5,341,047</u> | 12,748 |
| Total additions | <u>7,510,796</u> | 12,748 |
| Deductions | | |
| Administrative expense | 165,056 | |
| Refund of contributions | 7,513 | |
| Lump sum DROP distributions | 187,531 | |
| Benefits | <u>1,948,395</u> | |
| Total deductions | <u>2,308,495</u> | |
| Change in net position | 5,202,301 | 12,748 |
| Net position - beginning | <u>46,343,017</u> | 326,543 |
| Net position - ending | <u><u>\$ 51,545,318</u></u> | <u><u>\$ 339,291</u></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 d 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 |
| <u>Governmental Funds</u> | | | | |
| 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 |
| <u>Fiduciary Funds</u> | | | | |
| 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 | | | | |
| <u>Governmental Funds</u> | | | | |
| FL Palm- Term | N/A | 2,000,000 | | |
| <u>Fiduciary Funds</u> | | | | |
| American Core Realty Fund | N/A | 3,285,078 | | |
| Investments Reported at Amortized Cost: | | | | |
| <u>Governmental Funds</u> | | | | |
| Money Market Mutual Funds | N/A | 54,406 | | |
| Florida Prime | 35 Days | 6,906,134 | | |
| FL Palm | 43 Days | 8,003,808 | | |
| <u>Fiduciary Funds</u> | | | | |
| 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 |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| <u>Governmental Funds</u> | | | |
| 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 |
| <u>Fiduciary Funds</u> | | | |
| 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 AAAs 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 Depositary 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:

| | General Fund | Country Club | Nonmajor Enterprise Fund |
|--------------------------------|--------------------|------------------|--------------------------------|
| Utility franchise fees & taxes | \$ 427,810 | \$ | \$ |
| Insurance claim receivable | 874,035 | | |
| Other accounts receivable | 12,537 | 85,359 | 2,501 |
| 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: | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|---------------------|-----------------------|----------------------|
| 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 | 6,668,494 | 1,801,345 | (873,408) | 7,596,431 |
| 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 | (3,623,106) | (848,982) | 793,554 | (3,678,534) |
| 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> |
|--|-----------------------------------|

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------------|----------------------------|----------------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,051,311 | \$ | \$ | \$ 1,051,311 |
| Construction in progress | 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 | \$ 195,112 | \$ 4,074 | \$ 199,186 |

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:

| <u>Years of Credited Service</u> | <u>Vested %</u> |
|--------------------------------------|-----------------|
| 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 | <u>40</u> |
| Total | <u>100%</u> |

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 | <u>10</u> |
| Total | <u>100%</u> |

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:

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

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 5.25% | Current Discount Rate 6.25% | 1% Increase 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 6.45% | Current Discount Rate 7.45% | 1% Increase 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.

| | <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 7/1/20 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> | <u>Target Allocation</u> | | <u>Long-Term Expected Real Rate of Return</u> | |
|----------------------|--------------------------|------------------------|---|------------------------|
| | <u>General Employees</u> | <u>Fire and Police</u> | <u>General Employees</u> | <u>Fire and Police</u> |
| 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:

| Description | Total Pension Liability (a) | Fiduciary Net Position (b) | Net Pension Liability(asset) (a)-(b) |
|--|--------------------------------------|-------------------------------------|---|
| 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 | 404,489 | (4,273,569) | 4,678,058 |
| Balances at September 30, 2022 | \$ 19,191,970 | \$ 16,267,288 | \$ 2,924,682 |

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 5.25% | Current Discount Rate 6.25% | 1% Increase 7.25% |
|---------------------------------|----------------------|--------------------------------------|----------------------|
| Village's net pension liability | <u>\$ 5,317,868</u> | <u>\$ 2,924,682</u> | <u>\$ 931,847</u> |

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 | <u>178,999</u> | |
| Total | <u>\$ 2,822,178</u> | <u>\$ 14,494</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)

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><u>\$ 2,628,685</u></u> |

Fire and Police Retirement System

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

| | 1% Decrease 6.45% | Current Discount Rate 7.45% | 1% Increase 8.45% |
|---------------------------------|----------------------|--------------------------------------|----------------------|
| Village's net pension liability | <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><u>\$ 7,051,384</u></u> | <u><u>\$ 2,408,428</u></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><u>\$ 3,259,917</u></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 |
|--|---|
| <hr/> | |
| 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 | <hr/> 17,574,340 <hr/> |
| Liabilities | |
| Accounts payable | <hr/> 21,824 <hr/> |
| Total liabilities | <hr/> 21,824 <hr/> |
| Net position | |
| Held in trust for pension benefits and other purposes | <hr/> <hr/> \$ 17,552,516 <hr/> |

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 | <u>251,070</u> |
| Investment earnings | |
| Dividends and interest | 396,831 |
| Change in the fair value of investments | 1,748,528 |
| Less investment expense | <u>94,145</u> |
| Total investment earnings | <u>2,051,214</u> |
| Total additions | <u>2,302,284</u> |
| Deductions | |
| Administration | 61,276 |
| Refund of member contributions | |
| Benefits | <u>955,780</u> |
| Total deductions | <u>1,017,056</u> |
| Change in net position | 1,285,228 |
| Net position - beginning | <u>16,267,288</u> |
| Net position - ending | <u><u>\$ 17,552,516</u></u> |

