VILLAGE OF NORTH PALM BEACH
REGULAR SESSION AGENDA

VILLAGE HALL COUNCIL CHAMBERS **THURSDAY, APRIL 09, 2020**
501 U.S. HIGHWAY 1 **7:30 PM**

Darryl C. Aubrey Mayor	Mark Mullinix Vice Mayor	David B. Norris President Pro Tem	Susan Bickel Councilmember	Deborah Searcy Councilmember

Andrew D. Lukasik Village Manager	Leonard G. Rubin Village Attorney	Jessica Green Village Clerk

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In accordance with Executive Order No. 20-91 issued by Governor Ron DeSantis on April 1, 2020, all senior citizens and individuals with a significant underlying medical condition are ordered to stay at home and limit the risk of exposure to COVID-19. The Order further indicates that all persons in Florida shall limit their personal interactions outside of their homes to only those necessary to obtain or provide essential services or conduct essential activities. Similarly, the Centers for Disease Control and Prevention guidance advises that all individuals adopt far-reaching social distancing measures, including avoiding gatherings of more than 10 people. Therefore, in accordance with Executive Order No. 20-69 issued by the Governor on March 20, 2020, the Village of North Palm Beach shall utilize communications media technology to facilitate public participation in this meeting electronically, via internet access or telephone.

INSTRUCTIONS TO JOIN MEETING ELECTRONICALLY

To join meeting by computer (video & audio) click or type the following link in address bar:

https://zoom.us/j/638784037?pwd=S3haeUtqV1VUSm5TMWIVN09RVDBLUT09

Meeting ID: 638 784 037
Password: 421595

To join meeting by phone (voice only):

888 475 4499 US Toll-free
877 853 5257 US Toll-free

Meeting ID: 638 784 037

Public Comments: Public comments can be submitted by filling out the public comment form that can be accessed by clicking the following link Public Comment Card. Public comments can also be made by leaving a voice message at 561-904-2126. All public comments will be read into the record at the Public Comment portion of the meeting.

For full detailed instructions on how to the join the meeting by either telephone or by computer please see the Village of North Palm Beach Village Council webpage or click on the following links:

Instructions for attending Village Council Meeting by phone

Instructions for attending Village Council Meeting by computer

AGENDA

ROLL CALL

INVOCATION – VICE MAYOR

PLEDGE OF ALLEGIANCE – PRESIDENT PRO TEM

AWARDS AND RECOGNITION

APPROVAL OF MINUTES

1. Minutes of the Regular Session held 3/12/20
2. Minutes of the Emergency Special Session held 3/17/20

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.

DECLARATION OF EX PARTE COMMUNICATIONS

PUBLIC HEARINGS AND QUASI-JUDICIAL MATTERS

8. **1ST READING OF ORDINANCE 2020-01 - GENERAL FUND BUDGET AMENDMENT** Amending the Adopted General Fund Budget for Fiscal Year 2020 to classify the total amount financed for Village vehicles as Capital Outlay.

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 –** Amending Resolution No. 2020-14 to modify the payment schedule for the Lease Agreement with REV Financial Services for the AEV Type I Rescue Vehicle (Ambulance) and authorizing execution of the amended exhibit to the Lease Agreement.

10. **RESOLUTION –** Removal of the Village Manager's Pay Grade from the Compensation Plan.

11. **RESOLUTION –** Approving A Third Amendment to an Agreement with M.T. Causley, LLC for Building Official, plan review and inspection services through the end of the current Fiscal Year; and authorizing execution of the Amendment.

12. Receive for file Minutes of the Golf Advisory Board meeting held 2/10/20.

OTHER VILLAGE BUSINESS MATTERS

13. **RESOLUTION – COUNTRY CLUB CLUBHOUSE CONSTRUCTION ADMINISTRATION SERVICES** Approval of a Payment to Peacock and Lewis in the amount of $81,650 for Additional Construction Administration Services associated with the Country Club Clubhouse Project.

14. **RESOLUTION – FISCAL YEAR 2019 AUDIT REPORT** Accepting the Comprehensive Annual Financial Report prepared by the Village Auditor for the Fiscal Year ending September 30, 2019; and authorizing its filing with the state.

COUNCIL AND ADMINISTRATION MATTERS

MAYOR AND COUNCIL MATTERS/REPORTS

VILLAGE MANAGER MATTERS/REPORTS

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 12, 2020

Present:

Darryl C. Aubrey, Sc.D., Mayor
Mark Mullinix, Vice Mayor
David B. Norris, President Pro Tem
Susan Bickel, Councilmember
Deborah Searcy, Councilmember
Andrew D. Lukasik, Village Manager
Len Rubin, Village Attorney
Jessica Green, Village Clerk

ROLL CALL

Mayor Aubrey called the meeting to order at 7:30 p.m. All members of Council were present. All members of staff were present.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Aubrey gave the invocation and Vice Mayor Mullinix led the public in the Pledge.

AWARDS AND RECOGNITION

On behalf of Village Council, Mayor Aubrey presented a commendation to Coach Sam Budnyk.

Coach Budnyk thanked Council and expressed his appreciation to the Village of North Palm Beach.

APPROVAL OF MINUTES

The Minutes of the Regular Session held February 27, 2020 were approved as written.

STATEMENTS FROM THE PUBLIC, PETITIONS AND COMMUNICATIONS

Judy Pierman, 560 Greenway Drive thanked Council for giving her a proclamation and gift on February 13th and encouraged everyone to attend the memorial service taking place on March 13th for former Village Clerk Delores Walker.

These residents expressed their appreciation to Council for hearing their concerns regarding the Village's recreation vehicle ordinance:

Howard Gorman, 708 Lighthouse Drive
Evans Volmy, 2649 Honey Road
Catherine Garcia, 753 Anchorage Drive
John Frerking, 130 Cruiser Road South

CONSENT AGENDA

President Pro Tem Norris moved to approve the Consent Agenda. Councilmember Searcy seconded the motion which passed unanimously. The following items were approved:

Resolution amending Resolution 2019-128 to provide for an alternate vendor for the installation of pool equipment at the Country Club and modify the cost.

CONSENT AGENDA *continued*

Receive for file Minutes of the Environmental Committee meeting held 1/27/20.

Receive for file Minutes of the Planning Commission meeting held 2/4/20.

RESOLUTION 2020-23 – COUNTRY CLUB POOL CHILLER, FENCING AND CEMENT PAD CONTRACT

A motion was made by Councilmember Searcy and seconded by Councilmember Bickel to adopt Resolution 2020-23 entitled:

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA APPROVING A CONTRACT AWARD TO SPADO CONSTRUCTION, LLC D/B/A SPADO POOL CONSTRUCTION FOR THE PURCHASE AND INSTALLATION OF A SWIMMING POOL CHILLER, FENCING AND CEMENT PAD AND AUTHORIZING THE MAYOR AND VILLAGE CLERK TO EXECUTE THE CONTRACT; APPROVING A BUDGET AMENDMENT TO TRANSFER $50,000 FROM THE CAPITAL PROJECTS FUND ACCOUNT AND $21,000 FROM THE PUBLIC SAFETY BUILDING CAPITAL ACCOUNT TO THE POOL – MACHINERY AND EQUIPMENT CAPITAL ACCOUNT TO PROVIDE FUNDING FOR THE PROJECT; AND PROVIDING FOR AN EFFECTIVE DATE.

Special Projects Director Chuck Huff explained the location and scope of the project. Mr. Huff stated that two quotes were received for the project and that staff was recommending approving a contract with Spado Construction LLC.

Councilmember Searcy asked what the time frame of the project would be.

Mr. Huff stated that the projected time frame for completion would be May 1st.

Councilmember Searcy asked where the equipment was manufactured.

Mr. Huff stated that the equipment was manufactured in the United States.

Thereafter, the motion to adopt Resolution 2020-23 passed unanimously.

VILLAGE COUNCIL MATTERS/REPORTS

Councilmember Bickel recommended making a $500 donation to the Blue H.E.L.P. Walk to Honor event in Palm Beach Gardens.

A motion was made by Councilmember Bickel and seconded by President Pro Tem Norris to make a $500 donation to the Blue H.E.L.P. Walk to Honor event in Palm Beach Gardens.

Thereafter, the motion passed unanimously.

Councilmember Bickel expressed concern over Council not giving responses to public comments immediately after comments are given since it may give the commenter the impression that they are not being heard. Councilmember Bickel asked if there could be a portion under public comment where a response from Council can be given instead of addressing it toward the end of the meeting.

Mayor Aubrey stated that Council may ask staff to address or look into any matters or comments given by the public at the end of the public comment portion of the agenda.

VILLAGE COUNCIL MATTERS/REPORTS *continued*

Vice Mayor Mullinix stated that there was a derelict boat at Munyon Island that needed to be addressed.

Chief Richard Jenkins stated that the Florida Fish and Wildlife Commission (FWC) was unsuccessful in their attempt to retrieve the boat and that a letter from Council to the FWC may expedite the removal of the boat.

Councilmember Searcy announced that the Fire Department had received their new Fire Rescue Truck and that the wash down ceremony of the truck took place earlier that day.

VILLAGE MANAGER MATTERS/REPORTS

Acting Recreation Director Stephen Poh gave an update on the upcoming Heritage Day Festival scheduled for April 4th.

Discussion ensued between Council and staff on the possible cancellation of the Heritage Day Festival due to the COVID-19 pandemic.

Mr. Lukasik gave an update on the COVID-19 pandemic and the measures staff was taking with regards to informing the public and ensuring the safety of the Village's residents and employees.

Mr. Lukasik discussed what programs, events and meetings may be cancelled due to the COVID-19 pandemic.

Discussion ensued between Council and staff regarding what events and programs could potentially be cancelled and rescheduled.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 8:22 p.m.

Jessica Green, MMC, Village Clerk

DRAFT MINUTES OF THE SPECIAL EMERGENCY SESSION
VILLAGE COUNCIL OF NORTH PALM BEACH, FLORIDA
MARCH 17, 2020

Present:

Darryl C. Aubrey, Sc.D., Mayor
Mark Mullinix, Vice Mayor
David B. Norris President Pro Tem
Susan Bickel, Councilmember
Deborah Searcy, Councilmember
Andrew D. Lukasik, Village Manager
Jessica Green, MMC, Village Clerk

ROLL CALL

Mayor Aubrey called the meeting to order at 10:30 a.m. All members of Council were present. All members of staff were present.

Mr. Lukasik gave an update on the COVID-19 response and the emergency preparation measures undertaken by Village employees.

Mr. Lukasik explained the proposed Resolution to establish an Employee Administrative Leave Bank. The leave bank would provide 10 days or 80 hours of sick leave for any exempt or non-exempt full time employee who may become sick or if the employee's family member becomes sick as a result of COVID-19. Part-time employees shall receive the average number of hours he or she works over a two-week period.

RESOLUTION 2020-24 – DECLARING A LOCAL STATE OF EMERGENCY

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, DECLARING A LOCAL STATE OF EMERGENCY WITHIN THE VILLAGE DUE TO THE COVID-19 PANDEMIC; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

Discussion ensued between Council and Mr. Rubin regarding the language in the Resolution regarding the length of time the declaration would remain in effect.

Mr. Rubin stated that the language in the Resolution could be changed to state that the declaration would correspond and remain in effect the same length of time as Governor DeSantis' declaration.

A motion was made by Councilmember Bickel and seconded by Councilmember Searcy to adopt Resolution 2020-24 with its language changed to state that the declaration would correspond and remain in effect the same length of time as the Governor DeSantis' declaration.

Thereafter, the motion to adopt Resolution 2020-24 as amended passed unanimously.

RESOLUTION 2020-25 – EMPLOYEE ADMINISTRATIVE LEAVE BANK

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, APPROVING THE CREATION OF A LEAVE BANK FOR ALL EMPLOYEES AS A RESULT OF A DECLARED STATE OF EMERGENCY WITHIN THE VILLAGE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

A motion was made by Vice Mayor Mullinix and seconded by President Pro Tem Norris to adopt Resolution 2020-25.

Thereafter, the motion to adopt Resolution 2020-25 passed unanimously.

ADJOURNMENT

With no further business to come before the Council, the meeting adjourned at 11:19 a.m.

Jessica Green, MMC, Village Clerk

VILLAGE OF NORTH PALM BEACH
OFFICE OF THE VILLAGE CLERK

TO: Honorable Mayor and Council

THRU: Andrew D. Lukasik, Village Manager

FROM: Jessica Green, Village Clerk

DATE: April 9, 2020

SUBJECT: **RESOLUTION – Accepting and declaring the results of the March 17, 2020 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."

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 17, 2020 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 17, 2020 general election.

RESOLUTION 2020-____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, ACCEPTING AND DECLARING THE RESULTS OF THE MARCH 17, 2020 GENERAL ELECTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on March 17, 2020, 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, and 5; and

WHEREAS, because only one candidate each qualified for Group 1 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 17, 2020 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 17, 2020:

For Village Councilmember, Group 1:

Deborah Searcy unopposed

For Village Councilmember, Group 3:

Darryl C. Aubrey 1,381

Kathleen Wallenhorst 988

For Village Councilmember, Group 5:

Mark Mullinix 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, and 5:

For Village Councilmember, Group 1:

Deborah Searcy

For Village Councilmember, Group 3:

Darryl C. Aubrey

For Village Councilmember, Group 5:

Mark Mullinix

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

PASSED AND ADOPTED THIS _____ DAY OF _____, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

Wendy Sartory Link
Palm Beach County Supervisor of Elections

The Supervisor of Elections for Palm Beach County hereby certifies the following Municipality:

Village of North Palm Beach:

☆ **Group 3 North Palm Beach (Vote For 1)**

Participating Precincts Reporting: 13 / 13 — Precinct Details — Show Detailed View

Choice	Percent	Votes
Darryl C. Aubrey (NON)	58.29%	1,381
Kathleen Wallenhorst (NON)	41.71%	988
		2,369

STATE OF FLORIDA
COUNTY OF PALM BEACH
I, WENDY SARTORY LINK, SUPERVISOR OF ELECTIONS, HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE RECORDS ON FILE IN THIS OFFICE.
WITNESS MY HAND AND SEAL, THIS 30 DAY OF March, 2020

WENDY SARTORY LINK
SUPERVISOR OF ELECTIONS
PALM BEACH COUNTY, FLORIDA
BY: Wendy Sartory Link

240 South Military Trail, West Palm Beach, FL 33415 | Post Office Box 22309, West Palm Beach, FL 33416
Telephone: 561.656.6200 | Fax Number: 561.656.6287

Wendy Sartory Link
Palm Beach County Supervisor of Elections

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	2	100.00%
Kathleen Wallenhorst (NON)	0	0	0	0	0	0.00%

1328 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	231	51.68%
Kathleen Wallenhorst (NON)	-	-	-	-	216	48.32%

1332 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	100	58.48%
Kathleen Wallenhorst (NON)	-	-	-	-	71	41.52%

1334 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	0	0	0	0	0	0.00%
Kathleen Wallenhorst (NON)	0	0	0	0	0	0.00%

1342 Show Graphical View

Wendy Sartory Link
Palm Beach County Supervisor of Elections

Village of North Palm Beach – PRECINCT DETAIL

Group 3

A dash (-) represents detailed groups (Election Day, Vote By Mail, Early Votes, Provisional) with between 1 and 29 votes in accordance with Florida Statute 98.0981(2)(a)

1314 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	21	48.84%
Kathleen Wallenhorst (NON)	-	-	-	-	22	51.16%

1316 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	28	37.33%
Kathleen Wallenhorst (NON)	-	-	-	-	47	62.67%

1320 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	18	69.23%
Kathleen Wallenhorst (NON)	-	-	-	-	8	30.77%

1322 Show Graphical View

Wendy Sartory Link
Palm Beach County Supervisor of Elections

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	152	57.14%
Kathleen Wallenhorst (NON)	-	-	-	-	114	42.86%

1344 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	217	69.55%
Kathleen Wallenhorst (NON)	-	-	-	-	95	30.45%

1346 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	326	61.39%
Kathleen Wallenhorst (NON)	-	-	-	-	205	38.61%

1348 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	42	80.77%
Kathleen Wallenhorst (NON)	-	-	-	-	10	19.23%

1350 Show Graphical View

Wendy Sartory Link
Palm Beach County Supervisor of Elections

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	185	56.92%
Kathleen Wallenhorst (NON)	-	-	-	-	140	43.08%

1380 Show Graphical View

Choice	Election Day	Early Votes	Vote By Mail	Provisional	Total Votes	Percentage
Darryl C. Aubrey (NON)	-	-	-	-	59	49.58%
Kathleen Wallenhorst (NON)	-	-	-	-	60	50.42%

RESOLUTION 2020-___

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

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

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

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

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

_____
Mayor

_____
Vice Mayor

_____
President Pro Tem

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

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

PASSED AND ADOPTED THIS _____ DAY OF _____, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

VILLAGE OF NORTH PALM BEACH
FINANCE DEPARTMENT

TO: Honorable Mayor and Council

THRU: Andrew D. Lukasik, Village Manager

FROM: Samia Janjua, Finance Director

DATE: April 9, 2020

SUBJECT: **ORDINANCE - 1st Reading – General Fund Budget Amendment for FY 2020 Capital Leases**

During the Fiscal Year 2020 budget process, Village Staff evaluated the option of leasing its vehicles versus directly purchasing them. Village Council has approved the following capital lease programs:

Description	Lease Term	Annual Payment	Total Payments ①	Total Financed ②
Village-wide Vehicle Lease	5 Years	$60,505	$302,523	$282,068
Ambulance Lease	7 years	$49,055	$358,385	$327,203
Total		**$109,560**	**$660,908**	**$609,271**

① *Principal + Interest + Balloon payment;* ②*Principal + Balloon payment*

The annual debt service for these capital leases is budgeted in the General Fund; however, the Village's Auditor has advised that the total amount financed for capital leases should be shown in the Fiscal Year 2020 budget as "other financing sources/uses" and capital outlay for financial reporting purposes. (*Note: this requirement is for the first year of the lease only*):

> GASB
> "When a capital lease represents the acquisition or construction of a general capital asset, the acquisition or construction of that asset should be reflected as an expenditure and other financing source, consistent with the accounting and financial reporting for general obligation bonded debt."