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 Manager, 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 (than 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 | \$ 38,837 | \$ 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) |
| | <u>\$ (1,267,560)</u> |

NOTE 15 – JOINTLY GOVERNED ORGANIZATION

The Village, through an interlocal agreement with certain other municipalities and Palm Beach County, created the Seacoast Utility Authority (“Seacoast”) which provides water and sewer service to the citizens of each of the participating municipalities and a portion of Palm Beach County. Seacoast’s governing board consists of one member from each participating entity. Seacoast is an Independent Authority organized under the laws of the State of Florida, and the Village has no participating equity ownership in Seacoast. The Village paid \$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

THIS PAGE INTENTIONALLY LEFT BLANK



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 | <u>(134,593)</u> | <u>(56,645)</u> | <u>(59,477)</u> | <u>(28,872)</u> | <u>(37,440)</u> |
| 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 | <u>(30,976)</u> | | | | |
| 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> |
| 93.80% | 97.56% | 109.33% | 84.76% | 88.70% |
| <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> |
| 61.18% | 27.92% | -119.06% | 222.23% | 158.84% |

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> |
| 85.90% | 86.22% | 101.10% | 79.09% | 81.40% |
| <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> |
| 79.57% | 88.13% | -7.25% | 141.29% | 122.42% |

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

| <u>Fiscal Year Ending September 30</u> | <u>Actuarially Determined Contribution</u> | <u>Actual Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Actual Contribution as a Percentage of Covered Payroll</u> |
|---|--|--------------------------------|---|----------------------------|---|
| <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

| <u>Fiscal Year Ending September 30</u> | <u>Annual money weighted rate of return net of investment expense</u> | |
|--|---|--------------------------------------|
| | <u>General Employees</u> | <u>Fire and Police Employees</u> |
| 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.

| | General Employees Retirement Fund | Police and Fire Retirement Fund |
|-------------------------------|---|--|
| 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

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------|-------------------------|-------------------|----------------------|----------------------|
| | Original | Final | Amounts | 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

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> | <u>Percent Variance</u> |
|------------------------------|----------------------------|-------------------------|---------------|---|-----------------------------|
| 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 | 157,691 | 163,041 | 153,883 | 9,158 | 5.62 |
| 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 | 672,927 | 710,425 | 552,112 | 158,313 | 22.28 |
| 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 | 759,127 | 759,127 | 800,440 | (41,313) | -5.44 |
| Village Attorney | | | | | |
| Operating expenses | 185,000 | 185,000 | 199,585 | (14,585) | -7.88 |
| 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 | 314,846 | 314,846 | 264,841 | 50,005 | 15.88 |
| 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 | 584,909 | 584,909 | 601,558 | (16,649) | -2.85 |
| 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 | 555,135 | 555,135 | 499,024 | 56,111 | 10.11 |
| 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 | 7,804,047 | 7,804,047 | 8,172,915 | (368,868) | -4.73 |
| 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 | 4,194,976 | 4,194,976 | 4,293,127 | (98,151) | -2.34 |

(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 | 671,964 | 671,964 | 680,077 | (8,113) | -1.21 |
| 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 | 1,751,563 | 1,751,563 | 1,923,161 | (171,598) | -9.80 |
| 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 | 919,109 | 919,109 | 795,701 | 123,408 | 13.43 |
| 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 | 1,716,850 | 1,724,850 | 1,453,181 | 271,669 | 15.75 |
| 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 | 661,684 | 661,684 | 585,977 | 75,707 | 11.44 |
| 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 | 478,673 | 565,263 | 301,193 | 264,070 | 46.72 |
| 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 | 899,427 | 929,217 | 938,469 | (9,252) | -1.00 |
| 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 | 317,566 | 317,566 | 225,203 | 92,363 | 29.08 |
| 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 | 1,721,516 | 2,121,516 | 2,568,910 | (447,394) | -21.09 |

(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 | | | | | |
|--|--------------------------|--------------------------------|-------------------|---------------------------------------|-----------------------------|---|
| | Public Safety Fund | Northlake Boulevard Fund | Recreation | On-Behalf Pension Contributions | Capital Projects Fund | Total Nonmajor Governmental Funds |
| 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 | | | | | | |
|--|--------------------------|--------------------------------|-------------|-----------------------|---------------------------------------|-----------------------------|---|
| | Public Safety Fund | Northlake Boulevard Fund | Recreation | ARPA Grant Fund | On-Behalf Pension Contributions | Capital Projects Fund | Total Nonmajor Governmental Funds |
| Revenues | | | | | | | |
| Intergovernmental | \$ 3,703 | \$ | \$ | \$ | \$ 472,893 | \$ | \$ 476,596 |
| Total revenues | 3,703 | | | | 472,893 | | 476,596 |
| Expenditures | | | | | | | |
| Current | | | | | | | |
| Public safety | | | | | 472,893 | | 472,893 |
| Capital outlay | | | 405,914 | | | 792,573 | 1,198,487 |
| Total expenditures | | | 405,914 | | 472,893 | 792,573 | 1,671,380 |
| Excess (deficiency) of revenues over (under) expenditures | 3,703 | | (405,914) | | | (792,573) | (1,194,784) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | | | | | | 679,800 | 679,800 |
| Transfers out | | | | (6,591,584) | | | (6,591,584) |
| Total other financing sources (uses) | | | | (6,591,584) | | 679,800 | (5,911,784) |
| 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 | \$ 757 | \$ 1,987 | \$ (84,357) | \$ | \$ | \$ 2,468,358 | \$ 2,386,745 |