While this change will not result in a net income effect in 2020, because the change increases the total FY 2020 General Fund budget, a budget amendment ordinance is required.

Budget Amendment:

Fund	Account	Description	Use	Source
General Fund	A4200-09901	Capital Lease		$609,271
General Fund	A5540-66000	Capital Lease	$609,271	
Total			**$609,271**	**$609,271**

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

Recommendation:

Village Staff recommends Council consideration and approval on first reading of the attached Ordinance authorizing the Mayor and Village Clerk to execute the required budget amendment for the Capital Lease Program in accordance with Village policies and procedures.

ORDINANCE NO. 2020-____

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, AMENDING THE ADOPTED GENERAL FUND BUDGET FOR FISCAL YEAR 2020 TO CLASSIFY THE TOTAL AMOUNT FINANCED FOR VILLAGE VEHICLES AS CAPITAL OUTLAY; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, during Fiscal Year 2020, the Village Council approved two capital lease programs, one Village-wide and the other for a fire rescue vehicle (ambulance); and

WHEREAS, while the Village has budgeted the annual debt services for these leases in the General Fund, the Village Auditor has advised the Village that the total amount financed for capital leases should be shown in the Fiscal Year 2020 budget as "other financing uses/sources" and capital outlay for financial reporting purposes; and

WHEREAS, notwithstanding the lack of any net income effect, because this amendment increases the total amount of the budget, this transfer must be accomplished by ordinance as required by Section 166.241, Florida Statutes; and

WHEREAS, the Village Council determines that the adoption of this budget amendment is in the best interests of the residents and citizens of the Village of North Palm Beach.

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

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

Section 2. The Village Council hereby amends the adopted Village of North Palm Beach General Fund budget for Fiscal Year 2020 as follows:

Budget Amendment:

Fund	Account	Description	Use	Source
General Fund	A4200-09901	Capital Lease		$609,271
General Fund	A5540-66000	Capital Lease	$609,271	
Total			**$609,271**	**$609,271**

Section 3. The Mayor and Village Clerk are hereby authorized and directed to execute the budget amendment for and on behalf of the Village of North Palm Beach.

Section 4. If any section, paragraph, sentence, clause, phrase or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional, inoperative or void, such holding shall not affect the remainder of this Ordinance.

Section 5. All ordinances and resolutions, or parts of ordinances and resolutions, in conflict herewith are hereby repealed to the extent of such conflict.

Section 6. This Ordinance shall be effective immediately upon adoption.

PLACED ON FIRST READING THIS _____ DAY OF _____, 2020.

PLACED ON SECOND, FINAL READING AND PASSED THIS _____ DAY OF _____, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

_____
VILLAGE ATTORNEY

VILLAGE OF NORTH PALM BEACH
FINANCE DEPARTMENT

TO: Honorable Mayor and Council

THRU: Andrew D. Lukasik, Village Manager

FROM: Samia Janjua, Finance Director

DATE: April 9, 2020

SUBJECT: **RESOLUTION –** Amending Resolution No. 2020-14 to modify the payment schedule for the Lease Agreement with REV Financial Services, LLC (Ambulance) and authorizing the Village Manager to execute an amended exhibit to the Lease Agreement

Through the adoption of Resolution No. 2020-14 on February 13, 2020, the Village Council approved a proposal from REV Financial Services, LLC for the lease of one 2020 Freightliner custom AEV Type I module rescue vehicle (ambulance) equipped to Village specifications. In accordance with the proposal, the Council approved an annual lease payment of $48,546.12 for a term of seven years, with a balloon payment of $15,000 for the purchase of the ambulance at the conclusion of the lease.

The first payment was due in March 5, 2020; however, the Village will not receive delivery of the ambulance until next fiscal year. Consequently, REV financial services gave the Village the option of deferring the first payment to March 5, 2021 so that the first payment will be due after we receive delivery of the ambulance. However, due to the additional accrued interest, the annual payment will increase by $508.84, increasing the total amount of the annual payment to $49,054.96. Because this increase exceeds the amount approved in Resolution No. 2020-14, Village Staff is seeking Council approval of the attached Resolution amending Resolution 2020-14 to approve the increased annual payment and authorize the Village Manager to execute the amended payment schedule.

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

Account Information:

Fund	Department	Account Number	Account Description	Additional Annual Amount
General Fund	Debt Service	A8535-49158	Vehicle Lease	$508.84

Recommendation:

Village Staff requests Council consideration and approval of the attached Resolution amending Resolution No. 2020-14 to increase the annual payment to REV Financial Services for the rescue vehicle (ambulance) by $508.84, with funds expended from Account No. A8535-49158 (Debt Service – Vehicle Lease), and authorizing the Village Manager to execute an amendment payment schedule in accordance with Village policies and procedures.

RESOLUTION 2020-____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA AMENDING RESOLUTION NO. 2020-14 TO MODIFY THE PAYMENT SCHEDULE FOR THE LEASING AGREEMENT WITH REV FINANCIAL SERVICES, LLC FOR THE AEV TYPE I RESCUE VEHICLE (AMBULANCE) AND AUTHORIZING THE VILLAGE MANAGER TO EXECUTE AN AMENDED EXHIBIT TO THE AGREEMENT; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, through the adoption of Resolution No. 2020-14 on February 13, 2020, the Village Council approved a proposal from REV Financial Services, LLC for the lease of one AEV Type I rescue vehicle (ambulance); and

WHEREAS, in accordance with the proposal, the Council approved an annual lease payment of $48,546.12 for a term of seven years; and

WHEREAS, because the Village will not receive the vehicle until the next fiscal year, REV Financial Services gave the Village the option of delaying the first payment from March 5, 2020 until March 5, 2021, thereby increasing the annual payment due to accrued interest; and

WHEREAS, the increase in annual payment requires an amendment to Resolution No. 2020-14, and the Village Council determines that the adoption of this Resolution is in the best interests of the residents and citizens of the Village of North Palm Beach.

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

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

Section 2. The Village Council hereby amends Resolution No. 2020-14 by increasing the annual payment due under the Lease Agreement with REV Financial Services, LLC by $508.84 to $49,054.96, with funds expended from Account No. A8535-49158 (Debt Service – Vehicle Lease). The Village Council further authorizes the Village Manager to execute an Amended Payment Schedule (Exhibit A-1 to the Lease Agreement), a copy of which is attached hereto and incorporated herein.

Section 3. All other provisions of Resolution No. 2020-14, to the extent not expressly modified herein, shall remain in full force and effect.

Section 4. This Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

EXHIBIT A-1

RENTAL PAYMENT SCHEDULE

RE: Schedule of Property No. 1 dated March 5, 2020 to Master Equipment Lease Purchase Agreement dated as of March 5, 2020 between REV Financial Services LLC, as Lessor, and Village of North Palm Beach, as Lessee.

Pmt #	Payment Date	Payment Amount	Interest	Principal	Purchase Price	Outstanding Balance
	3/5/2020					$312,203.00
1	3/5/2021	$24,527.48	$10,052.94	$14,474.54	$306,660.31	$297,728.46
2	9/5/2021	$24,527.48	$4,793.43	$19,734.05	$286,334.24	$277,994.41
3	3/5/2022	$24,527.48	$4,475.71	$20,051.77	$265,680.92	$257,942.64
4	9/5/2022	$24,527.48	$4,152.88	$20,374.60	$244,695.08	$237,568.04
5	3/5/2023	$24,527.48	$3,824.85	$20,702.63	$223,371.37	$216,865.41
6	9/5/2023	$24,527.48	$3,491.53	$21,035.94	$201,704.35	$195,829.47
7	3/5/2024	$24,527.48	$3,152.85	$21,374.62	$179,688.49	$174,454.85
8	9/5/2024	$24,527.48	$2,808.72	$21,718.75	$157,318.17	$152,736.09
9	3/5/2025	$24,527.48	$2,459.05	$22,068.43	$134,587.70	$130,667.67
10	9/5/2025	$24,527.48	$2,103.75	$22,423.73	$111,491.26	$108,243.94
11	3/5/2026	$24,527.48	$1,742.73	$22,784.75	$88,022.96	$85,459.19
12	9/5/2026	$24,527.48	$1,375.89	$23,151.58	$64,176.83	$62,307.60
13	3/5/2027	$24,527.48	$1,003.15	$23,524.32	$39,946.78	$38,783.28
14	9/5/2027	$24,527.48	$624.41	$23,903.07	$15,326.62	$14,880.21
15	12/5/2027	$15,000.00	$119.79	$14,880.21	$0.00	$0.00
Totals:		$358,384.68	$46,181.68	$312,203.00	Rate 3.2200%	

COMMENCEMENT DATE: March 5, 2020

Village of North Palm Beach

Signature: _____

Name/Title: _____

Date: _____

VILLAGE OF NORTH PALM BEACH
HUMAN RESOURCES DEPARTMENT

TO: Honorable Mayor and Council

THRU: Andrew D. Lukasik, Village Manager

FROM: Renee Govig, Director of Human Resources
Samia Janjua, Director of Finance

DATE: April 9, 2020

SUBJECT: **RESOLUTION** – Removal of the Village Manager's Pay Grade from the Compensation Plan

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On February 13, 2020, the Council approved a retroactive 5% salary increase for the Village Manager for both the second and third years of his employment (March 27, 2018 through March 27, 2020). The Council also approved an additional 5% increase effective March 27, 2020. With this latest increase, the Village Manager's salary will exceed the pay range set forth in the Village's Comprehensive Pay Plan adopted as part of the Fiscal Year 2020 budget (Pay Grade 126 – $110,000 to $176,000).

In most municipalities, the Manager position is not included within the pay ranges because the governing body establishes the Manager's salary and other compensation by contract. Article IV, Section 1 of the Village Charter specifically provides that "the compensation of the Manager shall be fixed by the Council." In keeping with this common practice and the Village Charter mandate that the Council determine the Village Manager's compensation, Staff recommends that the salary range for the Village Manager (Pay Grade 126) be removed from the Comprehensive Pay Plan.

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

Recommendation:

Village Staff requests Council consideration and approval of the attached Resolution amending the Comprehensive Pay Plan to remove the Village Manager's Pay Grade (Pay Grad 126) in accordance with Village policies and procedures.

RESOLUTION 2020-____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA AMENDING THE COMPREHENSIVE PAY PLAN ADOPTED AS PART OF THE FISCAL YEAR 2020 BUDGET TO REMOVE THE VILLAGE MANAGER'S PAY GRADE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, through the adoption of Ordinance No. 2019-10 ("Budget Ordinance") on September 26, 2019, the Village Council adopted the Comprehensive Pay Plan as part of the annual budget for Fiscal Year 2020; and

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

WHEREAS, pursuant to Article IV, Section 2 of the Village Charter, the Village Council establishes the Village Manager's compensation, and due to increases approved by the Village Council based on the Manager's performance evaluation, the Village Manager's salary will exceed the current Pay Grade (Pay Grade 126) set forth in the Comprehensive Pay Plan; and

WHEREAS, the Village Council wishes to amend the Comprehensive Pay Play to remove the Village Manager's pay grade and determines that the adoption of this Resolution is in the best interests of the residents and citizens of the Village of North Palm Beach.

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

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

Section 2. The Village Council hereby amends the Comprehensive Pay Plan for Fiscal Year 2020 to remove Pay Grade 126 for the Village Manager from the Plan with the notation that the Village Manager's compensation is established by Contract.

Section 3. All other provisions of the Comprehensive Pay Plan, as previously amended, shall remain in full force and effect as originally adopted.

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

PASSED AND ADOPTED THIS ____ DAY OF _____, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

Pay Plan Ranges FY 2020

(P/T positions shown with F/T annual rate for categorization purposes only)

All union pay / positions are shown for categorization purposes only and are subject to ratification of Collective Bargaining Agreements

PT	FT	Class Title	Union	Pay Grade	FLSA	Hrly Min	Hrly Mid	Hrly Max	Annual Min	An Mid	Annual Max
*		INSTRUCTOR	NU	*	N	$ 35.00	$ 48.75	$ 62.50	$ 45,500.00	$ 63,375.00	$ 81,250.00
10		CAMP COUNSELOR	NU	100	N	$ 10.96	$ 14.24	$ 17.53	$ 22,796.80	$ 29,619.20	$ 36,462.40
13	1	RECREATION ASSISTANT	NU	101	N	$ 11.61	$ 15.10	$ 18.58	$ 24,148.80	$ 31,408.00	$ 38,646.40
26		COUNTRY CLUB ATTENDANT	NU	101	N	$ 11.61	$ 15.10	$ 18.58	$ 24,148.80	$ 31,408.00	$ 38,646.40
	1	CLERICAL SPECIALIST	NU	102	N	$ 12.31	$ 16.00	$ 19.70	$ 25,604.80	$ 33,280.00	$ 40,976.00
14		POOL LIFEGUARD	NU	102	N	$ 12.31	$ 16.00	$ 19.70	$ 25,604.80	$ 33,280.00	$ 40,976.00
9		LIBRARY CLERK	NU	103	N	$ 13.05	$ 16.96	$ 20.88	$ 27,144.00	$ 35,276.80	$ 43,430.40
	1	GROUNDS MAINTENANCE WORKER	FPE	103	N	$ 13.05	$ 16.96	$ 20.88	$ 27,144.00	$ 35,276.80	$ 43,430.40
	2	STREET MAINTENANCE WORKER	FPE	103	N	$ 13.05	$ 16.96	$ 20.88	$ 27,144.00	$ 35,276.80	$ 43,430.40
	1	IRRIGATION TECHNICIAN	FPE	104	N	$ 13.83	$ 17.98	$ 22.13	$ 28,766.40	$ 37,398.40	$ 46,030.40
	3	LIBRARY ASSISTANT	FPE	104	N	$ 13.83	$ 17.98	$ 22.13	$ 28,766.40	$ 37,398.40	$ 46,030.40
2		SANITATION COLLECTOR PT	NU	104	N	$ 13.83	$ 17.98	$ 22.13	$ 28,766.40	$ 37,398.40	$ 46,030.40
1		GOLF MERCHANDISING ASSISTANT	NU	104	N	$ 13.83	$ 17.98	$ 22.13	$ 28,766.40	$ 37,398.40	$ 46,030.40
	2	EQUIPMENT OPERATOR	FPE	107	N	$ 16.47	$ 21.42	$ 26.36	$ 34,257.60	$ 44,553.60	$ 54,828.80
	1	SR. IRRIGATION TECHNICIAN	FPE	107	N	$ 16.47	$ 21.42	$ 26.36	$ 34,257.60	$ 44,553.60	$ 54,828.80
	1	POLICE SERVICE AIDE	NU	107	N	$ 16.47	$ 21.42	$ 26.36	$ 34,257.60	$ 44,553.60	$ 54,828.80
	18	SANITATION DRIVER/OPERATOR	FPE	107	N	$ 16.47	$ 21.42	$ 26.36	$ 34,257.60	$ 44,553.60	$ 54,828.80
	1	GOLF MEMBER RELATIONS COORDINATOR	NU	107	N	$ 16.47	$ 21.42	$ 26.36	$ 34,257.60	$ 44,553.60	$ 54,828.80
	3	ACCOUNTING CLERK	NU	108	N	$ 17.46	$ 22.70	$ 27.94	$ 36,316.80	$ 47,216.00	$ 58,115.20
2	1	ADMINISTRATIVE ASSISTANT	NU	108	N	$ 17.46	$ 22.70	$ 27.94	$ 36,316.80	$ 47,216.00	$ 58,115.20
	2	VEHICLE MECHANIC	FPE	108	N	$ 17.46	$ 22.70	$ 27.94	$ 36,316.80	$ 47,216.00	$ 58,115.20
	4	TRADES MECHANIC	FPE	108	N	$ 17.46	$ 22.70	$ 27.94	$ 36,316.80	$ 47,216.00	$ 58,115.20
	2	ASSISTANT GOLF PROFESSIONAL	NU	109	N	$ 18.51	$ 24.06	$ 29.62	$ 38,500.80	$ 50,044.80	$ 61,609.60
	3	PERMIT & LICENSE TECHNICIAN	FPE	109	N	$ 18.51	$ 24.06	$ 29.62	$ 38,500.80	$ 50,044.80	$ 61,609.60
1	5	ADMINISTRATIVE COORDINATOR	NU	109	N	$ 18.51	$ 24.06	$ 29.62	$ 38,500.80	$ 50,044.80	$ 61,609.60
	2	CODE COMPLIANCE OFFICER	FPE	109	N	$ 18.51	$ 24.06	$ 29.62	$ 38,500.80	$ 50,044.80	$ 61,609.60
	1	ZONING COMPLIANCE OFFICER	FPE	109	N	$ 18.51	$ 24.06	$ 29.62	$ 38,500.80	$ 50,044.80	$ 61,609.60
	1	SR. LIBRARY ASSISTANT	FPE	109	N	$ 18.51	$ 24.06	$ 29.62	$ 38,500.80	$ 50,044.80	$ 61,609.60
14		SCHOOL CROSSING GUARD	NU	109	N	Daily Rate $27.68					
	1	TECHNICAL SUPPORT SPECIALIST	NU	110	N	$ 19.62	$ 25.51	$ 31.39	$ 40,809.60	$ 53,060.80	$ 65,291.20
1		HUMAN RESOURCES ANALYST	NU	110	N	$ 19.62	$ 25.51	$ 31.39	$ 40,809.60	$ 53,060.80	$ 65,291.20
	1	MECHANICAL SYSTEMS COORDINATOR	FPE	111	N	$ 20.80	$ 27.04	$ 33.28	$ 43,264.00	$ 56,243.20	$ 69,222.40
	2	BUILDING CONSTRUCTION INSPECTOR	FPE	111	N	$ 20.80	$ 27.04	$ 33.28	$ 43,264.00	$ 56,243.20	$ 69,222.40
	1	EXECUTIVE ASSISTANT	NU	111	N	$ 20.80	$ 27.04	$ 33.28	$ 43,264.00	$ 56,243.20	$ 69,222.40
	3	RECREATION SUPERVISOR	FPE	112	N	$ 22.05	$ 28.66	$ 35.28	$ 45,864.00	$ 59,612.80	$ 73,382.40
	1	TENNIS SUPERVISOR	FPE	112	N	$ 22.05	$ 28.66	$ 35.28	$ 45,864.00	$ 59,612.80	$ 73,382.40
	1	POOL SUPERVISOR	FPE	112	N	$ 22.05	$ 28.66	$ 35.28	$ 45,864.00	$ 59,612.80	$ 73,382.40
	1	CRIMINAL INTELLIGENCE ANALYST	NU	112	N	$ 22.05	$ 28.66	$ 35.28	$ 45,864.00	$ 59,612.80	$ 73,382.40
	1	LIBRARIAN	FPE	112	N	$ 22.05	$ 28.66	$ 35.28	$ 45,864.00	$ 59,612.80	$ 73,382.40
	2	ACCOUNTANT	NU	113	E	$ 23.37	$ 30.38	$ 37.39	$ 48,609.60	$ 63,190.40	$ 77,771.20
	1	LICENSE & PERMIT SUPERVISOR	NU	113	E	$ 23.37	$ 30.38	$ 37.39	$ 48,609.60	$ 63,190.40	$ 77,771.20
	3	PUBLIC WORKS SUPERVISOR	NU	113	E	$ 23.37	$ 30.38	$ 37.39	$ 48,609.60	$ 63,190.40	$ 77,771.20
	1	COMMUNICATIONS MANAGER	NU	114	E	$ 24.77	$ 32.20	$ 39.64	$ 51,521.60	$ 66,976.00	$ 82,451.20
	1	PLANNER	NU	114	E	$ 24.77	$ 32.20	$ 39.64	$ 51,521.60	$ 66,976.00	$ 82,451.20
	1	DEPUTY VILLAGE CLERK	NU	114	E	$ 24.77	$ 32.20	$ 39.64	$ 51,521.60	$ 66,976.00	$ 82,451.20
	1	SR. BUILDING CONSTRUCTION INSPECTOR	FPE	115	N	$ 26.26	$ 34.14	$ 42.01	$ 54,620.80	$ 71,011.20	$ 87,380.80
	1	SR. FIRE INSPECTOR	NU	115	N	$ 26.26	$ 34.14	$ 42.01	$ 54,620.80	$ 71,011.20	$ 87,380.80
1		HUMAN RESOURCES SPECIALIST	NU	115	E	$ 26.26	$ 34.14	$ 42.01	$ 54,620.80	$ 71,011.20	$ 87,380.80
1		PURCHASING MANAGER	NU	115	E	$ 26.26	$ 34.14	$ 42.01	$ 54,620.80	$ 71,011.20	$ 87,380.80
	1	PUBLIC WORKS MANAGER	NU	115	E	$ 26.26	$ 34.14	$ 42.01	$ 54,620.80	$ 71,011.20	$ 87,380.80
	1	NETWORK SUPPORT SPECIALIST	NU	115	N	$ 26.26	$ 34.14	$ 42.01	$ 54,620.80	$ 71,011.20	$ 87,380.80
	1	PRINCIPAL PLANNER	NU	117	E	$ 29.55	$ 38.42	$ 47.29	$ 61,464.00	$ 79,913.60	$ 98,363.20
	1	FINANCE MANAGER	NU	118	E	$ 31.27	$ 40.66	$ 50.04	$ 65,041.60	$ 84,572.80	$ 104,083.20
	1	DIRECTOR OF LIBRARY	NU	118	E	$ 31.27	$ 40.66	$ 50.04	$ 65,041.60	$ 84,572.80	$ 104,083.20
	1	HEAD GOLF PROFESSIONAL	NU	119	E	$ 33.15	$ 43.10	$ 53.04	$ 68,952.00	$ 89,648.00	$ 110,323.20
	1	BUILDING OFFICIAL	NU	121	E	$ 37.87	$ 49.23	$ 60.59	$ 78,769.60	$ 102,398.40	$ 126,027.20
	1	VILLAGE CLERK	NU	121	E	$ 37.87	$ 49.23	$ 60.59	$ 78,769.60	$ 102,398.40	$ 126,027.20
	1	DIRECTOR OF HUMAN RESOURCES	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	DIRECTOR OF SPECIAL PROJECTS	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	DIRECTOR OF COMMUNITY DEVELOPMENT	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	DIRECTOR OF INFORMATION TECHNOLOGY	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	DIRECTOR OF PARKS & RECREATION	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	DIRECTOR OF PUBLIC WORKS	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
1		CALEA MGR/CAPTAIN OF PROFESSIONAL STANDARDS	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	POLICE CAPTAIN	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	DISTRICT CHIEF	NU	122	E	$ 40.23	$ 52.30	$ 64.37	$ 83,678.40	$ 108,784.00	$ 133,889.60
	1	GENERAL MANAGER	NU	123	E	$ 43.05	$ 55.96	$ 68.88	$ 89,544.00	$ 116,396.80	$ 143,270.40
	1	DEPUTY POLICE CHIEF	NU	123	E	$ 43.05	$ 55.96	$ 68.88	$ 89,544.00	$ 116,396.80	$ 143,270.40
	1	FIRE CHIEF	NU	124	E	$ 46.17	$ 60.02	$ 73.87	$ 96,033.60	$ 124,841.60	$ 153,649.60
	1	DIRECTOR OF FINANCE	NU	124	E	$ 46.17	$ 60.02	$ 73.87	$ 96,033.60	$ 124,841.60	$ 153,649.60
	1	POLICE CHIEF	NU	125	E	$ 49.29	$ 64.07	$ 78.86	$ 102,523.20	$ 133,265.60	$ 164,028.80
	1	VILLAGE MANAGER	NU	Compensation Established by Contract							
	15	FIREFIGHTER/MEDIC	IAFF	202	N	$ 22.06	$ 28.68	$ 35.30	$ 55,068.50	$ 71,589.05	$ 88,109.60