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><u>\$ 17,552,516</u></u> | <u><u>\$ 33,992,802</u></u> | <u><u>\$ 51,545,318</u></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 |
|-------------------------------------|---------------------------------|---|--|
| 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><u>\$ 17,552,516</u></u> | <u><u>\$ 33,992,802</u></u> | <u><u>\$ 51,545,318</u></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 | <u>25,000</u> | <u>25,000</u> | <u>27,417</u> | <u>(2,417)</u> | <u>(9.67)</u> |
| Reserves | | | | | |
| Operating | 7,549 | 7,549 | 6,576 | 973 | 12.89 |
| Capital | <u>174,000</u> | <u>174,000</u> | <u>174,000</u> | | <u>0.00</u> |
| 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 | <u>433,689</u> | <u>433,689</u> | <u>433,689</u> | | |
| 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> | |
| 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 | | | <u>900,421</u> | | |
| 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.

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| Financial Trends | |
| <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> | |
| Net Position by Component | 102 |
| Changes in Net Position | 103 |
| Fund Balances, Governmental Funds | 105 |
| Changes in Fund Balances, Governmental Fund | 106 |
| Revenue Capacity | |
| <i>These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.</i> | |
| Net Assessed Value and Estimated Actual Value of Taxable Property | 108 |
| Property Tax Rates - Direct and Overlapping Governments | 109 |
| Principal Property Taxpayers | 110 |
| Property Tax Levies and Collections | 111 |
| Debt Capacity | |
| <i>These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.</i> | |
| Ratios of Outstanding Debt by Type | 112 |
| Direct and Overlapping Governmental Activities Debt | 113 |
| Pledged-Revenue Coverage | 114 |
| Demographic and Economic Information | |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.</i> | |
| Demographic and Economic Statistics | 115 |
| Principal Employers | 116 |
| Operating Information | |
| <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 |
| Operating Indicators by Function/Program | 118 |
| Capital Asset Statistics by Function/Program | 119 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

THIS PAGE INTENTIONALLY LEFT BLANK



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 | 11,314,096 | 6,168,366 | 6,677,850 | 6,536,225 | 6,658,744 |
| 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 | 514,167 | 544,523 | 418,726 | 361,461 | (1,324,978) |
| 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 | 11,828,263 | 6,712,889 | 7,096,576 | 6,897,686 | 5,333,766 |
| 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 | 7,504,062 | 6,689,693 | 10,078,079 | 17,346,639 | 19,242,051 |
| 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 | (3,162,414) | (3,161,738) | (2,599,491) | (1,248,264) | 612,692 |
| 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 | 4,341,648 | 3,527,955 | 7,478,588 | 16,098,375 | 19,854,743 |
| 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 | 20,601,498 | 21,586,472 | 21,687,450 | 23,456,015 | 24,187,730 |
| 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 | 3,902,131 | 3,842,660 | 3,845,547 | 2,903,224 | 2,912,523 |
| 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 | 3,930,262 | 3,760,235 | 4,124,933 | 3,963,275 | 4,003,067 |
| 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 | 3,645,706 | 3,788,852 | 3,720,573 | 2,946,432 | 2,254,638 |
| 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 | 15,410,143 | 16,696,291 | 17,684,620 | 19,327,318 | 22,123,553 |
| Business-type activities: | | | | | |
| Investment income | 10,930 | 10,393 | 9,230 | 10,274 | 13,874 |
| Miscellaneous | | | 36,393 | | |
| Transfers | | | | | |
| Total business-type activities | 10,930 | 10,393 | 45,623 | 10,274 | 13,874 |
| 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 |
| <u>804</u> | <u></u> | <u>3,528,831</u> | <u>778,806</u> | <u>1,379,012</u> |
| <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> |

THIS PAGE INTENTIONALLY LEFT BLANK



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 | <u>\$ 261,235,638</u> | | <u>8.84%</u> | <u>\$ 124,157,979</u> | | <u>8.15%</u> |

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 | | | <u>\$ 12,955,069</u> |

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% |
| | <u>83,758</u> | <u>10.71%</u> | <u>60,684</u> | <u>8.88%</u> |

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

* Employer: Palm Beach County
Information is not available for the Village of North Palm Beach.

** Percentage of total employment is calculated using Palm Beach County's
available labor force in each of the respective years presented.

*** Most current data available in BDP.org.

Notes:

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

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 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|--------|--------|---------|-----------|-----------|--------|--------|--------|----------|--------|
| 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.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

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*

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
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

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.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCHIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

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

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
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 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 & Miner, P.A.