Pay Plan Ranges FY 2020

(P/T positions shown with F/T annual rate for categorization purposes only)

All union pay / positions are shown for categorization purposes only and are subject to ratification of Collective Bargaining Agreements

PT	FT	Class Title	Union	Pay Grade	FLSA	Hrly Min	Hrly Mid	Hrly Max	Annual Min	An Mid	Annual Max
	1	DRIVER ENGINEER/EMT	IAFF	203	N	$ 22.45	$ 29.18	$ 35.92	$ 56,031.65	$ 72,841.14	$ 89,650.64
	2	DRIVER ENGINEER/MEDIC	IAFF	204	N	$ 23.92	$ 31.10	$ 38.28	$ 59,709.16	$ 77,621.90	$ 95,534.65
	3	FIRE RESCUE CAPTAIN	IAFF	206	N	$ 28.19	$ 36.65	$ 45.10	$ 70,358.77	$ 91,466.40	$ 112,574.03
	1	RECORDS CLERK	PBA	300	N	$ 23.50	$ 30.55	$ 37.60	$ 48,876.60	$ 63,539.58	$ 78,202.56
	24	POLICE OFFICER	PBA	302	N	$ 26.40	$ 34.32	$ 42.24	$ 54,917.75	$ 71,393.07	$ 87,868.40
	6	POLICE SERGEANT	PBA	306	N	$ 33.33	$ 43.33	$ 53.33	$ 69,332.39	$ 90,132.11	$ 110,931.83
96	**153**										

*** The number of instructors will vary based on program development. The annual rates are based on 25 hours per week**

VILLAGE OF NORTH PALM BEACH
COMMUNITY DEVELOPMENT DEPARTMENT

TO: Honorable Mayor and Council

THRU: Andrew D. Lukasik, Village Manager

FROM: Jeremy Hubsch, Community Development Director

DATE: April 9, 2020

SUBJECT: **RESOLUTION – Approving a Third Amendment to an Agreement with M.T. Causley, LLC for Building Official, Plan Review, and Inspection Services**

The Community Development Department's Building Division has been without a full-time Building Official since April, 2018. While the Department has used the services of M.T. Causley historically for plan review and building inspection services, the Village has expanded the use of the contract for Building Official services while the position has remained vacant.

On October 1, 2018, the Village executed an Agreement for Building Official, Plan Review and Inspection Services in Fiscal Year 2019 in the amount of $10,000 in accordance with the terms, conditions and pricing established in an existing, competitively bid contract between M.T. Causley, LLC and the City of Fort Lauderdale. The Fort Lauderdale Contract is in effect through March 15, 2021.

Through the adoption of Resolution 2018-86 on October 18, 2019, the Village Council approved an Amendment to the Agreement to increase the maximum total compensation from $10,000 to $50,000. Through the adoption of Resolution 2019-15 on March 14, 2019, the Village Council approved a Second Amendment to the Agreement to increase the amount of compensation to $300,000.

Village Staff is in need of continued building related services until the open positions within the Building Division are filled. Recent efforts to hire in-house building inspectors have been unsuccessful due to the labor market. As such, Staff is requesting Council approval of a Third Amendment to the Agreement with M.T. Causley to increase the maximum amount of compensation for the Agreement to $600,000 to cover the use of a full-time Building Official (40 hours/week) and a Building Inspector/Plans Examiner (34 hours/week) for the remainder of the fiscal year. This will allow necessary funding for Building Division services, in the event that efforts to hire in house employees continue to be unsuccessful.

Account Information:

Fund	Department	Account Number	Account Description	Amount
General Fund	Building	A6019-33190	Professional Services	$600,000

Recommendation:

Village Staff recommends Council consideration and approval of the attached Resolution approving a Third Amendment to the Agreement with M.T. Causley, LLC to extend the Agreement through the end of Fiscal Year 2020 and to increase the amount of compensation to $600,000, with funds expended from Account No. A6019-33190 (Building – Professional Services), and authorizing the Mayor and Village Clerk to execute the Third Amendment in accordance with Village policies and procedures.

RESOLUTION 2020-___

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA APPROVING A THIRD AMENDMENT TO AN AGREEMENT WITH M.T. CAUSLEY, LLC FOR BUILDING OFFICIAL, PLAN REVIEW AND INSPECTION SERVICES THROUGH THE END OF THE CURRENT FISCAL YEAR PURSUANT TO PRICING ESTABLISHED IN AN EXISTING AGREEMENT BETWEEN M.T. CAUSLEY AND THE CITY OF FORT LAUDERDALE AND AUTHORIZING THE MAYOR AND VILLAGE CLERK TO EXECUTE THE THIRD AMENDMENT; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on October 1, 2018, the Village Manager executed an Agreement for Building Official, Plan Review and Inspection Services with M.T. Causley, Inc. ("Agreement") on a periodic basis in accordance with (or by "piggybacking") the terms, conditions and pricing established in an existing competitively bid contract between M.T. Causley and the City of Fort Lauderdale dated May 16, 2017; and

WHEREAS, through the adoption of Resolution No. 2018-86 on October 18, 2018, the Village Council approved an Amendment to the Agreement to increase the compensation from $10,000 to $50,000; and

WHEREAS, through adoption of Resolution No. 2019-25 on March 14, 2019, the Village Council approved a Second Amendment to the Agreement to increase the compensation to $300,000 through the end of Fiscal Year 2019; and

WHEREAS, Village Staff is still in need of additional building official, plan review and inspection services through the end of the current fiscal year and until open positions within the Building Division are filled, and is recommending the execution of an Amendment to the Agreement to increase the compensation to $600,000 retroactive to January 31, 2020 and extend the term of the Agreement through the end of the current fiscal year; and

WHEREAS, the Village Council determines that the approval of the Third Amendment to the Contract is in the best interests of the residents and citizens of the Village of North Palm Beach.

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

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

Section 2. The Village Council hereby approves a Third Amendment to the Agreement for Building Official, Plan Review and Inspection Services, a copy of which is attached hereto and incorporated herein, and authorizes the Mayor and Village Clerk to execute the Third Amendment on behalf of the Village. The total compensation paid pursuant to the Agreement, as amended, shall not exceed $600,000, with funds expended from Account No. A6019-33190 (Community Development/Building Division – Professional Services).

Section 3. All resolutions or parts of resolutions in conflict with this Resolution are hereby repealed to the extent of such conflict.

Section 4. This Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED THIS ____ DAY OF MARCH, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

THIRD AMENDMENT TO AGREEMENT FOR BUILDING OFFICIAL, PLAN REVIEW AND INSPECTION SERVICES

THIS THIRD AMENDMENT is made and entered into this _____ day of _____, 2020, by and between the VILLAGE OF NORTH PALM BEACH, a Florida municipal corporation ("VILLAGE") and M.T. CAUSLEY, LLC, a Florida limited liability company ("CONTRACTOR"), whose Federal I.D. No. is 65-0782808.

W I T N E S S E T H:

WHEREAS, the VILLAGE and CONTRACTOR entered into an Agreement for Building Official, Plan Review and Inspection Services dated October 1, 2018 ("Agreement") whereby CONTRACTOR agreed to provide periodic building official, plan review and inspection services in accordance with (or by "piggybacking") the terms, conditions and pricing established by an existing competitively bid Contract for Services between CONTRACTOR and the City of Fort Lauderdale; and

WHEREAS, on October 8, 2018, the VILLAGE and CONTRACTOR executed an Amendment to the Agreement to increase the maximum compensation to $50,000; and

WHEREAS, on March 19, 2019, the VILLAGE and CONTRACTOR executed a Second Amendment to the Agreement to increase the maximum compensation to $300,000; and

WHEREAS, due to vacancies within the Building Division, the VILLAGE is in need of additional services beyond the initial estimated contract amount, as amended, for the current fiscal year, and CONTRACTOR has agreed to provide these additional services at the terms, conditions and pricing previously established.

NOW, THEREFORE, in consideration of the mutual representations and obligations set forth herein and in the Agreement, as amended, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 5 of the Agreement is hereby amended to increase the total compensation paid by VILLAGE to CONTRACTOR from not to exceed $300,000 to not to exceed $600,000.

2. Section 9 of the Agreement is hereby amended to extend the term of the Agreement through September 30, 2020.

3. All other provisions of the Agreement, as amended, shall remain in full force and effect to the extent not expressly modified herein.

4. This Third Amendment shall be effective retroactive to January 31, 2020.

IN WITNESS WHEREOF, the parties have executed this Third Amendment to the Agreement for Building Official, Plan Review and Inspection Services on the date first written above.

VILLAGE OF NORTH PALM BEACH

(VILLAGE SEAL)

By:_____
Mayor

ATTEST:

By:_____
Jessica Green, Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

By: _____
Leonard G. Rubin, Village Attorney

M.T. CAUSLEY, LLC

By:_____
Name:
Title:

City of Fort Lauderdale • Procurement Services Division
100 N. Andrews Avenue, 619 • Fort Lauderdale, Florida 33301
954-828-5933 Fax 954-828-5576
www.fortlauderdale.gov

February 1, 2019

MT Causley LLC.
Attn: Michael Causley
1335 Shotgun Road
Sunrise, FL 33326

SUBJECT: Renewal of Term Contract for Solicitation Inspection and Plan Review Services, RFP 575-11849-3, Amendment 1

Dear Michael Causley:

The subject Contract will expire on May 15, 2019.

In accordance with the terms and conditions of the subject Contract, the Contract may, by mutual consent of the parties, be renewed for an additional twenty four (24) month period. The City would like to exercise the right to renew this Contract for two (2) additional years effective May 16, 2019, at the existing pricing, terms and conditions.

Please indicate your approval of this offer by having an officer of your firm execute the acceptance portion below and return this letter by email to Teresa Wright at twright@fortlauderdale.gov by February 9, 2019.

Upon execution below by your firm's authorized representative, this Amendment will be your official notice that the Contract has been extended for two (2) years and no additional documentation will be required. Please be sure any required Insurance Certificates are up to date and attached to your response.

Thank you for your immediate attention to this matter.

Sincerely,

Jodi S. Hart, CPPO, CPPB, MBA
Chief Procurement Officer

ACCEPTANCE

By _____
Official Signature

Michael T. Causley, President
Name Title

February 1, 2019
Date

VILLAGE OF NORTH PALM BEACH
GOLF ADVISORY BOARD
MINUTES of February 10, 2020

I. CALL TO ORDER

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

II. ROLL CALL

A. Present:	Absent:
Stephen Mathison – Chairman	
Rich Pizzolato – Vice Chairman	
Curtis Witters – Secretary	
David Talley – Member	x
Jeff Irish – Member	
Jeff Egizio – Member	x
Landon Wells - Member	

B. Staff Members Present:

Allan Bowman, Director of Golf

C. Council Members Present:

D. Public Present:

Jerry Pierman

Lorraine Rocamboli

III. APPROVAL OF MEETING MINUTES

Minutes of the January 13, 2020 were approved 5-0.

IV. ADMINISTRATIVE REPORTS

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

Allan Bowman discussed a plan for remediation of the failing pond banks and bunker faces on the golf course. The Latitude 36 grass has proven to be unable to hold the slope in these locations and need to be replaced. The estimated cost is $250,000 for the pond banks and $250,000 for the bunker faces.

Allan met with Brightview concerning the problem. Brightview proposes to re-grade, stabilize, and re-grass the pond banks and bunker faces for a cost of $500,000.

Allan is going to propose the following terms to the Village Council:

1. $125,000 will be paid to Brightview to begin the work.
2. Brightview will then schedule and begin the work
3. The contract of Brightview with the Village with then be extended for one additional year.
4. The balance of the cost of the project, $375,000 will be paid to Brightview in 40 monthly payments, without interest. The monthly payment will be slightly more than $9,000.

The Golf Advisory Board voted 4-1 to recommend the proposed plan.

Until the repairs are made the golf course will continue to have a local rule that bunker faces are played as ground under repair.

Allan reported that the Golf Advisor has rated North Palm Beach Country Club as the most improved course in Palm Beach County.

Through the assistance of Paul Pignato, the golf course obtained as-built plans from the 2006 renovation. With these plans, we were able to locate 21 couplers for use in watering the course.

V. DISCUSSION TOPICS

Membership

The Club is full with 210 members.

We are sending out letters to the people on the wait list requiring a deposit of $250 in order to remain on the list. That deposit would be applied to the cost of membership when the individual's name is reached. If they were to decline the membership, they would receive a merchandise credit in the golf shop.

Lenore Dingle is sending out letters to the first fifty Village residents on the wait list, offering them a Village Restricted Resident Golf Membership. That membership will cost $1,600 and will allow unlimited golf from May 1st until the end of daylight savings time (member needs to pay walking or cart fees). In Peak Season – memberships would pay Resident Fee Rates.

Lorraine Rocamboli asked a question regarding what would constitute a Village Resident. That matter will be referred to the Village Attorney for an answer.

Suspension of Member

Allan reported that he is requesting that the Village Council to approve a 45-day suspension for a member of the Club. That person has had two previous warnings concerning his conduct. He has called members of the staff names. He has confronted a cart girl and he has been put out of the Farmer's Table on several occasions for inappropriate conduct towards female staff of the restaurant.

The Golf Advisory Board approved the recommendation 5-0.

Allan also reported that for the next annual budget of the course, he will include a new position for an additional assistant golf professional.

VI. ADJOURNMENT

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

The next meeting will be March 16, 2020.

Minutes by Curtis L. Witters, Secretary.

VILLAGE OF NORTH PALM BEACH
VILLAGE MANAGER'S OFFICE

TO: Honorable Mayor and Council

FROM: Andrew D. Lukasik, Village Manager

DATE: April 9, 2020

SUBJECT: **RESOLUTION** – Approval of a Payment to Peacock and Lewis in the amount of $81,650.00 for Additional Construction Administration Services associated with the Country Club Clubhouse Project.

Village Staff is recommending Village Council consideration and adoption of a Resolution approving the payment of $81,650 to Peacock and Lewis for additional Construction Administration services associated with the completion of the North Palm Beach Country Club Clubhouse.

Through the adoption of Resolution No. 2016-83 on November 10, 2016, the Village Council approved an Agreement with Peacock and Lewis for Final Schematic Design through Construction Administration Services in the amount of $962,068.00. Through the adoption of Resolution No. 2017-99 on October 26, 2017, the Village Council approved an Agreement for additional Architectural and Design Services in the amount of $316,260.00 following the Council's decision to accommodate a different, smaller restaurant design. The Council also approved and additional payment to Peacock and Lewis in the amount of $25,525.000 for conceptual design plan services.

Based on the Village's Contract with The Weitz Co. for construction of the new Clubhouse, Peacock and Lewis anticipated that Construction Administration Services would be completed by the end of July, 2019. However, with the delays associated with the construction of the Clubhouse, predominately related to problems with the concrete pours, Peacock and Lewis has spent considerably more time working with Village Staff and the Contractor to inspect work and resolve construction issues. The cost of these additional Construction Administration Services from August 1, 2019 to March 1, 2020 is $81,650.

It should be noted that Peacock and Lewis has submitted invoices for other additional services in the amount of $324,376.25 that are in dispute. Village Staff will work to resolve this dispute for Council's consideration at a future date.

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

Account Information:

Fund	Department	Account Number	Account Description	Amount
Capital Projects	Country Club Clubhouse Project	K7600-66210	Construction and Major Renovation	$81,650.00

Recommendation:

Village Staff requests Council adoption of the attached Resolution approving a payment to Peacock and Lewis for additional Construction Administration Services in the amount of

$81,650.00, with funds expended from Account No. K7600-66210 (Clubhouse – Construction and Major Renovation), in accordance with Village policies and procedures.

RESOLUTION 2020-___

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, APPROVING PAYMENT TO PEACOCK + LEWIS ARCHITECTS AND PLANNERS, LLC FOR ADDITIONAL CONSTRUCTION ADMINISTRATION SERVICES RELATING TO THE COUNTRY CLUB CLUBHOUSE; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, through the adoption of Resolution 2016-83 on November 10, 2016, the Village Council approved an Agreement for Final Schematic Design through Construction Administration Services ("Agreement") with Peacock + Lewis Architects and Planners, LLC ("Peacock + Lewis") for the new North Palm Beach Country Club facility; and

WHEREAS, through the adoption of Resolution 2017-99 on October 26, 2019, the Village Council approved an Agreement for Additional Architectural and Design Services based on changes to the design concept initiated by the Village, as well as an additional payment for conceptual design services; and

WHEREAS, due to construction delays primarily related to issues with the concrete pours, Peacock + Lewis performed additional Construction Administration Services beyond those that were originally contemplated in the Agreement, and the Village Council wishes to compensate Peacock + Lewis for these services; and

WHEREAS, the Village Council determines that the adoption of this Resolution is in the best interests of the residents and citizens 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 are incorporated herein.

Section 2. The Village Council hereby approves payment to Peacock + Lewis Architects and Planners, LLC in the amount of $81,650.00 for additional Construction Administration services for the new Clubhouse, with funds expended from Account No. K7600-66210 (Country Club Project – Construction/Major Renovation – Contractual Services).

Section 3. All resolutions or parts of resolution in conflict with this Resolution are hereby repealed to the extent of such conflict.

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

PASSED AND ADOPTED THIS _____ DAY OF _____, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

PEACOCK + LEWIS

Architects and Planners, LLC
Lic. # AAC 000020

1295 US Highway One
Suite 200
North Palm Beach, FL 33408

T: 561.626.9704
F: 561.626.9719

1610 Trade Center Way
Suite #5
Naples, FL 34109

T: 239.631.2332
F: 239.300.6402

Architecture

Planning

Interior Design

Programming

Graphic Design

Project Delivery

Member AIA

www.peacockandlewis.com

September 12, 2019 via email: alukasik@village-npb.org

Mr. Andy Lukasik
Village Manager
Village of North Palm Beach
501 US Highway 1
North Palm Beach, Florida 33408

Re: Village of North Palm Beach (VNPB)
New Clubhouse and Pool Deck
Extended Construction Administration Services
Peacock + Lewis Project No. 16-057(739)

Dear Mr. Lukasik,

Peacock + Lewis will provide extended Architecture, Interior Design and M/E/P/S Engineering Services for the referenced project for a period of three months at the billing rate of $14,000/month, for the months of August, September and October 2019.

Feel free to contact me with any comments or questions you may have. Acceptance of this Proposal may be indicated by signing, dating and returning one (1) copy of this letter.
Sincerely,
Peacock + Lewis Architects and Planners, LLC

Brian D. Idle, AIA
President

Authorization to provide the above services:

Signed: _____

Name: _____

Title: _____

Date: _____

Enclosure: Invoice No. 137, for the month of August 2019.

cc: Sharon Swan sswan@village-npb.org

Established 1961

PEACOCK + LEWIS

Architects and Planners, LLC
Lic. # AAC 000020

DATE:	October 31, 2019
PERIOD ENDING:	October 31, 2019
INVOICE NO.:	141 (739)
PROJECT:	Village of North Palm Beach
	Clubhouse
	SD-CA
PROJECT NO.:	16-057
CUSTOMER NO.:	16057.141

TO:

Mr. Andy Lukasik
Village Manager
Village of North Palm Beach
501 US Highway One
North Palm Beach, FL 33408

INVOICE FOR PROFESSIONAL SERVICES (ARCHITECTURAL AND INTERIOR DESIGN) RENDERED:

Village of North Palm Beach
New Clubhouse and Pool Deck
Final Schematic Design through Construction Administration

Extended Construction Administration, August - October
Fee - $14,000. Per Month
Additional Service, P+L Phase #739

Extended Construction Administration Services for the month of October	$	14,000.00
Amount due this invoice	**$**	**14,000.00**

1295 U.S. Highway One
North Palm Beach, FL 33408
561/626-9704
www.peacockandlewis.com

Payments due for Professional Services and unpaid within 30 days of invoice dates shall bear interest at the rate of 1½% monthly (18% annually).

Established 1961

PEACOCK + LEWIS
Architects and Planners, LLC
Lic. # AAC 000020

DATE:	September 30, 2019
PERIOD ENDING:	September 26, 2019
INVOICE NO.:	139 (739)
PROJECT:	Village of North Palm Beach
	Clubhouse
	SD-CA
PROJECT NO.:	16-057
CUSTOMER NO.:	16057.139

TO:

Mr. Andy Lukasik
Village Manager
Village of North Palm Beach
501 US Highway One
North Palm Beach, FL 33408

INVOICE FOR PROFESSIONAL SERVICES (ARCHITECTURAL AND INTERIOR DESIGN) RENDERED:

Village of North Palm Beach
New Clubhouse and Pool Deck
Final Schematic Design through Construction Administration

Extended Construction Administration, August - October
Fee - $14,000. Per Month
Additional Service, P+L Phase #739

Extended Construction Administration Services for the month of September	$	14,000.00
Amount due this invoice	**$**	**14,000.00**

1295 U.S. Highway One
North Palm Beach, FL 33408
561/626-9704
www.peacockandlewis.com

Payments due for Professional Services and unpaid within 30 days of invoice dates shall bear interest at the rate of 1½% monthly (18% annually).

Established 1961

PEACOCK + LEWIS
Architects and Planners, LLC
Lic. # AAC 000020

DATE:	August 30, 2019
PERIOD ENDING:	August 30, 2019
INVOICE NO.:	137 (739)
PROJECT:	Village of North Palm Beach Clubhouse SD-CA
PROJECT NO.:	16-057
CUSTOMER NO.:	16057.137

TO:

Mr. Andy Lukasik
Village Manager
Village of North Palm Beach
501 US Highway One
North Palm Beach, FL 33408

INVOICE FOR PROFESSIONAL SERVICES (ARCHITECTURAL AND INTERIOR DESIGN) RENDERED:

Village of North Palm Beach
New Clubhouse and Pool Deck
Final Schematic Design through Construction Administration

Extended Construction Administration, August - October
Fee - $14,000. Per Month
Additional Service, P+L Phase #739

Extended Construction Administration Services for the month of August 2019	$	14,000.00
Amount due this invoice	**$**	**14,000.00**

1295 U.S. Highway One
North Palm Beach, FL 33408
561/626-9704
www.peacockandlewis.com

Payments due for Professional Services and unpaid within 30 days of invoice dates shall bear interest at the rate of 1½% monthly (18% annually).

PEACOCK + LEWIS

Architects and Planners, LLC
Lic. # AAC 000020

1295 US Highway One
Suite 200
North Palm Beach, FL 33408

T: 561.626.9704
F: 561.626.9719

1610 Trade Center Way
Suite #5
Naples, FL 34109

T: 239.631.2332
F: 239.300.6402

Architecture

Planning

Interior Design

Programming

Graphic Design

Project Delivery

Member AIA

www.peacockandlewis.com

March 13, 2020 via email: alukasik@village-npb.org

Mr. Andy Lukasik
Village Manager
Village of North Palm Beach
501 US Highway 1
North Palm Beach, Florida 33408

Re: Village of North Palm Beach (VNPB)
New Clubhouse and Pool Deck
Extended Construction Administration Services
Peacock + Lewis Project No. 16-057(740)

Dear Mr. Lukasik,

Peacock + Lewis has provided extended Architecture, Interior Design and M/E/P/S Engineering Services for the referenced project for the period from November 2019 until March 1, 2020. Those services were provided at the request of Village staff for the project closeout. These additional services are in addition to Additional Service (739) which covered the months of August, September and October 2019, (see copy attached).

Feel free to contact me with any comments or questions you may have. Acceptance of this Proposal may be indicated by signing, dating and returning one (1) copy of this letter.
Sincerely,

Peacock + Lewis Architects and Planners, LLC

Brian D. Idle, AIA
President

Authorization to provide the above services:

Signed: _____

Name: _____

Title: _____

Date: _____

Enclosure: Invoice No. 150, for the months November 2019 – March 12, 2020.

Established 1961

PEACOCK + LEWIS
Architects and Planners, LLC
Lic. # AAC 000020

DATE:	March 16, 2020
PERIOD ENDING:	March 12, 2020
INVOICE NO.:	150 (740)
PROJECT:	Village of North Palm Beach
	Clubhouse
	SD-CA
PROJECT NO.:	16-057
CUSTOMER NO.:	16057.150

TO:

Mr. Andy Lukasik
Village Manager
Village of North Palm Beach
501 US Highway One
North Palm Beach, FL 33408

INVOICE FOR PROFESSIONAL SERVICES (ARCHITECTURAL AND INTERIOR DESIGN) RENDERED:

Village of North Palm Beach
Clubhouse Master Plan Implementation - Phase II
Final Schematic Design through Construction Administration

Extended Construction Administration Services -Additional Service, P+L Phase #740
Hourly Billing

Total amount earned through 03/12/2020			$	39,650.00
Less amount previously invoiced			$	0.00
Amount due at this time			$	39,650.00
Amount earned this period, 11/01/19 through 03/12/20:				
Principal - 3.5 hours at $250.	$	875.00		
Architect - 188.5 hours at $200.	$	37,700.00		
Interior Designer - 5.0 hours at $200.	$	1,000.00		
CAD Support - .75 hours at $100.	$	75.00		
Amount earned this period			$	39,650.00
Amount Due this invoice			**$**	**39,650.00**

=

1295 U.S. Highway One
North Palm Beach, FL 33408
561/626-9704
www.peacockandlewis.com

Payments due for Professional Services and unpaid within 30 days of invoice dates shall bear interest at the rate of 1½% monthly (18% annually).

VILLAGE OF NORTH PALM BEACH
FINANCE DEPARTMENT

TO: Honorable Mayor and Council

THRU: Andrew D. Lukasik, Village Manager

FROM: Samia Janjua, Finance Director

DATE: April 9, 2020

SUBJECT: **RESOLUTION – Acceptance of Fiscal Year 2019 Audit Report**

The September 30, 2019 year-end CAFR (Comprehensive Annual 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 Village government. This annual financial report reflects continuing improvement in the Village's financial operations and overall financial condition.

On March 11th, the Independent Auditors from ***Nowlen, Holt & Miner P.A.*** presented the FY2019 "Annual Financial Report" to the Village's Audit Committee.

The "bound" Comprehensive Annual Financial Report will be provided for review prior to the meeting and an electronic version will be made available to the public on the Village's Webpage upon formal acceptance by Village Council.

There is no fiscal impact.

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

Recommendation:

Village Staff recommends Council consideration and approval of the attached Resolution authorizing the Mayor and Village Clerk to accept the Comprehensive Annual Financial Report prepared by the Auditor for the fiscal year ending September 30, 2019 and to file the report with the state as required by law.

RESOLUTION 2020-____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA, ACCEPTING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT PREPARED BY THE VILLAGE AUDITOR FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019 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 a Comprehensive Annual Financial Report, including an audit report, for the fiscal year ending September 30, 2019; 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 Comprehensive Annual Financial Report prepared by the Auditor for the fiscal year ending September 30, 2019 and to file said report with the state as required by law.

Section 3. This Resolution shall take effect retroactive to March 26, 2020.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2020.

(Village Seal)

_____
MAYOR

ATTEST:

_____
VILLAGE CLERK

Village of North Palm Beach, FL

Comprehensive Annual Financial Report

Fiscal year ended September 30, 2019

The Village of
North Palm Beach, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2019

Prepared by:
Finance Department

Samia Janjua
Director of Finance

THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2019

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INTRODUCTORY SECTION

THE VILLAGE OF

NORTH PALM BEACH

"THE BEST PLACE TO LIVE UNDER THE SUN"

March 26, 2020

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

The Finance Department and Village Manager's Office are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Village of North Palm Beach, Florida for the fiscal year ended September 30, 2019.

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. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Village.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are organized in a manner designed to fairly present the financial position and results of operations of the Village as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial affairs have been included.

THE REPORT

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 year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The CAFR's role is to assist in making economic, social, and political decisions and in assessing accountability to the citizenry by:

- comparing actual financial results with the legally adopted budget, where appropriate;
- assessing financial condition and results of operations;
- determining compliance with finance-related laws, rules and regulations; and
- evaluating the efficiency and effectiveness of Village operations.

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VILLAGE PROFILE

The Village

The Village of North Palm Beach is primarily a residential community, having been incorporated as a political subdivision of the State of Florida in 1956. The registered population of the Village is approximately 12,177, which increases to approximately 18,000 during the winter months by residents who list their northern homes as their official place of residence. Residents are generally in the middle to upper income brackets.

Located in the northeastern quadrant of 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 Fund (i.e., the Country Club operation) is presented using the full accrual basis of accounting required by Generally Accepted Accounting Principles (GAAP) for its annual financial report. The Country Club annual budget is 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 Village of North Palm Beach maintains budgetary controls through the annual budget public hearing and approval process for GAAP-based budgets. 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. The Village maintains an encumbrance accounting system as one technique of accomplishing budgetary control. All expenditures, other than personal services, are controlled by a procurement system which encumbers purchase orders against the budget prior to issuance to vendors. All appropriations lapse at year end; however, encumbrances specifically designated to be carried over to the subsequent year are re-appropriated in the following year.

ECONOMIC OUTLOOK

Property Values

The Village obtains a major portion of its annual General Fund financial resources (63%) from ad valorem property taxes. Gross assessed property values increased substantially between the years 2002 through 2006, but slowed significantly in 2007. In years 2008 through 2012, area property values declined in value, in many instances significantly, as a result of the economic downturn. This unprecedented decline in property values was exacerbated by the number of properties in various stages of foreclosure. Both of these real-estate issues have had an adverse impact upon the financial resources of the Village. However, there has been significant residential property investment in the community over the past few years. Both the State and South Florida, in particular, are enjoying resurgence in real estate activity, which has translated into annual gains in market prices for area homes.

The Village continues to pursue annexation of surrounding unincorporated areas that complement and enhance the services and values of our existing community. The focus of Village annexation efforts will be to provide exemplary municipal services that are revenue “neutral” to both the annexed areas and to the Village.