March 21, 2024
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE
NORTHBRIDGE CENTRE
515 N. FLAGLER DRIVE, SUITE 1700
POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCAPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

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

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

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 338
BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

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

**VILLAGE OF NORTH PALM BEACH
PUBLIC WORKS DEPARTMENT**

TO: Honorable Mayor and Council

THRU: Chuck Huff, Village Manager

FROM: Jamie Mount, P.E., Assistant Director of Public Works

DATE: March 28, 2024

SUBJECT: **RESOLUTION – Accepting a proposal from Engenuity Group Inc. for engineering services for the design of the East Alley Wall replacement between Atlantic Alley and Yacht Club Drive in the amount of \$99,744.00.**

This project involves the existing East Alley Wall extending from Atlantic Alley to Yacht Club Drive a distance of just over 4,000 linear feet. The existing wall is in disrepair in several locations including missing wall panels, damaged wall panels, and damaged wall posts.

Pursuant to the existing Continuing Contract for Engineering Services with Engenuity Group, the Village Engineer, Staff requested a proposal to provide design services to address replacement of the wall within the limits described above. The proposal totals \$99,744.00, with \$23,600.00 designated as “Optional Services”. The proposal discipline cost breakdown is as follows:

| | |
|---|---------------|
| 1. Surveying | - \$16,420.00 |
| 2. Subsurface Utility Engineering (SUE) Services | - \$ 9,324.00 |
| 3. Civil Engineering Design and Permitting | - \$22,000.00 |
| 4. Utility Coordination | - \$ 5,000.00 |
| 5. Public Information | - \$ 3,800.00 |
| 6. Bid Assistance <u>(Optional Services)</u> | - \$ 1,500.00 |
| 7. Construction Phase Services <u>(Optional Services)</u> | - \$ 6,500.00 |
| 8. Geotechnical | - \$19,600.00 |
| 9. Geotechnical <u>(Optional Services)</u> | - \$15,600.00 |

Total = \$99,744.00

There are sufficient funds available in the Infrastructure Surtax Fund for this purchase (*a summary for the Surtax Fund is included in your agenda backup material for review*).

Account Information:

| Fund | Department / Division | Account Number | Account Description | Amount |
|-----------------------|--|----------------|---------------------------------------|--------------------|
| Infrastructure Surtax | Public Works / Streets & Grounds Maintenance | 17321-66210 | Design of East Alley Wall Replacement | \$99,744.00 |
| | | | Contingency | \$0.00 |
| | | | Total w/ Contingency | \$99,744.00 |

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

Recommendation:

Village Staff requests Council consideration and adoption of the attached Resolution accepting a proposal from Engenuity Group Inc. to provide engineering services for the replacement of the East Alley Wall in an amount not to exceed \$99,744.00, with funds expended from the Infrastructure Surtax Fund Account No. 17321-66210 (Public Works/Streets & Grounds - Construction & Major Renovation), pursuant to the existing Continuing Contract for Engineering Services and in accordance with Village policies and procedures.

RESOLUTION 2024-_____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, APPROVING A PROPOSAL FROM ENGENUITY GROUP, INC. FOR PROFESSIONAL ENGINEERING SERVICES FOR THE REPLACEMENT OF THE EAST ALLEY WALL AND AUTHORIZING THE VILLAGE MANAGER TO EXECUTE ALL REQUIRED DOCUMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Village is a party to a Continuing Contract for Professional Engineering Services with Engenuity Group, Inc. to perform engineering and related services as Village Engineer; and

WHEREAS, Village Administration recommended accepting the proposal submitted by Engenuity Group, Inc. for professional engineering services related to the replacement of the East Alley Wall from Atlantic Alley to Yacht Club Drive; and

WHEREAS, the Village Council determines that adoption of this Resolution is in the best interests of the residents of the Village of North Palm Beach.

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

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

Section 2. The Village Council hereby approves and accepts the proposal from Engenuity Group, Inc. pursuant to the Continuing Contract for Professional Engineering Services for engineering and design services for the replacement of the East Alley Wall at a total cost of \$99,744.00, with funds expended from Account No. I7321-66210 (Public Works/Streets & Grounds - Construction & Major Renovation). The services shall be performed in accordance with all terms and conditions of the Continuing Contract. The Village Council further authorizes the Village Manager to execute all documents necessary to effectuate these services.

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

PASSED AND ADOPTED THIS _____ DAY OF _____, 2024.

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

January 31, 2024
Revised March 7, 2024

Jamie Mount, P.E.
Assistant Director of Public Works
Village of North Palm Beach
645 Prosperity Farms Rd.
North Palm Beach, FL 33408
(Via E-Mail: jmount@village-npb.org)

**RE: Professional Civil Engineering & Surveying Services
East Alley Wall Replacement
North Palm Beach, Florida
Engenuity Group, Inc. Project No. 03045.193**

Dear Mr. Mount:

We are pleased to offer this proposal to render Professional Civil Engineering & Surveying services in connection with East Alley Wall Replacement in North Palm Beach, FL (hereinafter called the 'Project').

Surveying Services

Engenuity Group, Inc. will prepare a Topographic and Tree Survey pursuant to Chapter 5J-17.050, Florida Administrative Code. The specific survey limits are shown on the graphic below outlined in **red** from right-of-way to right-of-way for approximately 4,140 Linear Feet.

See the attached **Designated Scope of Services** for a specific list of items to be included on the survey. Additionally, Engenuity Group, Inc will recover sufficient control to establish the right-of-way lines for the alleyway to show on the survey.