Investment Revenues

The economic downturn and softening of the money market have had a significant impact on Village investment revenues over the past few years. In the short-term, the Village made a conscious decision to modify its investment strategies 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

The Village will continue to face increased financial challenges in the areas of personnel costs for both salaries and benefits. In past years, several retirement plan amendments were implemented by the Village and then followed by significant salary adjustments that magnified the impact and cost of the retirement changes. The impact of these changes as well as the continuous improvement in the financial markets have had a very positive financial impact on both plans. Due to legislative changes and catastrophic claims losses, the Village has encountered significant increases in annual health insurance costs during the past few years. In 2018, the Village introduced a high deductible insurance plan along with funding health saving accounts, is exploring the use of contractual health clinic services for its employees and will continue its focus on Employee Wellness as a measure to help control health care costs and improve our opportunity for additional savings from our providers.

The impact of personnel salaries and benefits in the coming years will have a broad and continuing effect on future Village financing and service priorities in the areas of staffing, public services, and public projects. Approximately 64% of the annual budget is allotted for wages and fringe benefits.

INITIATIVES AND FUTURE PROJECTS

The FY 2020 budget reflects a renewed commitment and predictable funding for community infrastructure in areas such as roadways, neighborhood sidewalks, lighting, public buildings, and park facilities. Following a period of deferred maintenance activities during the recession, the use of revenue from a County-wide sales surtax is facilitating the Village's ability to develop a financially feasible capital program.

The Community Development Department provides Planning and Zoning, Code Compliance and Building services. The Department continues to strive to improve its level of services for plan reviews, building inspections, code enforcement and zoning compliance. The Department will move ahead with the conversion of paper records to electronic records storage, resulting in a significant savings of staff's time and effort in records retrieval.

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 will encourage investment in the community that will create an enhanced sense of place, active uses and an increase in Village revenues. The Village is actively implementing the Master Plan strategies as well as undertaking additional planning initiatives to include the Evaluation and Appraisal Report for the Comprehensive Plan. Significant initiatives include the creation of a form-based code to encourage redevelopment in the Village's commercial corridors, which will be completed in 2020, the study of the US1 Corridor to determine if two of the roadway's six lanes should be repurposed for landscaping and/or bicycle and pedestrian traffic and the redesign of the US1 and Prosperity Farms Road Bridges to serve as architectural features signaling the entry into the community.

The Parks and Recreation Department continues to offer programs for all age groups at each of its six (6) facilities. Anchorage Park will host diverse events in the upcoming year to include: movies in the park, food truck nights, organized volleyball leagues, the Village's annual fishing tournament, and Heritage Day. The North Palm Beach Country Club Pool and Tennis facilities plan to offer a wide variety of leagues, training opportunities and tournaments as well as the July 4th fireworks program and a 5k race. In addition, the Department will provide youth sports training and leagues in baseball, soccer, flag football, volleyball, lacrosse and basketball. The Department will continue to sponsor bus trips throughout the year, ranging from local day activities to weekend excursions to Key West. The Department will review all of its programming and facilities as part of a Parks and Recreation Needs Assessment, which is scheduled to be completed during the fiscal year.

The Public Works Department is tasked with the oversight and management of Village sanitation services and maintenance of the Village's infrastructure, parks, buildings, equipment, and the roadways. The Department's current focus is on enhancing infrastructure maintenance standards and meeting the community's expectation regarding the appearance of public spaces during the coming year. Department staff will also be analyzing all critical infrastructure needs in our facilities and throughout the community to determine future project priorities and identify opportunities to improve performance through the use of best maintenance practices. Public Works will address currently identified infrastructure projects such as drainage improvements, road maintenance, and parks improvements in the five (5) year Capital Improvement Plan (CIP).

The Police Department has focused on improvements in community policing/neighborhood outreach by conducting community meetings and high visibility directed patrols that incorporate a high rate of officer interaction with Village residents. The Department continues to emphasize the importance of reducing crime in the Village through the use of advanced technology to analyze crime trends and deter future crime using predictive policing concepts. Additional crime suppression and community engagement efforts through the use of Transitional Neighborhood Teams and the interdepartmental Neighborhood Enhancement Team (NET). Two full-time officers were funded in the FY 2018 budget in order to create this program, which allows officers and other members of the NET team to concentrate their efforts in neighborhoods requiring assistance in achieving their quality of life goals. The Department continues to benchmark itself against the best policing practices by participating in the CALEA (Commission on Accreditation for Law Enforcement Agencies) accreditation process. The Department was re-accredited in July, 2017.

Fire Rescue has experienced an annual increase in calls for service since 2011 with the majority (77%) being medical in nature. The Department continues to support the annual Hands-Only CPR initiative as a charter provider. The fire inspector provides existing business inspections, fire code enforcement, and plans review and site inspections of new projects. This proactive approach to fire prevention has resulted in decreased incidents of commercial responses. Through the CIP, the Department anticipates replacing older apparatus on a rolling schedule that will allow it to maintain high quality service to the Village's residents and guests.

The Human Resources Department is committed to fostering a work environment that attracts quality applicants and encourages employees to perform at the highest level in support of the Village's goals and objectives. In accordance with the Council's direction to "continuously improve the way the Village operates", the Department establishes policies and procedures that are consistent across all administrative functions while remaining current, relevant and compliant with local, state and federal labor and personnel laws. Having implemented a new performance evaluation system for personnel in the Fire Rescue Department in 2016, Human Resources expanded the pay for performance initiative to encompass other employee groups in 2017, specifically to include Police Department personnel. The Department will enhance the initiative's effectiveness by focusing evaluation criteria on those that best measure employees' adherence to the organization's values, their ability to perform their key functions and, in some cases, their display of extraordinary effort or innovation to achieve the Village Council's goals for the organization or the community. In addition, Human Resources will focus on offering diverse training programs and related opportunities to staff members in the areas of Business Etiquette and Professionalism, Cultural Diversity, Conflict Resolution, Office Safety, Progressive Discipline, Drug-Free/Alcohol-Free Workplace, and Leadership skills.. Lastly, the Department, in its role of managing Workers' Compensation (W/C) cases in conjunction with the W/C insurance carrier, is working with the Gehring Group's risk management team, as well as the newly established Employee Safety Committee, to seek solutions to reduce instances of injury, lower W/C costs and provide a more positive claims experience for all stakeholders.

The Library is currently streamlining processes and procedures, upgrading outdated equipment, and reorganizing various departments. Additionally, renovations within the Library to create a better experience for children and teens were recently completed.

The Information Technology Department has been involved in numerous projects over the last year: preparing the Village for Phase Two of the LPR (License Plate Recognition) systems, Police laptop encryption, Country Club renovation and installations for temporary facilities, Library computer lab automation, and upgrading the Village's phone system. The IT Department also implemented ArchiveSocial to retrieve and archive all of the Village's social media outlets.

The North Palm Beach Country Club recently completed a $19 million dollar reconstruction that includes a new clubhouse and ancillary facilities for members, residents, guests and the general public. The new facility introduces a successful independent restaurant, Farmer's Table, as its new caterer and food and beverage provider, a splash park for juniors, updated administrative offices, a new pool deck with updated shade structures, multipurpose rooms, locker rooms and an updated golf shop sizable to the demand of a golf course that supports approximately 42,000+ annual rounds. The goal of the Golf Operations Department is to provide first class service at the Jack Nicklaus Signature municipal facility and expand upon its broad range of programming to juniors, women, seniors, beginners, families as well as avid golfers. The Clubhouse opened in December, 2019. The Golf Operations Department also worked with Nicklaus Design Group to implement a project to renovate the golf course and upgrade the driving range turf and lighting at a cost of $1.7 million. The driving range opened in February, 2019. The course opened to members and guests in mid-March and opened to the public in April, 2019.

For Fiscal Year 2019-2020, the Village Council reiterated its primary objective to sustain the Village as the "Best Place to Live Under the Sun." As part of that objective, the Council developed the following goals to guide the budget process:

1. Financial Sustainability
2. Beautification and Quality of Life
3. All Neighborhoods as Desirable Places to Live
4. Waterways and Recreation
5. Strong Local Economy
6. Improve Mobility
7. Organizational Excellence

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 Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018, the 31st consecutive year the Village has received this award. 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 CAFR. 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 CAFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

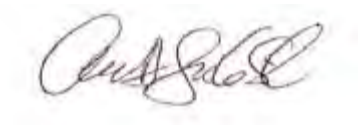
The GFOA also presented a ***Distinguished Budget Presentation Award*** to the Village for its annual budget for the fiscal year beginning October 1, 2018, the 11th consecutive year the Village has received this award (previously this award had not been received since 1995). The Distinguished Budget 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,



Andrew D. Lukasik
Village Manager

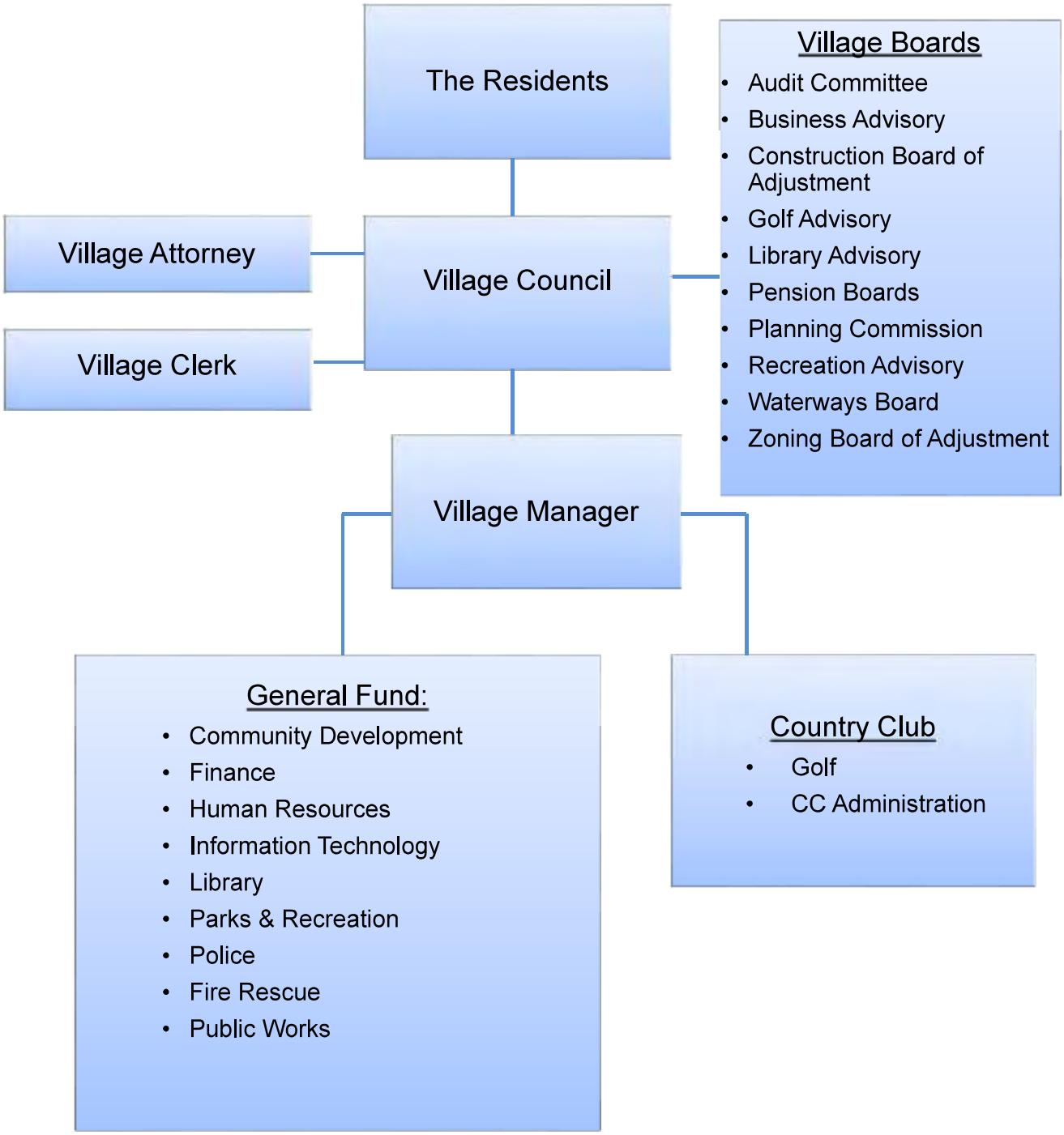
THE VILLAGE OF NORTH PALM BEACH, FLORIDA

PRINCIPAL VILLAGE OFFICIALS

SEPTEMBER 30, 2019

Title	Name
Mayor	Darryl C. Aubrey
Vice Mayor	Mark Mullinix
President Pro Tem	David B. Norris
Council Member	Susan Bickel
Council Member	Deborah Searcy
Village Manager	Andrew D. Lukasik
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 Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

NOWLEN, HOLT & MINER, P.A.
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N. RONALD BENNETT, CVA, ABV, CFF, CPA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2019, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, Pension and Other Postemployment Benefit trend information on pages 78 through 84, and budgetary comparison information on pages 85 through 86 be presented to supplement the basic financial statements. Such information, 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.

Other 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 introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2020, 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, grant agreements and other matters. The purpose of that report is 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 the Village of North Palm Beach, Florida's internal control over financial reporting and compliance.

Nowlen, Holt & Miner, P.A.

West Palm Beach, Florida
March 11, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Village of North Palm Beach, Florida's (Village) Administration offers readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2019. Please read it in conjunction with the accompanying transmittal letter beginning on page i, and the accompanying basic financial statements.

TABLE 1
FINANCIAL HIGHLIGHTS
(in millions)

	September 30,		Increase/	Statement
	2019	2018	(Decrease)	Page #
Total net position	$27.10	$24.30	$2.80	14
Unrestricted net position available for future use	$4.34	$6.71	($2.37)	14
Governmental net position	$26.84	$22.57	$4.27	14
Total revenues from all sources	$30.31	$28.40	$1.91	15
Governmental revenues	$28.90	$26.13	$2.77	15
Total cost of all Village programs	$27.51	$27.10	$0.41	15
Governmental revenues over (under) expenses	$4.27	$1.94	$2.33	16
General fund revenues over (under) expenditures	$2.43	$1.11	$1.32	19
General fund unassigned fund balance	$8.18	$7.28	$0.90	17
As a percent of general fund expenditures	33.21%	30.92%	2.29%	
Country Club revenues over (under) expenses	($1.47)	($0.64)	($0.83)	22
Change in total long-term debt for the Village	($0.86)	($0.99)	$0.13	

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements that include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Village as a whole. (2) Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. (3) Notes to the basic financial statements expand upon information reported 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 frequently asked question regarding the Village's financial health is whether the year's activities contributed positively to the overall financial well being. The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Village's net position and changes therein. Net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the Village's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating.

The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities - All of the Village's basic services are considered to be governmental activities, including general government, community development, public safety, public services, library, and recreation. Property taxes, sales taxes, utility taxes, and franchise fees finance most of these activities.

- Proprietary activities/Business-type activities - The Village charges a fee to customers to cover all or most of the cost of the services provided. The Village's Country Club is reported in 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, which 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 seven individual governmental funds: the General Fund, one Capital Projects Fund, and five 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 Capital 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 is combined into a single column for an aggregated presentation. The basic governmental fund financial statements can be found on pages 17-20 of this report.

- **Proprietary Funds**
  The Village's only proprietary fund is the Country Club Fund, which charges customers for the services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The basic proprietary fund financial statements can be found on pages 21-23 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 Agency 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 24-25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net positon may serve over time as a useful indicator of a government's financial position. In the case of the Village, the net position was $27.10 million at the close of the most recent fiscal year.

A significant portion of the Village's net position (82.04%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt still outstanding, which was used to acquire those assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	$ 21,156	$ 28,457	$ (2,661)	$ (1,053)	$ 18,495	$ 27,404
Capital assets	32,329	18,361	5,040	4,996	37,369	23,357
Total assets	53,485	46,818	2,379	3,943	55,864	50,761
Deferred outflows of resources:	2,572	2,782	1	-	2,573	2,782
Liabilities:						
Current liabilities	5,415	2,030	415	161	5,830	2,191
Long-term liabilities	20,306	20,973	1,672	1,996	21,978	22,969
Total liabilities	25,721	23,003	2,087	2,157	27,808	25,160
Deferred inflows of resources:	3,492	4,025	34	54	3,526	4,079
Net positon:						
Net investement in capital assets	18,814	15,429	3,422	3,056	22,236	18,485
Restricted	526	485			526	485
Unrestricted	7,504	6,659	(3,162)	(1,325)	4,342	5,334
Total net position	$ 26,844	$ 22,573	$ 260	$ 1,731	$ 27,104	$ 24,304

Governmental Activities

The cost of all governmental activities this year was $24.64 million. As shown on Table 3, Changes in Net Position, those who directly benefited from the programs paid for $4.07 million of this cost and $24.83 million was financed through general revenues. Governmental activities increased the Village's net position by $4.27 million, thereby accounting for 100% of the total increase in the net position of the Village.

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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 4,073	$ 3,571	$ 1,407	$ 2,255	$ 5,480	$ 5,826
Operating grants and contributions	395	422			395	422
Capital grants and contributions	808	10			808	10
General revenues:						
Property taxes	16,185	15,003			16,185	15,003
Local option gas taxes	307	302			307	302
Local option infrastructure surtax	923	880			923	880
Utility service taxes	2,522	2,512			2,522	2,512
Sales and use taxes	1,449	1,413			1,449	1,413
Franchise taxes	1,353	1,294			1,353	1,294
Investment earnings	812	376		14	812	390
Miscellaneous	80	269			80	269
Gain on asset disposals		75				75
Total revenues	28,907	26,127	1,407	2,269	30,314	28,396
Expenses:						
Program expenses:						
General Government	3,313	3,214			3,313	3,214
Public Safety	10,505	10,046			10,505	10,046
Public Works	5,604	5,911			5,604	5,911
Community Development	1,686	1,459			1,686	1,459
Leisure Services	3,038	3,058			3,038	3,058
Interest on long-term debt	490	500			490	500
Country Club			2,879	2,913	2,879	2,913
Total expenses	24,636	24,188	2,879	2,913	27,515	27,101
Increase (decrease) in net position	4,271	1,939	(1,472)	(644)	2,799	1,295
Net position - beginning of year	22,573	20,634	1,732	2,376	24,305	23,010
Net position - end of year	$ 26,844	$ 22,573	$ 260	$ 1,732	$ 27,104	$ 24,305

The Village's programs include General Government, Public Safety, Public Works, Community Development & Planning, and Leisure Services. Each program's net cost (total cost, less revenues generated by the activities) is presented below. The net cost shows the extent to which the Village's general taxes support each of the Village's programs.

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

	2019		2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	$ 3,313	$ (3,129)	$ 3,214	$ (2,997)
Public safety	10,505	(9,133)	10,046	(9,179)
Public works	5,604	(5,053)	5,911	(5,385)
Community development	1,686	114	1,459	37
Leisure services	3,038	(1,668)	3,058	(2,160)
Interest on long-term debt	490	(490)	500	(500)
	$ 24,636	$ (19,359)	$ 24,188	$ (20,184)

At the end of the current year, as compared to the prior year, the total cost of services increased by $0.45 million. This increase is primarily due to increased personnel related costs.

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 decreased by $0.85 million and expenses decreased by $0.03 million. Net positon of the Proprietary Fund (Country Club) at September 30, 2019, were $0.26 million. Net position decreased by $1.47 million.

The negative impact in the Village’s Business-type activities was largely due to the Country Club clubhouse construction and golf course renovation projects. The closure of both facilities disrupted the Country Club’s ability to deliver services and resulted in significant revenue loss in 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 focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, 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 end of the current fiscal year, the combined fund balance for all Governmental Funds was $15.38 million, a $10.98 million decrease from the 2018 fund balance of $26.36 million. Approximately 78% of the combined ending fund balance ($12.07 million) constitutes unrestricted (unassigned/assigned) fund balance, which is available for spending at the government's discretion. The remainder of fund balance ($3.32 million) is restricted (non-spendable/restricted) to indicate that it is not available for new spending because it has already been committed for a variety of other restricted purposes.

General Fund

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was $8.18 million while the General Fund total fund balance was $11.61 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance is 33% of total general fund expenditures, while total fund balance represents 47% of that same amount.

The general fund unassigned fund balance ($8.18 million) represents an increase of $0.90 million from the 2018 unassigned general fund balance of $7.28 million. Key elements of this increase are listed below:

- Revenues for Franchise Fees and Utility Service Taxes were budgeted on prior year trends ($3.71 million). For the current year, the Village received $3.87 million;

- Due to discounts from prompt payments, State law requires that only 95% of the gross ad-valorem taxes be budgeted as revenue ($15.94 million). For the current year, the Village received $16.18 million); and

- Revenues for Licenses and Permits were budgeted on prior year trends ($0.98) million. For the current year, the Village received $1.52 million. This is primarily a result of an increase in Building Permits.

The increase in the above-mentioned revenues, while holding the line on operating costs, resulted in a positive impact in the Village’s General Fund.

General Fund Budgetary Highlights
Differences between the original budget and the final amended budget were $1,218,375 and can be briefly summarized as follows:

- Vehicle Leases ($826,943)
- Prior Year Open Purchase Order Carryover ($391,432)

General Fund Budget Analysis
As shown on pages 85-86 of this report, in the Schedule of Departmental Expenditures – Budget and Actual, there was an overall favorable budget to actual cost variance of $1,164,884 in General Fund Departmental Expenditures. This is primarily a result of several unfinished projects at fiscal year-end that were carried over into the following fiscal year ($565,578); savings in personnel costs ($287,056) as a result of several position vacancies; and savings in operating costs ($115,673) as a result of departments holding the line on operating costs.

Capital Projects Fund
The Village's Capital Projects Fund is project specific and involves multi-year projects. Appropriations in this fund remain open and carry over to succeeding years until planned expenditures are made, or until they are amended or cancelled. At the end of the current fiscal year, the total fund balance was $3.73 million, a $13.33 million decrease over the 2018 fund balance of $17.07 million. This is primarily due to the Country Club Clubhouse project activity.

Infrastructure Surtax Fund
The Village's Infrastructure Surtax Fund is used to account for surtax proceeds. On November 8, 2016 PBC voters approved a one-cent sales surtax, raising the sales tax from 6% to 7% effective January 1, 2017. The surtax will sunset on December 31, 2026. The use of surtax proceeds is restricted to, among other things, the financing, planning and construction of infrastructure. Appropriations in this fund remain open and carry over to succeeding years until planned expenditures are made, or until they are amended or cancelled. At the end of the current fiscal year, the total fund balance was $0.46 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
The capital assets of the Village are those assets that are used in the performance of Village functions. Capital assets include equipment, buildings, land, and 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 that were significantly reconstructed or improved during that multiyear period.

The Village's investment in capital assets for its governmental and business-type activities as of September 30, 2019 and 2018 amounts to $37.37 million and $23.36 million, respectively (net of accumulated depreciation).

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 2,056	$ 2,056	$ 1,051	$ 1,051	$ 3,107	$ 3,107
Construction in progress	17,716	5,334	228	1,591	17,944	6,925
Buildings and improvements	26,045	23,973	8,072	6,538	34,117	30,511
Furniture, fixtures and equipment	7,520	8,253	49	212	7,569	8,465
Total assets	53,337	39,616	9,400	9,392	62,737	49,008
Less accumulated depreciation	(21,008)	(21,255)	(4,359)	(4,396)	(25,367)	(25,651)
Net position	$ 32,329	$ 18,361	$ 5,041	$ 4,996	$ 37,370	$ 23,357

Additional information on the Village's capital assets can be found in Note 5 on pages 46 through 47 of this report.

Debt

Currently, the Village uses debt financing on an as-needed basis each year. At the end of the current fiscal year, the Village had total long-term debt of $15.40 million; $13.78 million in the governmental activities and $1.62 million in business-type activities. None of the Village's long-term debt comprises 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	
	2019	2018	2019	2018	2019	2018
Loans payable	$ 13,515	$ 14,320	$ 1,619	$ 1,939	$ 15,134	$ 16,259
Capital leases	266				266	-
Total	$ 13,781	$ 14,320	$ 1,619	$ 1,939	$ 15,400	$ 16,259

Additional information on the Village's debt can be found in Note 6 on pages 48 through 51 of this report.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The Village's Unassigned Fund Balance is viewed by the Administration as a measurement of Village financial stability. Unassigned general fund balance increased to $8.18 million during the current 2019 fiscal year. The increase is primarily due to the increase in several revenue categories.

The FY 2019/20 Budget reflects continued improvement to citizen services, public safety, and public facility maintenance while emphasizing improved community appearance and financial stability. Most importantly, the budget provides necessary resources for the Village of North Palm Beach to maintain and further improve services to our residents without increasing the millage rate and without having to use the General Fund Unassigned Fund Balance. The Village's operating millage rate was not increased; it remained flat at 7.5000 mils.

The Village's financial plan represents an aggressive approach to adequately maintain infrastructure and address gaps in the organization in order to deliver services to the community while completing the North Palm Beach Country Club clubhouse construction and golf course renovation projects. Continued work to build a new clubhouse and renovate the golf course will result in reduced Country Club revenues due to the closure of both facilities at different times and the need for the General Fund to support debt service associated with the projects until the Country Club returns to full operation. Increasing property valuations and continued state and national economic growth, however, will blunt the impact of these short-term facility closures to the annual financial plan.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Village's Finance Department, at the Village of North Palm Beach, 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, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 5,253,207	$ 1,326	$ 5,254,533
Investments	11,576,187		11,576,187
Accounts receivable	331,231	15,820	347,051
Accrued interest	39,380		39,380
Inventories	147,568	30,869	178,437
Prepaids	4,612	-	4,612
Due from other governments	1,093,970		1,093,970
Internal balances	2,709,735	(2,709,735)	
Capital assets:			
Nondepreciable	19,772,446	1,279,129	21,051,575
Depreciable (net of depreciation)	12,556,670	3,761,646	16,318,316
Total assets	53,485,006	2,379,055	55,864,061
Deferred outflows of resources			
Other postemployement benefits related items	66,754	1,502	68,256
Pension related items	2,505,289		2,505,289
Total deferred outflows of resources	2,572,043	1,502	2,573,545
Liabilities			
Accounts payable	4,382,255	366,041	4,748,296
Retainage payable	453,673		453,673
Accrued liabilities	227,690		227,690
Unearned revenue	196,539	48,695	245,234
Accrued interest payable	154,922		154,922
Noncurrent liabilities:			
Due within one year	1,957,044	347,348	2,304,392
Due in more than one year	18,348,800	1,325,219	19,674,019
Total liabilities	25,720,923	2,087,303	27,808,226
Deferred inflows of resources			
Deferred revenue	231,152		231,152
Other postemployement benefits related items	1,490,386	33,526	1,523,912
Pension related items	1,770,874		1,770,874
Total deferred inflows of resources	3,492,412	33,526	3,525,938
Net position			
Net investment in capital assets	18,814,116	3,422,142	22,236,258
Restricted for:			
Recreation	4,274		4,274
Infrastructure	460,230		460,230
Library	20,175		20,175
Other purposes	40,857		40,857
Unrestricted	7,504,062	(3,162,414)	4,341,648
Total net position	$ 26,843,714	$ 259,728	$ 27,103,442

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Activities
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Charges for Services
Government:		
Governmental activities		
General government	$ 3,312,770	$ 147,104
Public safety	10,505,278	687,905
Public works	5,603,991	538,459
Community development and planning	1,685,525	1,799,878
Leisure services	3,037,981	899,164
Interest expense	489,988	
Total governmental activities	24,635,533	4,072,510
Business-type activities - country club	2,879,376	1,406,563
Total business-type activities	2,879,376	1,406,563
Total government	$ 27,514,909	$ 5,479,073

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
$ 36,553	$	$ (3,129,113)	$	$ (3,129,113)
329,213	354,951	(9,133,209)		(9,133,209)
11,751		(5,053,781)		(5,053,781)
		114,353		114,353
17,859	453,242	(1,667,716)		(1,667,716)
		(489,988)		(489,988)
395,376	808,193	(19,359,454)		(19,359,454)
			(1,472,813)	(1,472,813)
			(1,472,813)	(1,472,813)
$ 395,376	$ 808,193	(19,359,454)	(1,472,813)	(20,832,267)
General Revenues:				
Taxes:				
Property taxes		16,185,283		16,185,283
Local option gas taxes		307,130		307,130
Local option infrastruture surtax		922,937		922,937
Utility service taxes		2,521,954		2,521,954
Franchise taxes		1,352,464		1,352,464
Sales and use taxes		1,448,423		1,448,423
Investment income - unrestricted		811,915	804	812,719
Miscellaneous		80,266		80,266
Total general revenues		23,630,372	804	23,631,176
Change in net position		4,270,918	(1,472,009)	2,798,909
Net position, beginning of year		22,572,796	1,731,737	24,304,533
Net position, end of year		$ 26,843,714	$ 259,728	$ 27,103,442

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2019

	General	Infrastructure Surtax Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$	$ 429,542	$ 4,814,323	$ 9,342	$ 5,253,207
Investments	11,576,187				11,576,187
Accounts receivable	331,231				331,231
Accrued interest	39,380				39,380
Inventories	147,568				147,568
Prepaids	4,612				4,612
Due from other funds	432,257		2,799,958		3,232,215
Advances to other funds	2,637,644				2,637,644
Due from other governments	561,660	83,459		448,851	1,093,970
Total assets	$ 15,730,539	$ 513,001	$ 7,614,281	$ 458,193	$ 24,316,014
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	$ 446,764	$ 52,771	$ 3,882,720	$	$ 4,382,255
Accrued liabilities	227,690				227,690
Due to other funds	2,683,839			476,285	3,160,124
Unearned revenue	196,539				196,539
Total liabilities	3,554,832	52,771	3,882,720	476,285	7,966,608
Deferred inflows of resources					
Deferred revenue	231,152				231,152
Unavailable revenue	333,738			400,000	733,738
Total deferred inflows of resources	564,890			400,000	964,890
Fund balances					
Nonspendable:					
Inventories and prepaids	152,180				152,180
Advances to other funds	2,637,644				2,637,644
Restricted for:					
Country club project					
Recreation	195		4,079		4,274
Infrastructure		460,230			460,230
Streets and roads	37,773				37,773
Police	311				311
Library	20,175				20,175
Other purposes	2,773				2,773
Assigned for:					
Small business grants	16,435				16,435
Subsequent year's expenditures	565,573				565,573
Special revenue funds				3,507	3,507
Capital project funds			3,727,482		3,727,482
Unassigned	8,177,758			(421,599)	7,756,159
Total fund balances	11,610,817	460,230	3,731,561	(418,092)	15,384,516
Total liabilities, deferred inflows of resources, and fund balances	$ 15,730,539	$ 513,001	$ 7,614,281	$ 458,193	$ 24,316,014

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, 2019

Fund balances - total governmental funds		$ 15,384,516
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	$ 53,336,746	
Less: accumulated depreciation	(21,007,630)	
		32,329,116
Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recongnized when earned, regardlesss of availability.		
Current year unavailable grant revenue		733,738
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	(154,922)	
Retainage payable	(453,673)	
Revenue notes	(13,515,000)	
Capital leases	(265,522)	
Net pension liability	(3,568,305)	
Other postemployement benefits	(1,605,572)	
Accrued compensated absences	(1,351,445)	
		(20,914,439)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the govenmental funds:		
Other postemployement benefits deferred outflows	66,754	
Other postemployement benefits deferred inflows	(1,490,386)	
Pension related deferred outflows	2,505,289	
Pension related deferred inflows	(1,770,874)	
		(689,217)
Net position of governmental activities		$ 26,843,714

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, 2019

	General	Infrastructure Surtax Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 20,366,831	$	$	$	$ 20,366,831
Licenses and permits	1,522,913				1,522,913
Intergovernmental	1,582,513	922,937		404,945	2,910,395
Charges for services	2,399,174				2,399,174
Fines and forfeitures	100,188				100,188
Investment	573,096	8,722	230,097		811,915
Miscellaneous	510,688				510,688
Total revenues	27,055,403	931,659	230,097	404,945	28,622,104
Expenditures					
Current					
General government	3,275,570				3,275,570
Public safety	10,021,772			328,826	10,350,598
Public works	5,255,606				5,255,606
Community development and planning	1,532,428				1,532,428
Leisure services	2,664,689				2,664,689
Capital outlay	504,665	629,552	13,967,674	385,438	15,487,329
Debt service					
Principal	882,777				882,777
Interest	488,786				488,786
Total expenditures	24,626,293	629,552	13,967,674	714,264	39,937,783
Excess (deficiency) of revenues over (under) expenditures	2,429,110	302,107	(13,737,577)	(309,319)	(11,315,679)
Other financing sources (uses)					
Capital lease proceeds	343,299				343,299
Transfers in			405,000	2,000	407,000
Transfers out	(405,000)		(2,000)		(407,000)
Total other financing sources (uses)	(61,701)		403,000	2,000	343,299
Net change in fund balances	2,367,409	302,107	(13,334,577)	(307,319)	(10,972,380)
Fund balances					
Beginning of year	9,243,408	158,123	17,066,138	(110,773)	26,356,896
End of year	$ 11,610,817	$ 460,230	$ 3,731,561	$ (418,092)	$ 15,384,516

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, 2019

Net change in fund balances - total governmental funds		$ (10,972,380)
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	$ 15,888,345	
Less: current year depreciation	(1,404,507)	
Net book value for retired assets	(515,420)	13,968,418
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:		
Capital lease proceeds	(343,299)	
Principal payments on debt	882,777	539,478
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	733,738	
Prior year unavailable grant revenue	(52,657)	681,081
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	(1,202)	
Change in accrued retainage payable	(453,673)	
Change in long-term compensated absences	58,735	
Change in net pension liability and related deferred amounts	328,046	
Change in other postemployment benefits and deferred amounts	122,415	
		54,321
Change in net position		$ 4,270,918

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Net Position
Proprietary Fund
September 30, 2019

	Enterprise
Assets	
Current assets	
Cash and cash equivalents	$ 1,326
Accounts receivable	15,820
Inventories	30,869
Total current assets	48,015
Non-current assets	
Capital assets, net	5,040,775
Total non-current assets	5,040,775
Total assets	5,088,790
Deferred outflows of resources	
Other postemployement benefits related items	1,502
Liabilities	
Current liabilities	
Accounts payable	366,041
Deposits	
Unearned revenue	48,695
Due to other funds	72,091
Compensated absences - current portion	13,358
Loans payable - current portion	333,990
Total current liabilities	834,175
Non-current liabilities	
Other postemployement benefits	36,117
Compensated absences	4,459
Advances from other funds	2,637,644
Loans payable	1,284,643
Total non-current liabilities	3,962,863
Total liabilities	4,797,038
Deferred inflows of resources	
Other postemployement benefits related items	33,526
Net position	
Net investment in capital assets	3,422,142
Unrestricted	(3,162,414)
Total net position	$ 259,728

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, 2019

	Enterprise
Operating revenue	
Greens fee/cart rentals/membership fees	$ 1,011,369
Golf shop revenues	109,563
Driving range revenues	164,020
Restaurant revenues	4,611
Miscellaneous	117,000
Total operating revenues	1,406,563
Operating expenses	
Golf course maintenance expenses	1,340,159
Clubhouse grounds expenses	75,854
Golf shop expenses	913,851
Food and beverage expenses	23,945
Administrative and general	62,858
Insurance	27,034
Depreciation and amortization	325,559
Total operating expenses	2,769,260
Operating income (loss)	(1,362,697)
Nonoperating revenues (expenses)	
Interest revenue	804
Interest expense	(110,116)
Total nonoperating revenues (expenses)	(109,312)
Change in net position	(1,472,009)
Net position - beginning	1,731,737
Net position - ending	$ 259,728