Surveying Fee: \$16,420.00

SUE Services

Engenuity Group, Inc. will provide services with due diligence and in a manner consistent with the standards of the subsurface utility locating industry.

Every reasonable effort will be made to locate all utility systems of interest whether indicated on record plans available to us or not. However, no guarantee can be made that all existing utility systems can be detected, and or located.

Our work to collect as-built drawings and related data from utility companies is crucial for the Project's accuracy and completion. These documents are vital for a thorough representation of subsurface utilities. However, utility companies may not always respond as promptly as we'd like, which could lead to delays. While we strive to

minimize these delays and maintain communication with these companies, their response times and the completeness of their data are beyond our control.

The horizontal location effort will include electromagnetic induction, power source detection, and ground penetrating radar (GPR) within the sites. The accuracy of these techniques is subject to the limitation of the available technology and certain factors and field conditions beyond our control.

- Utility locations are provided for design purposes only in an attempt to prevent or reduce the likelihood of damage during excavation.
- Areas to be surveyed with GPR must be level, and free of obstructions.
- Use of this service does not relieve interested parties from their responsibility to make required notifications prior to excavation.
- Results are dependent upon field conditions at the time of locating services.

SUE Fee: \$9,324.00

Total Surveying Fee: \$25,744.00

Technical Limitations of Methods of Locating Subsurface Utilities:

Ground Penetrating Radar (GPR) is a non-destructive geophysical method that uses radar pulses to image the subsurface. This technique uses electromagnetic radiation in the microwave band of the radio spectrum, and detects the reflected signals from subsurface structures. The working principle of GPR involves emitting a high-frequency radio wave into the ground and observing the reflected signals. The radar antenna emits the signal into the ground, and when the signal hits a boundary with different dielectric constants, the signal is reflected back to the antenna. The time it takes for the reflection to arrive back at the receiver is proportional to the depth of the object causing the reflection. The reflected signals are recorded by the system and then processed to create a subsurface profile. The resulting profile can be interpreted to understand the subsurface conditions, including the presence of buried objects or changes in material properties. Despite its extensive utility in geology, archaeology, surveying, and engineering, GPR does have some technical limitations. Understanding these limitations is critical. Soil and Material Properties: One of the primary limitations of GPR is the sensitivity to material properties. Conductive materials such as clay, salty water, or certain types of minerals can absorb and attenuate the radar signal, reducing the depth of penetration. Non-metallic materials and utilities may not reflect signals as strongly as metallic materials and utilities. Similarly, heterogeneous materials or conditions can cause signal scattering, which may complicate the interpretation of the results. Penetration Depth: While GPR can be incredibly useful for shallow investigations, the depth of penetration is limited. The penetration depth is determined by the frequency of the radar wave, with lower frequencies penetrating deeper but providing less resolution, and higher frequencies offering higher resolution but shallower penetration. Differentiation Between Similar Materials: GPR may struggle to differentiate between objects or layers of similar dielectric constants. This can lead to difficulties in

distinguishing between different layers or objects within the subsurface, potentially causing inaccurate interpretations. Small Objects: GPR has limitations when detecting small objects. The minimum size of detectable objects is approximately equal to the wavelength of the radar wave, which means higher frequency (and thus, shorter wavelength) systems are required for detecting small objects, sacrificing depth penetration. Surface and Subsurface Conditions: Surface conditions such as rough terrain or vegetation can negatively impact GPR data quality. Similarly, certain subsurface conditions like soil moisture, temperature, and the presence of metallic objects can cause signal distortion or absorption.

Electromagnetic Induction (EMI) systems are a common method for locating buried utilities due to their non-invasive nature and potential for high accuracy. EMI systems work by transmitting an electromagnetic field into the ground using a coil. When this field interacts with a buried utility, it induces electric currents within the utility, generating a secondary magnetic field. The EMI system's receiver detects this secondary field, and the difference between the primary and secondary fields is analyzed to determine the presence and approximate location of the utility. Depth limitation: The depth at which an EMI system can detect underground utilities is largely dependent on the frequency of the electromagnetic wave used. High-frequency signals can yield detailed information about shallow subsurface features but do not penetrate deeply into the ground. Conversely, low-frequency signals can reach greater depths but offer less precision. Soil conditions: Soil conditions can greatly affect the accuracy of an EMI system. For example, high moisture content or high conductivity soils can interfere with the magnetic field, making it difficult to accurately locate utilities. Similarly, rocky or sandy soils can scatter the magnetic field, leading to inaccuracies. Interference: When multiple utilities are present in the same location, the signals from each utility can interfere with each other, leading to inaccuracies. This is especially true when the utilities are close together, such as in congested urban areas. Non-conductive utilities: EMI systems are primarily designed to detect conductive utilities, such as metal pipes or cables. Non-conductive utilities, such as plastic pipes, may not be detectable by an EMI system.

The final deliverable will be an electronically signed and sealed copy of the Topographic/Tree Survey and SUE Report with accompanying AutoCAD file, which can be provided within forty (40) business days of receiving authorization to proceed. In the event of rain delaying our field work, the delivery time will be pushed back the same number of days.

Engineering Services

Engenuity Group, Inc. will provide Civil Engineering Design & Plans, and permitting, Bid Assistance, Construction Phase Services and Geotechnical. Our services as set forth in Exhibit "A" will be providing for a lump sum of **\$50,400.00** based on the following distribution of compensation, with optional services totaling **\$23,100:**

| | |
|---|-------------|
| A. Civil Engineering Design and Permitting | \$22,000.00 |
| B. Utility Coordination | \$5,000.00 |
| C. Public Information Section (3 public meetings) | \$3,800.00 |
| D. Bid Assistance (OPTIONAL) | \$1,500.00 |
| E. Construction Phase Services (OPTIONAL) | \$6,500.00 |

Subconsultant (Terracon)

| | |
|--|-------------|
| A. 12 soil borings (Excludes Maintenance of Traffic) | \$19,600.00 |
|--|-------------|

Additional Alternate (OPTIONAL):

| | |
|---|-------------|
| B. 8 soil borings with Maintenance of Traffic | \$15,600.00 |
|---|-------------|

"This proposal is subject to the terms of the Continuing Contract for Engineering Services between Engenuity Group and the Village."

Permit Fees, Reproduction Charges and Reimbursable Expenses

The Total Contract Price **does not** include the payment of any governmental agency submittal or processing fees. The cost of these fees and any costs incurred by the office for printing, reproduction and other reimbursable expenses such as postage, travel, and document copy charges will be billed to the client monthly.

Invoicing and Payment

Work will be invoiced on a monthly basis for work completed to date. Invoice shall be paid in full by the Client within thirty (30) days of the invoice date, unless within such thirty (30) day period, Client notifies Engenuity Group, Inc. in writing of its objection to the amount of said invoice. Such notice shall be accompanied by payment of any undisputed portion of said invoice. If written objection is not received within thirty (30) days it shall constitute approval of invoice by Client. If the payment is not received within fifteen (15) days of billing date, a late charge will be added to the invoice in the amount of 1½ percent per month on the outstanding balance. If payment is not received within sixty (60) days of the invoice date, work may be suspended on the project until the outstanding invoice(s) are paid in full.

This proposal represents the entire understanding between you and us with respect to the Project. If this satisfactorily sets forth your understanding of our agreement, please execute the attached Authorization and return it to us. If you have any questions, please do not hesitate to contact us.

PURSUANT TO SECTION 558.0035 FLORIDA STATUTES, THE CONSULTANT IS THE RESPONSIBLE PARTY FOR THE

PROFESSIONAL SERVICES IT AGREES TO PROVIDE UNDER THIS CONTRACT. NO INDIVIDUAL PROFESSIONAL EMPLOYEE, AGENT, DIRECTOR, OFFICER OR PRINCIPAL MAY BE INDIVIDUALLY LIABLE FOR NEGLIGENCE ARISING OUT OF THIS CONTRACT, AS LONG AS THE CONSULTANT MAINTAINS THE PROFESSIONAL LIABILITY INSURANCE REQUIRED UNDER THIS CONTRACT AND AS LONG AS ANY DAMAGES ARE SOLELY ECONOMIC IN NATURE AND THE DAMAGES DO NOT EXTEND TO PERSONAL INJURIES OR PROPERTY NOT SUBJECT TO THIS CONTRACT.

Sincerely,



Jennifer Malin, P.S.M.
Director of Surveying

Approved by,



Adam Swaney, P.E.
Director of Engineering

Authorization: Professional Civil Engineering & Surveying Services
East Alley Wall Replacement
North Palm Beach, Florida
Engenuity Group, Inc. Project No. 03045.193

By: _____ **Date:** _____
(Name & Title)

For: _____
(Name of Company)

| | |
|-------------------------|--------------------|
| Contract Amount: | \$99,744.00 |
| Engineering: | \$50,400.00 |
| Surveying: | \$16,420.00 |
| SUE: | \$9,324.00 |
| Optional: | \$23,600.00 |

I am _____ I am not _____ The Owner of the Property

The Property Owner Is: _____

Address: _____

Email: _____

Telephone: _____

Fax: _____

DESIGNATED SCOPE OF SERVICES: TOPOGRAPHIC/TREE SURVEY**NAME: EAST ALLEY WALL REPLACEMENT****ENGENUITY PROJECT NO. 03045.193****DATE: 3/7/2024**