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, 2019

	Enterprise
Cash flows from operating activities:	
Receipts from customers	$ 1,347,351
Payments to suppliers for goods or services	(1,595,318)
Payments to employees for services	(518,533)
Net cash used by operating activities	(766,500)
Cash flows from non-capital financing activities:	
Receipts from other funds	937,644
Net cash provided by non-capital financing activities:	937,644
Cash flows from capital and related financing activities:	
Advance from the general fund	328,553
Principal paid on long term debt	(320,733)
Interest paid on debt	(110,116)
Acquisition of capital assets	(370,253)
Net cash provided (used) by capital and related financing activities	(472,549)
Cash flows from investing activities:	
Interest and dividends on investments	804
Net increase (decrease) in cash and cash equivalents	(300,601)
Cash and cash equivalents at beginning of year	301,927
Cash and cash equivalents at end of year	$ 1,326
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	$ (1,362,697)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	325,559
Change in OPEB liability and related deferred amounts	(29,333)
Change in assets and liabilities	
Increase in accounts receivable	(15,457)
Decrease in inventory	49,067
Decrease in prepaids	8,345
Increase in accounts payable	297,030
Increase in compensated absences payable	4,741
Decrease in deferred revenue	(43,755)
Total adjustments	596,197
Net cash provided by operating activities	$ (766,500)

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2019

	Employee Retirement Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 565,449	$ 381,508
Investments:		
Domestic common equity securities	13,009,522	
International common equity securities	2,708,368	
U.S. Government and agencies	3,322,069	
Municipal bonds	272,814	
Corporate bonds	3,024,595	
Fixed income exchange traded funds	3,352,878	
Equity exchange traded funds	1,006,351	
Fixed income mutual funds	2,606,625	
Equity mutual funds	9,757,199	
Real estate investment fund	2,705,074	
Money market mutual funds	1,122,114	
Accrued interest and dividends	60,103	
Accounts receivable	74,977	
Accounts receivable, broker-dealers	459,175	
Prepaids	1,737	
Total assets	44,049,050	381,508
Liabilities		
Accounts payable	71,098	
Accounts payable, broker-dealers	579,312	
Due to others		381,508
Total liabilities	650,410	381,508
Net position restricted for pensions	$ 43,398,640	$

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, 2019

	Employee Retirement Funds
Additions	
Contributions	
Employer	$ 1,276,263
Plan members	343,643
State on-behalf payments	328,826
Total contributions	1,948,732
Investment earnings	
Dividends and interest	1,297,605
Net increase in fair value of investments	441,822
Total investment earnings	1,739,427
Less: investment expenses	230,595
Total net investment earnings	1,508,832
Total additions	3,457,564
Deductions	
Administrative expense	122,103
Benefits	1,360,750
Total deductions	1,482,853
Change in net position	1,974,711
Net position - beginning	41,423,929
Net position - ending	$ 43,398,640

See notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Organizations for which the Village is not financially accountable are also included when doing so is necessary in order to prevent the Town'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 funds financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the Village. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

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

The government-wide financial statements and proprietary fund financial statements are reported using the accrual basis of accounting and the economic resources measurement focus. Fiduciary funds use the accrual basis of accounting and, except for agency funds, the economic resources measurement focus. Agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

General Fund

The general fund is the primary operating fund and is used to account for all financial resources applicable to the general operations of the Village except those required to be accounted for in another fund.

Infrastructure Surtax Fund

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

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.

The Village reports the following major (and only) proprietary fund:

Country Club Enterprise Fund

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

Additionally, the Village reports the following fund types:

Special Revenue Funds

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

Employee Retirement Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Agency Funds

The Agency Funds account for assets that are held for other parties and cannot be used to finance the Village's own programs. The two agency funds are the Northlake Boulevard Task Force, which is for the streetscape improvement of Northlake Boulevard, and the Manatee Protection Fund, in which the assets are held in trust 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 Village's Country Club Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund 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 Equity

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 Education Trust Fund (FEITF) sponsored by Florida School Boards Association and the Florida Association of District School Superintendents

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Accounts Receivable

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

Concentration of Credit Risk

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

Investments

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

Interfund Transactions

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

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

Inventories and Prepaid Items

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (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. 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.

Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated lives for each major class of depreciable capital assets are as follows:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 position 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 statement of net position also includes a separate section, listed below total liabilities, for deferred inflows of resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. The Village currently has three 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. These items are amortized in a systemic and rational method and recognized as a reduction of expense in future periods.

Unearned Revenue

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

Compensated Absences

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Position or Equity (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.

Net Position

Equity 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 three components.

Fund Equity

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Equity (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.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

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 $565,573 and the Capital Projects Fund had $2,345,005 in outstanding encumbrances at year-end.

B. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment rolls meet all of the appropriate requirements of State law.

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

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

B. Property Taxes (Continued)

The Palm Beach County Property Appraiser incorporates the Village's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the Village for the year ended September 30, 2019, was 7.5000 ($7.5000 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, 2019, unpaid delinquent taxes are not material and have not been recorded by the Village.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2019, the carrying amount of the Village's deposits (including fiduciary funds) was $2,712,907 and the bank balances totaled $2,995,113. 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.

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	$ 2,712,907
Petty cash	3,483
Investments	57,948,896
Total deposits and investments	$60,665,286
Presented in the statement of net position	
Governmental activities	
Cash and cash equivalents	$ 5,253,207
Investments	11,576,187
Business-type activities	
Cash and cash equivalents	1,326
Total statements of net position	16,830,720
Presented in the statement of fiduciary net position	
Pension trust funds	
Cash and cash equivalents	565,449
Investments	42,887,609
Agency funds	
Cash and cash equivalents	381,508
Total fiduciary funds	43,834,566
Total deposits and investments	$60,665,286

Investments

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The Florida Public Assets for Liquidity Management (FL Palm) and Florida PRIME are external investment pools which meet the requirements with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which allows reporting the investments at amortized cost. For both funds as of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. However, the Trustees of the funds can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

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

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

The Florida Public Assets for Liquidity Management FL Palm – Term Series invests in highly rated securities including U.S. Treasury securities, U.S. government agency securities, deposits including certificates of deposit and commercial paper Securities are rated at least 'A/F1' by Fitch Ratings or equivalent. The term portfolio is a fixed-rate, fixed-term portfolio with a maximum term of one year. The maturity profile of the term portfolio is managed to meet preset redemptions of the portfolio's participants. Upon investing in the program, a participant selects a planned maturity date on which the portfolio seeks to produce a share price of at least $1.00 for the participant that redeems on said date. Participants may request premature redemption, but the portfolio may charge significant penalties for any redemption prior to the agreed-upon redemption date and net asset value may be more or less than $1.00 per share. Redemptions will be made seven days after the request is received.

The Village's investments in FEITF Term Series are as follows:

Maturity	Interest Rate	Amount
12/13/19	2.62%	$ 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.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2019, the Village held the following investments:

	Weighted Average Maturity	Fair Value	Fair Value Measurement	
			Level 1	Level 2
Governmental Funds				
U.S. Government and Agency	2.12 Years	$ 3,446,195	$	$ 3,446,195
Asset Backed Securities	4.11 Years	2,495,567		2,495,567
Municipal Bonds	1.50 Years	101,455		101,455
Domestic Corporate Bonds	1.85 Years	2,102,498		2,102,498
International Corporate Bonds	1.62 Years	1,377,852		1,377,852
Fiduciary Funds				
U.S. Government and Agency	15.15 Years	532,628		532,628
Asset Backed Securities	19.21 Years	2,789,441		2,789,441
Municipal Bonds	10.15 Years	272,813		272,813
Domestic Corporate Bonds	7.36 Years	2,488,412		2,488,412
International Corporate Bonds	4.73 Years	536,183		536,183
Domestic Common Equity Securities	N/A	13,009,522	13,009,522	
International Common Equity Securities	N/A	2,708,368	2,708,368	
Fixed Income ETF	N/A	3,352,878	3,352,878	
Equity ETF	N/A	1,006,351	1,006,351	
Fixed Income Mutual Funds	N/A	2,606,625	2,606,625	
Equity Mutual Funds	N/A	9,757,199	9,757,199	
		48,583,987	$ 32,440,943	$ 16,143,044
Investments Reported at NAV				
Governmental Funds				
FL Palm Term Series	N/A	2,000,000		
Fiduciary Funds				
American Core Realty Fund	N/A	2,705,074		
Investments Reported at Amortized Cost:				
Governmental Funds				
Money Market Mutual Funds	N/A	52,620		
Florida Prime	33 Days	1,382,042		
FL Palm	39 Days	1,914,147		
Fiduciary Funds				
Money Market Mutual Funds	N/A	1,311,026		
Total Investments		$ 57,948,896		

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 with certain investments not specifically rated by both S&P and Moody's.

Investments:	**S&P Rating**	**Moody's Rating**	**Fair Value**
Governmental Funds			
U.S. Government and Agency	AA+	Aaa	$ 3,446,195
Asset Backed Securities	AAA & NR	Aaa & NR	2,495,567
Municipal Bonds	AA-	Aa2	101,455
Domestic Corporate Bonds	AAA to BBB+	Aaa to BAA1	2,102,498
International Corporate Bonds	AAA to A-	Aaa to A2	1,377,852
Money Market Mutual Funds	NR	NR	52,620
Florida Prime	AAAm	NR	1,382,042
FL Palm	AAAm	NR	1,914,147
FL Palm Term Series	NR*	NR	2,000,000
Fiduciary Funds			
U.S. Government and Agency	AA+, NR	Aaa	532,628
Asset Backed Securities	AAA, NR	Aaa, NR	2,789,441
Municipal Bonds	AAA to AA-	Aaa to Aa3	272,813
Domestic Corporate Bonds	AAA to BBB-	Aaa to Baa3	2,488,412
International Corporate Bonds	AAA to A-	Aaa to A1	536,183
Common Equity Securities	NR	NR	15,717,890
Exchange Traded Funds	NR	NR	4,359,229
Mutual Funds	NR	NR	12,363,824
American Core Realty Fund	NR	NR	2,705,074
Money Market Mutual Funds	NR	NR	1,311,026
Total Investments			$ 57,948,896

* Rated AAAf 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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

maturity without jeopardizing the liquidity requirements. The Retirement Funds do not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

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

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

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

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

The Village is authorized to invest its funds as follows:

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

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

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

1. Interest-bearing time deposits in qualified public depositories, as defined in Chapter 280, Florida Statutes;
2. The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Chapter 163, Florida Statutes;
3. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency minimum credit quality rating of A-1 from S&P or P-1 from Moody's;
4. Obligations issued by the U.S. Government or obligations guaranteed by agencies or instrumentalities of the U.S. Government;
5. Foreign Securities, including convertible bonds, convertible preferred issues and preferred stock;
6. Equities, including publicly traded REITS, commodities, convertible bonds, convertible preferred issues and preferred stock. Foreign security convertibles are limited to those that settle in U.S. dollars and are traded on one or more of the nationally recognized national exchanges.
7. Bonds 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 the issues are traded on any one (1) or more of the recognized national stock exchanges or over the counter and holds a minimum credit rating of BBB from S&P or Baa from Moody's, except that up to 20% of the fixed income portfolio may be held in securities that do not meet this criteria. The weighted average quality rating of the portfolio will be A or better and the effective duration of the portfolio shall be kept within 20% of Barclays Aggregate Index;
8. Comingled stock, bond or money market funds.
9. Securities of, or interest in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. sections 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian;
10. Other investments authorized by law or by ordinance by the Village.

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 cost exceed sixty (60) 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.

NOTE 4 – RECEIVABLES

Receivables at September 30, 2019, were as follows:

	General Fund	Country Club
Utility franchise fees & taxes	$ 301,427	$
Conroy Drive assessment	1,270	
Other accounts receivable	28,534	15,820
Total accounts receivable	$ 331,231	$ 15,820

NOTE 5 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2019, 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	5,334,234	15,124,647	(2,742,324)	17,716,557
Capital assets being depreciated:				
Buildings	9,367,764	640,443	(77,285)	9,930,922
Improvements	14,604,652	2,488,474	(979,491)	16,113,635
Machinery and equipment	2,867,072		(447,913)	2,419,159
Vehicles	5,386,308	377,105	(662,829)	5,100,584
Total at historical cost:	39,615,919	18,630,669	(4,909,842)	53,336,746
Less accumulated depreciation:				
Buildings	(6,194,964)	(271,416)	77,285	(6,389,095)
Improvements	(10,055,950)	(536,504)	801,703	(9,790,751)
Machinery and equipment	(1,923,806)	(181,519)	440,043	(1,665,282)
Vehicles	(3,080,501)	(415,068)	333,067	(3,162,502)
Total accumulated depreciation	(21,255,221)	(1,404,507)	1,652,098	(21,007,630)
Governmental activities capital assets, net	$ 18,360,698	$ 17,226,162	$ (3,257,744)	$ 32,329,116

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	$ 89,020
Public safety	476,750
Public works	393,494
Community development	32,741
Leisure services	412,502
Total depreciation expense, governmental activities	$ 1,404,507

Business-type activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,051,311	$	$	$ 1,051,311
Construction in progress	1,591,482	360,296	(1,723,960)	227,818
Capital assets being depreciated:				
Buildings	465,122			465,122
Improvements	6,073,079	1,723,960	(190,355)	7,606,684
Machinery and equipment	162,420	9,957	(123,577)	48,800
Vehicles	49,154		(49,154)	
Total at historical cost:	9,392,568	2,094,213	(2,087,046)	9,399,735
Less accumulated depreciation:				
Buildings	(465,122)			(465,122)
Improvements	(3,733,303)	(319,180)	190,355	(3,862,128)
Machinery and equipment	(150,097)	(5,190)	123,577	(31,710)
Vehicles	(47,965)	(1,189)	49,154	
Total accumulated depreciation	(4,396,487)	(325,559)	363,086	(4,358,960)
Business-type activities capital assets, net	$ 4,996,081	$ 1,768,654	$ 1,723,960	$ 5,040,775

NOTE 6 – LONG TERM LIABILITIES

Change in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities:					
Direct borrowings and direct placements					
Loans payable	$ 14,320,000	$	$ (805,000)	$ 13,515,000	$ 835,000
Capital leases		343,299	(77,777)	265,522	60,296
Total	14,320,000	343,299	(882,777)	13,780,522	895,296
OPEB (see Note 13)	1,399,684	205,888		1,605,572	
Net pension liability (see Note 8)	3,843,124		(274,819)	3,568,305	
Compensated absences payable	1,410,180	1,281,999	(1,340,734)	1,351,445	1,061,748
Total	$ 20,972,988	$ 1,831,186	$(2,498,330)	$ 20,305,844	$ 1,957,044
Business-type activities:					
Direct borrowings and direct placements					
Loans payable	$ 1,939,366	$	$ (320,733)	$ 1,618,633	$ 333,990
OPEB (see Note 13)	43,290		(7,173)	36,117	
Compensated absences payable	13,076	9,679	(4,938)	17,817	13,358
Total	$ 1,995,732	$ 9,679	$ (332,844)	$ 1,672,567	$ 347,348

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

Loans Payable from Direct Borrowings and Direct Placements

$4,893,673 Promissory Notes

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

NOTE 6 – LONG TERM LIABILITIES (Continued)

$4,893,673 Promissory Notes (Continued)

The interest rate on the loan is 4.11% and is subject to adjustment in the event of taxability of the interest on this note. As of September 30, 2019, the principal amount outstanding was $1,618,689 and was for the purpose of business-type activities.

Annual debt service requirements to maturity are as follows:

Business-type activities:

Year Ending	Principal	Interest	Total
2020	$ 333,990	$ 64,169	$ 398,159
2021	348,241	49,918	398,159
2022	362,904	35,255	398,159
2023	378,185	19,974	398,159
2024	195,369	4,074	199,443
	$ 1,618,689	$ 173,390	$ 1,792,079

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. Due to the Golf Course and Country Club being closed for part of the year for renovations this requirement was not met.

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. The Bank has not made any such claim.

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.

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, 2019, 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, 2019, the principal amount outstanding was $5,420,000 and was for the purpose of governmental-type activities.

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

Year Ending	Principal	Interest	Total
2020	$ 835,000	$ 458,357	$ 1,293,357
2021	865,000	426,794	1,291,794
2022	900,000	394,097	1,294,097
2023	935,000	359,981	1,294,981
2024	970,000	324,734	1,294,734
2025 - 2029	5,360,000	1,106,464	6,466,464
2030 - 2032	3,650,000	235,263	3,885,263
	$ 13,515,000	$ 3,305,690	$ 16,820,690

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 Capital Leases

The Village entered into capital lease agreements for the purpose of financing the purchase of vehicles. Principal and interest payments are due annually. As of September 30, 2019, the principal amounts outstanding were $265,522 and the net book value of the equipment was $319,207. Amortization of leased equipment under capital assets is included with depreciation expense. The interest rates on the leases range from 6.45% 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.

NOTE 6 – LONG TERM LIABILITIES (Continued)

Governmental Activities Capital Leases (Continued)

Annual debt service requirements to maturity are as follows:

Year Ending	Principal	Interest	Total
2020	$ 60,296	$ 17,913	$ 78,209
2021	63,833	14,376	78,209
2022	68,304	9,905	78,209
2023	73,089	5,120	78,209
	$ 265,522	$ 47,314	$ 312,836

Claims and Settlements

Effective October 1, 2006, the Village discontinued its participation in the Southeast Risk Management Association (SERMA) and joined the Florida Municipal Insurance Trust (FMIT). However, as a former participant in SERMA, the Village is liable for claims incurred through September 30, 2006. In the fiscal year ending September 30, 2014, SERMA was dissolved and the outstanding claims were transferred to the Village's current workman's compensation administrator. As part of the dissolution, the Village received $61,100 from SERMA as its portion of the claims reserve balance, this was recorded as an accrued liability in the General Fund. At this time, the Village believes that the $18,790 currently recorded in the General Fund is adequate to cover the outstanding claims.

NOTE 7 – RISK MANAGEMENT

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

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

The Village is covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of $200,000/$300,000 for all claims relating to the same incident. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in federal courts.