| TASK: | Included in Contract (Yes/No) |
|--|--------------------------------------|
| Topographical Survey | |
| Minimum of two permanent benchmarks per every 500' on site; description and elevation to nearest .01'. | Yes |
| Contours at 1-foot intervals; error shall not exceed one half contour interval. | No |
| Spot elevation at each intersection of a 50-foot square grid covering the property. | Yes |
| Spot elevations at street intersection and at 100 feet on center curb, sidewalk and edge of paving including far side of paving. | Yes |
| Topographic data will be obtained at 100-foot intervals of the road from right-of-way to right-of-way. | Yes |
| Plotted location of structures, man-made (e.g., paved areas) and natural features. | Yes |
| Location of water mains, and other utilities including, but not limited to, buried tanks and septic fields serving, or on, the property based on as-built information supplied by utility companies. | Yes |
| Location of fire hydrants available to the property. | Yes |
| Location and characteristics of power and communications systems above grade. | Yes |
| Location, size, depth and direction of flow of sanitary sewers, storm drains and culverts serving, or on, the property; location of catch basins and manholes, and inverts of pipe at each. | Yes |
| Name of the operating authority of each utility. | No |
| Elevation of water in any excavation, well or nearby body of water. | No |
| Extent of watershed onto the property. | No |
| Trees of 6" and over (caliper 3' above ground); locate within 1' tolerance and give species in English or botanical terms. | Yes |
| Specimen trees flagged by the Owner or the Architect (___ in number); locate to the center within 1' tolerance; give species in English or botanical terms, give caliper and ground elevation on upper slope side. | No |
| Perimeter outline only of thickly wooded areas unless otherwise directed. | Yes |
| Confirm soil boring location(s). | No |
| SUE Services included in the scope | Yes |
| Scale of drawing is typically 1"=20' but will be determined by Engenuity Group, Inc. unless the client specifies a scale they would like the drawing at. | |
| Other (specify): 1. Datum will be National American Vertical Datum 1988 (NAVD 88) 2. SUE Services are included in the services | |

Graphic

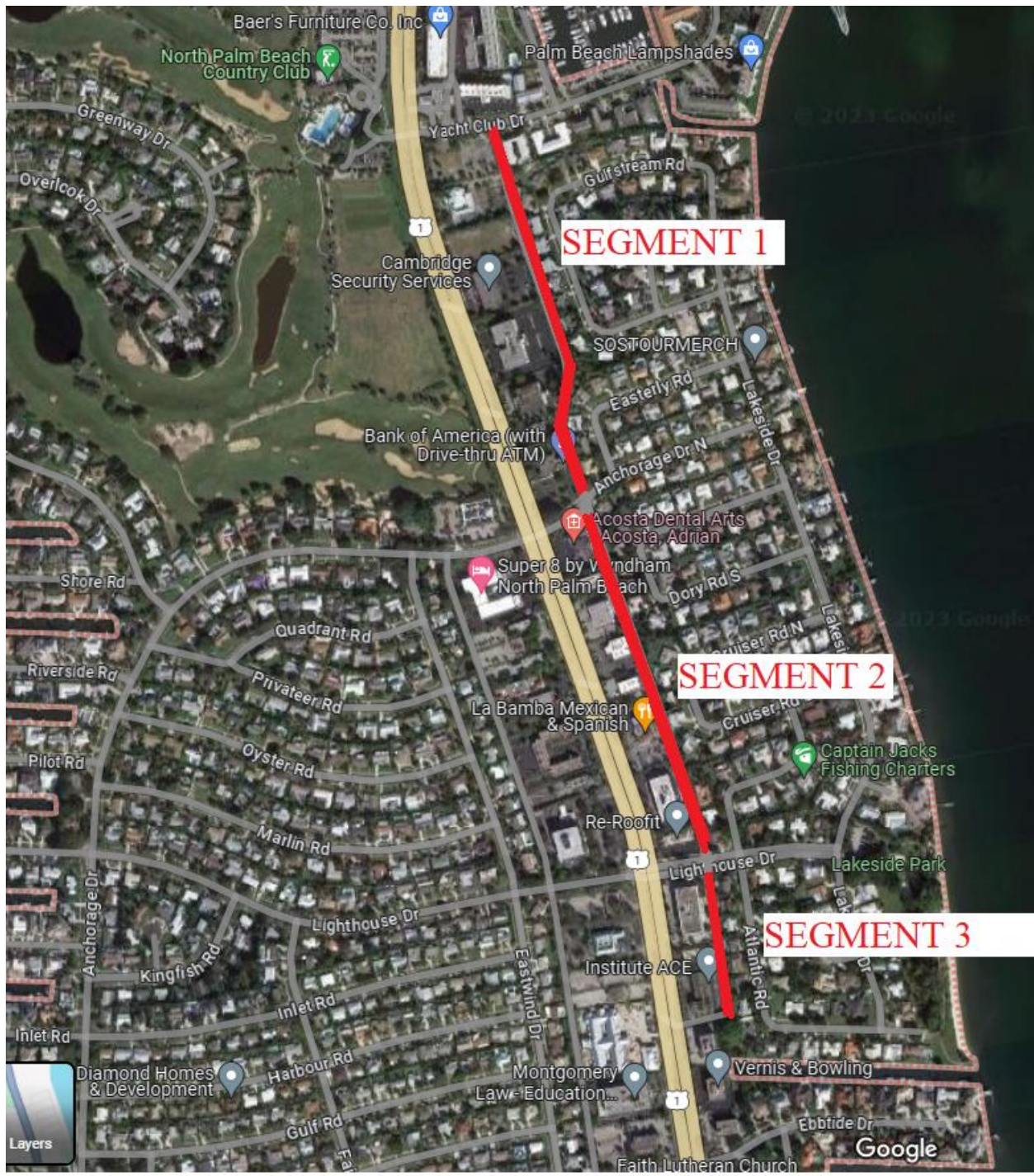


EXHIBIT “A”

East Alley Wall Replacement North Palm Beach, FL Engenuity Group Project No. 03045.193

ENGINEER’S SERVICES:

A1.01 Construction Documents

Scope of work:

1. Provide civil engineering design for a replacement wall along the east alleyway (Approximately 4,000 LF). The proposed wall shall match as close as possible the height, architectural style, and color scheme of the existing East Alley Wall located between Ebbtide Dr. and Anchorage Dr. S.
2. Prepare final drawings indicating the scope, extent, and character of the wall, paving, and restoration work to be performed and furnished by the CONTRACTOR.
3. Prepare a Stormwater Pollution Prevention Plan.
4. Prepare Engineer’s Opinion of Cost for the overall civil site improvements, including itemized pay-item and quantities.
5. The public information scope includes attending up to three (3) public meetings and display materials. Meeting summaries/minutes will be provided with the feedback collected to present to staff for decision making purposes.
6. Provide utility coordination and plan depiction via Sunshine State One Call. Two overhead poles are located in conflict with the wall. Engenuity will provide coordination with FPL (or ATT if they are the owner of the poles) to coordinate removal and undergrounding if possible.
7. Prepare specifications in general conformance with the 16 Division format of the Construction Specifications Institute. These may provide within the construction plans in a notes section.
8. Soil borings and analysis. (subconsultant)

A1.03 Bidding Phase Services (OPTIONAL)

- A. Assist OWNER in advertising for and obtaining bids for the Work.
- B. Attend pre-bid conference and issue minutes.

- C. Issue Addenda as appropriate to clarify, correct, or change the Bidding Documents.
- D. Attend the Bid opening, prepare Bid tabulation sheets, evaluate Bids and make a recommendation for award.
- E. Perform cursory review of signed contracts, bonds, and insurance certificates received from CONTRACTOR and transmit to OWNER for signing of contracts.

A1.04 Construction Phase Services (OPTIONAL)

- A. *Preconstruction Conference.* Attend a Preconstruction Conference prior to commencement of Work at the Site.
- B. *Visits to Site and Observation of Construction.* In connection with observations of CONTRACTOR'S work in progress while it is in progress:
 - 1. Make no more than 8 visits to the site at intervals appropriate to the various stages of construction, as ENGINEER deems necessary, in order to observe as an experienced and qualified design professional the progress and quality of the Work. Such visits and observations by ENGINEER, are not intended to be exhaustive or to extend to every aspect of CONTRACTOR'S work in progress or to involve detailed inspections of CONTRACTOR'S work in progress beyond the responsibilities specifically assigned to ENGINEER in the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on ENGINEER'S exercise of professional judgment. Based on information obtained during such visits and such observations, ENGINEER will determine in general if CONTRACTOR'S work is proceeding in accordance with the Contract documents, and ENGINEER shall keep OWNER informed of the progress of the Work.
 - 2. ENGINEER will not, during such visits or as a result of such observations of CONTRACTOR'S work in progress, supervise, direct, or have control over CONTRACTOR'S work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by CONTRACTOR, for safety precautions and programs incident to regulations applicable to CONTRACTOR'S furnishing and performing the Work. Accordingly, ENGINEER neither guarantees the

performance of any CONTRACTOR nor assumes responsibility for any CONTRACTOR'S failure to furnish and perform its work in accordance with the Contract Documents.

- C. *Clarifications and Interpretations; Field Orders.* Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of CONTRACTOR'S work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. ENGINEER may issue Field Orders authorizing minor variations from the requirements of the Contract Documents.
- D. *Shop Drawings and Samples.* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which CONTRACTOR is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto. ENGINEER has an obligation to meet the CONTRACTOR'S submittal schedule that has earlier been acceptable to ENGINEER.
- E. *Applications for Payment.* Based on ENGINEER'S on-site observations as an experienced and qualified design professional, ENGINEER will review pay applications and advise OWNER to either recommend payment or return the pay application to the CONTRACTOR for correction.
- F. *Inspections and Tests.* Require such special inspections or tests of CONTRACTOR'S work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. ENGINEER'S review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests. Field testing of materials is not included in ENGINEER'S scope of services.
- G. *Record Drawings.* Review Record Drawings prepared and certified by the CONTRACTOR'S Florida licensed surveyor and the CONTRACTOR.
- H. *Completion of Construction Certifications.* Prepare construction completion certifications and submit to the following agencies:

1. Village of North Palm Beach

- I. *Substantial Completion.* Promptly after notice from CONTRACTOR that CONTRACTOR considers the entire Work ready for its intended use, in company with OWNER and CONTRACTOR, conduct a review of the work to determine if it is Substantially Complete.
- J. *Final Notice of Acceptability of the Work.* Conduct a final review to determine if the completed Work of CONTRACTOR is acceptable.
- K. *Contract Time.* ENGINEER'S services during construction are dependent upon the timely performance of CONTRACTOR'S work. ENGINEER'S services are based on a construction Contract Time of 180 calendar days for final completion of the work. If the CONTRACTOR exceeds such period of time, ENGINEER'S compensation shall be subject to an equitable adjustment.

A1.05 This proposal does not include the following:

- A. The design of any major off-site roadway improvements.
- B. Reproduction of drawings and specifications for CONTRACTOR'S use during construction.
- C. Construction layout survey or record drawings.
- D. Design of landscaping, irrigation, and lighting.
- E. Coordination of new or relocated electrical, gas, telephone, and TV services.
- F. Environmental Analysis or design including wetlands, uplands, or contamination.