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

NOTE 8 – 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, 2019, 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 is a legal resident of the Village and appointed by the Village council, the two (2) council appointed members of the Board shall appoint a member of the general public who has never been employed by the Village to serve as the fifth member of the Board. Each plan's assets may only be used for the payment of benefits to the members and beneficiaries of the plan in accordance with the terms of each plan document. The costs of administering each plan are financed in the appropriate pension trust fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Retirement Plans

Basis of Accounting. The retirement plans are reported on the accrual basis of accounting. The plans' fiduciary net position have been determined on the same basis used by the pension plans. Plan member and state contributions are recognized as revenues in the period that the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

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

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

NOTE 8 – 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.

	General Employees'	Fire and Police
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, 2018:

	GERF	F&P
Inactive Plan Members or Beneficiaries currently receiving benefits	33	27
Inactive Plan Members entitled to but not yet receiving benefits	38	13
Active Plan Members	32	55
Total	103	95

General Employees' Retirement System

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

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

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

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

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

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

- With less than five years of credited service, a refund of member contributions without interest and no other benefit.

- With five or more years of credited service, a refund of member contributions, the vested accrued benefit payable at normal retirement date or at any time after age 55 is attained, with the benefit being subject to the same reduction as for early retirement benefits. The vesting schedule is listed above.

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

NOTE 8 – 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, 2019, is as follows:

Asset Class	Target Allocation
Domestic equity	45%
International equity	15
Domestic bonds	40
Total	100%

Rate of Return. For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 4.63 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. 2015-05. 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. Previously, employees became eligible for normal retirement benefits after attaining the age of 55, only.

NOTE 8 – 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% for the first 24 years, 0.0% for years 24 to 30, and 2.00% for years after 30; with a maximum benefit of 75% of AME. 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.

Asset Allocation. The plan's adopted asset allocation policy as of September 30, 2019, is as follows:

Asset Class	Target Allocation
Domestic equity	50%
International equity	10
Domestic bonds	30
Real estate	10
Total	100%

Rate of Return. For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 3.13 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Contributions. Firefighter members are required to contribute 5.00% of their basic compensation to the plan. Non-collectively bargained Police Officer are required to contribute 2% their basic compensation. Collectively bargained Police Officer members are required to contribute 4.00% of their basic compensation to the plan. 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 $310,200 during the fiscal year ended September 30, 2019.

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans

Net Pension Liability. The components of net pension liability of the Village on September 30, 2019 were as follows:

	General Employees	Fire and Police
Total pension liability	$ 18,093,051	$ 30,766,565
Plan fiduciary net position	(16,970,487)	(26,428,153)
Village's net pension liability	$ 1,122,564	$ 4,338,412
Plan fiduciary net position as a percentage of total pension liability	93.80%	85.90%

The pension liability of the Fire and Police plan increased by $205,896 due to the discount rate going from 7.75% to 7.70% and $1,660,762 due to changes in the benefit terms, the most significant of which was a prospective increase of the benefit accrual rate to 2.75% from 2.50% for Credited Service earned after September 30, 2018 and an increase in the maximum accrued benefit to 75% AME from 60%.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions applied to the September 30, 2019 measurement period.

	General Employees	Fire and Police
Inflation	2.75%	2.50%
Salary increases	Service based	Service based
Investment rate of return	6.75%	7.70%
Mortality	RP2000 Combined Healthy Participant, Scale BB. Female: 100% Annuitant White Collar, Male Annuitant White Collar/50% Annuitant Blue Collar	Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB Male: RP2000 Generational, 10% Combined Healthy White Collar/90% Combined Healthy Blue Collar, Scale BB

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

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, 2019, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	General Employees	Fire and Police
Domestic equity	6.75%	7.50%
International equity	6.50%	8.50%
Domestic bonds	2.50%	2.50%
Real estate	N/A	4.50%

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent for the General Employees Retirement Fund and 7.70 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.

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Village's net pension liability	$ 3,636,396	$ 1,122,564	$ (949,841)

Fire and Police Retirement System

	1% Decrease 6.70%	Current Discount Rate 7.70%	1% Increase 8.70%
Village's net pension liability	$ 8,931,297	$ 4,338,412	$ 577,783

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, 2019, are reported using a measurement date of September 30, 2018.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions applied to the September 30, 2018, measurement period.

	General Employees	Fire and Police
Inflation	2.75%	2.50%
Salary increases	Service based	Service based
Investment rate of return	6.75%	7.75%
Mortality	Female: RP2000, 100%Annuitant White Collar, Scale BB Male: RP2000, 50%Annuitant White Collar/50% Annuitant Blue Collar, Scale BB	Female: RP2000 Generational, 100%Annuitant White Collar, Scale BB Male: RP2000 Generational, 10%Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

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, 2018, are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	General Employees	Fire and Police	General Employees	Fire and Police
Domestic equity	45%	50%	6.75%	7.50%
International equity	15	10	6.50%	8.50%
Domestic bonds	40	30	2.25%	2.50%
Real estate	N/A	10	N/A	4.50%
Total	100%	100%		

Discount Rate. The discount rate used to measure the total pension liability was 6.75 percent for the General Employees Retirement Fund and 7.75 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.

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System

Changes in Net Pension Liability

Using a measurement date of September 30, 2018, the components of the net pension liability reported by the Village at September 30, 2019, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	$ 17,201,122	$ 15,148,684	$ 2,052,438
Changes due to:			
Service cost	250,072		250,072
Interest	1,162,025		1,162,025
Difference between expected and actual experience	(307,977)		(307,977)
Changes of Assumptions			
Employer contributions		451,560	(451,560)
Employee contributions		101,858	(101,858)
Benefit payments and refunds	(472,027)	(472,027)	
Net investment income		1,190,603	(1,190,603)
Administrative expenses		(21,489)	21,489
Total changes	632,093	1,250,505	(618,412)
Balances at September 30, 2018	$ 17,833,215	$ 16,399,189	$ 1,434,026

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Village's net pension liability	$ 3,951,019	$ 1,434,026	$ (639,648)

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2019, the Village recognized pension expense of $210,906. 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	$ 200,236	$ 609,765
Differences between expected and actual experience		176,372
Assumption changes	2,095	
Village plan contributions subsequent to the measurement date	358,152	
Total	$ 560,483	$ 786,137

NOTE 8 – 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 $358,152 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 fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

Year ended September 30:	Amount
2020	$ (188,655)
2021	(214,613)
2022	(147,329)
2023	(33,209)
2024	
Thereafter	
	$ (583,806)

Fire and Police Retirement System

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

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Village's net pension liability	$ 6,026,816	$ 2,134,279	$ (1,055,685)

NOTE 8 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Changes in Net Pension Liability

Using a measurement date of September 30, 2018, the components of the net pension liability reported by the Village at September 30, 2019, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	$ 24,646,485	$ 22,855,799	$ 1,790,686
Changes due to:			
Service cost	897,280		897,280
Interest	1,922,314		1,922,314
Change in excess state money	77,905		77,905
Differences between expected and actual experience	187,041		187,041
Change of Assumptions	174,565		174,565
Employer contributions		822,951	(822,951)
Employer contributions-state		308,600	(308,600)
Employee contributions		224,469	(224,469)
Employee contributions buy back	4,746	4,746	
Benefit payments and refunds	(751,317)	(751,317)	
Net investment income		1,636,936	(1,636,936)
Administrative expenses		(77,444)	77,444
Total changes	2,512,534	2,168,941	343,593
Balances at September 30, 2018	$ 27,159,019	$ 25,024,740	$ 2,134,279

The pension liability of the Fire and Police plan increased by a net of $174,565 due to an assumption change in the investment rate of return from 7.80% to 7.75%.

NOTE 8 – 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, 2019, the Village recognized pension expense of $1,066,137. 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	$ 1,060	$
Differences between expected and actual experience	324,724	168,882
Change of assumptions	372,085	815,855
Village plan contributions subsequent to the measurement date	1,246,937	
Total	$ 1,944,806	$ 984,737

The deferred outflows of resources totaling $1,246,937 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 fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

Year ended September 30:	Amount
2020	$ 173,986
2021	(75,364)
2022	(181,743)
2023	(60,774)
2024	(94,087)
Thereafter	(48,886)
	$ (286,868)

NOTE 8 – 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, 2019, using a measurement date of September 30, 2018, are as follows:

	General Employees	Fire and Police	Total
Total pension liability	$ 17,833,215	$ 27,159,019	$ 44,992,234
Plan fiduciary net position	16,399,189	25,024,740	41,423,929
Net pension liability	1,434,026	2,134,279	3,568,305
Deferred outflows of resources	560,483	1,944,806	2,505,289
Deferred inflows of resources	786,137	984,737	1,770,874
Pension expense	210,906	1,066,137	1,277,043
Accounts Payable	31,375	-	31,375

NOTE 9 – 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, 2019, $328,826 was recorded as revenues and expenditures in the On-Behalf Pension Contribution Special Revenue Fund relating to on-behalf payments received from the state.

NOTE 10 – 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, 2019, is presented below.

STATEMENT OF FIDUCIARY NET POSITION

	General Employees' Pension
Assets	
Cash and cash equivalents	$ 193,254
Investments:	
Fixed income exchange traded funds	3,352,878
Equity exchange traded funds	1,006,351
Fixed income mutual funds	2,606,625
Equity mutual funds	9,757,199
Accrued dividends and interest	8,231
Accounts receivable	74,977
Total assets	16,999,515
Liabilities	
Accounts payable	29,028
Net position	
Held in trust for pension benefits and other purposes	$ 16,970,487

NOTE 10 – PENSION PLAN FINANCIAL INFORMATION (Continued)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	General Employees' Pension
Additions	
Contributions	
Employer	$ 358,152
Plan members	97,522
Total contributions	455,674
Investment earnings	
Dividends and interest	558,935
Net (decrease) in the fair value of investments	211,863
Less investment expense	(49,012)
Total investment earnings	721,786
Total additions	1,177,460
Deductions	
Administration	38,690
Benefits	567,472
Total deductions	606,162
Change in net position	571,298
Net position - beginning	16,399,189
Net position - ending	$ 16,970,487

NOTE 11 – DEFINED CONTRIBUTION PLAN

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

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

NOTE 11 – 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, after-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.

Because the Village has little administrative involvement and does not perform the investing function for funds in the plans, the Village's activities do not meet the criteria for inclusion in the fiduciary funds of a government. Consequently, the plans are not included in the Village's financial statements.

Plan detail for participating employees at September 30, 2019, is listed below:

	Village Manager	Directors	General Employees	Municipal Employees
Employee contributions	$ 4,770	$ 67,508	$ 53,306	$ 74,351
Village pension expense	23,850	121,678	166,349	82,829
Forfeitures	-	-	5,963	6,620
Payable as of fiscal year end	-	-	-	-

NOTE 12 – 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.

In 1998, the Village Adopted GASB-32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The Village modified its Deferred Compensation Plan to conform with the changes in the Internal Revenue Code brought about by the Small Business Job Protection Act of 1996 (the "Act"). The Act requires that eligible deferred compensation plans established and maintained by governmental employers be amended to provide that all assets of the plan be held in trust, or under one or more appropriate annuity contracts or custodial accounts, for the exclusive benefit of plan participants and their beneficiaries. As a result of this change, these plan assets are not property of the Village and are not subject to the claims of the Village's general creditors.

NOTE 12 – DEFERRED COMPENSATION PLAN ASSETS (Continued)

Because the Village has little administrative involvement and does not perform the investing function for funds in the Plan, the Village's activities do not meet the criteria for inclusion in the fiduciary funds of a government.

NOTE 13 – 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*, see Note 19. 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, 2018, the following employees were covered by benefit terms:

Participants	
Active employees	144
Inactive employees currently receiving benefits	4
Inactive employees entitled to but not receiving benefits	-
Total	148

NOTE 13 – 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 $1,641,689 was measured as of September 30, 2019 and was determined by the actuarial valuation as September 30, 2018 with results actuarially projected on a "no gain/no loss" basis.

Actuarial Assumptions and Methods

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

Valuation Date:	September 30, 2018
Measurement Date:	September 30, 2019
Discount Rate: Source	3.58% per annum Bond Buyer GO 20-Bond Municipal Index
Salary Increase Rate:	Service based between 4% to 12.5% per annum
Health Care Trend Rate:	An initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 5.0%.
Inflation Rate:	General 2.75% per annum Fire and Police 2.5% per annum
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:	*Experience/Assumptions* 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).

NOTE 13 – 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 40% of employees in the General and the Fire and Police Pension Plans and 35% in the Defined Contribution Plan elect coverage. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates:	General and Defined Contribution Plans: RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018.
	Police and Fire Plan: RPH-2018 Blue Collar Mortality Table fully generational using Scale MP-2018

Discount Rate

The Village does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As a result, the calculation used a rate of 3.58%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2018	$ 1,442,974
Changes for the Year:	
Service Cost	113,906
Interest Cost	63,447
Changes of Assumptions and Other Inputs	78,007
Benefit Payments	(56,645)
Net Change in Total OPEB Liability	198,715
Balance at September 30, 2019	$ 1,641,689

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Assumptions

The discount rate was 4.15% at 10/1/18 and 3.58% at 9/30/19, the actuarial cost method changed from Projected Unit Credit to Entry Age Normal, the mortality table was updated, and the health care trend rates were increased.

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 then the current discount rate:

	1.0% Decrease (2.58%)	Discount Rate (3.58%)	1.0% Increase (4.58%)
Total OPEB Liability	$ 1,789,450	$ 1,641,689	$ 1,507,688

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

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

	1.0% Decrease (7.5% decreasing to 4%)	Healthcare cost Trend Rates (8.5% decreasing to 5%)	1.0% Increase (9.5% decreasing to 6%)
Total OPEB Liability	$ 1,451,310	$ 1,641,689	$ 1,866,853

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

For the year ended September 30, 2019, the Village recognized OPEB expense of $(66,882). At September 30, 2019, 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	$ 68,256	$ 508,120
Differences Between Expected and Actual Experience		1,015,792
Total	$ 68,256	$ 1,523,912

NOTE 13 – 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, 2020	$ (244,235)
September 30, 2021	(244,235)
September 30, 2022	(244,235)
September 30, 2023	(244,235)
September 30, 2024	(244,235)
Thereafter	(234,481)
	$ (1,455,656)

NOTE 14 – 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 $230,013 to Seacoast during the fiscal year for water and sewer service.

NOTE 15 –INTERFUND ACTIVITY

Due from/to other funds

The $2,683,839 due to the Capital Projects Fund from the General Fund is due to funds transferred for capital projects that have not been fully expended. The $44,028 due from the Recreation Special Revenue Fund (a Non-Major Fund) to the Capital Projects fund and $432,257 from the General Fund are from grant funds that have been spent but are not yet reimbursed. The due to Capital Projects Fund of $72,091 from the Country Club Fund are for capital projects that have not been fully expended.

Advances to/from other funds

The $2,637,644 advanced from the General Fund to the Country Club Fund was to provide $1,700,000 for the renovation of the Golf Course and an additional $937,644 for cash flow purposes. The Country Club Fund will start paying back the advance $1,700,000 in the fiscal year ending September 30, 2025, which is after the Bank of America loan is paid off.

NOTE 15 –INTERFUND ACTIVITY (Continued)

Transfers

Interfund transfers during the year ended September 30, 2019, are as follows:

The $405,000 from the General Fund to the Capital Projects Fund and the $2,000 from the Capital Projects Fund to the Recreation Special Revenue Fund (a Non-Major Fund) were to fund capital projects according to the original budget and subsequent budget amendments.

NOTE 16 – DEFICIT FUND BALANCE

Recreation Special Revenue Fund (a Non-Major Fund) has a deficit unassigned fund balance of $421,599 which is due to incurring grant related expenditures before all the conditions of reimbursement have been met. These expenditures are expected to be reimbursed in the subsequent fiscal year.

NOTE 17 – CONTRACTS, COMMITMENTS AND CONTINGENCIES

Operating Lease

The Village entered into a three-year operating agreement for 80 golf carts, including GPS systems and software, for the Country Club in December 2019, at a monthly cost of $13,391. For the fiscal year ended September 30, 2019 expenses under the lease were $141,980. Future minimum rental commitments are as follows:

Year ended September 30:	Amount
2020	$ 160,692
2021	160,692
2022	26,782
	$ 348,166

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. 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, 2020 is $432,028.

NOTE 17 – CONTRACTS, COMMITMENTS AND CONTINGENCIES (Continued)

Contract Commitments (Continued)

Commitments outstanding at September 30, 2019 are the new country club clubhouse for $2,345,013, $216,693 for a new sanitation truck, and $518,000 for the capital lease of a new fire truck over seven years.

Subsequent to September 30, 2019, the Village approved a capital lease for five vehicles for $282,068 over five years and $312,203 for the capital lease of a new fire rescue vehicle over seven years.

Contingencies

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

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLES

Implementation of GASB Statements: The Village implemented the following GASB Statements during the fiscal year ended September 30, 2019:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt

NOTE 19 – NEW ACCOUNTING STANDARDS

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

- GASB Statement No. 87, *Leases.* This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2021.

NOTE 19 – NEW ACCOUNTING STANDARDS (Continued)

- GASB Statement No. 84, *Fiduciary Activities*. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the fiscal year ending September 30, 2020.

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2019

Schedule of Changes in Total OPEB Liability
Last Ten Fiscal Years

	2018	2019
Total OPEB liability		
Service cost	$ 274,702	$ 113,906
Interest cost	124,097	63,447
Difference between expected and actual experience	(1,354,390)	-
Changes of assuptions and other imputs	(677,494)	78,007
Benefit payments	(134,593)	(56,645)
Other changes	-	-
Net change in total OPEB liability	(1,767,678)	198,715
Total OPEB liability, beginning of year	3,210,652	1,442,974
Total OPEB liability, end of year	$ 1,442,974	$ 1,641,689
Covered employee payroll	$ 10,148,392	$ 10,566,520
Net OBEB liability as a percentage of covered employee payroll	14.22%	15.54%
Changes of Assumptions		
Discount rate (3.36% at 10/1/17)	4.15%	3.58%

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, 2019

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

Measurement Year (1)	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)	$ 13,812,555	$ 14,556,047	$ 16,487,216	$ 17,201,122	$ 17,833,215
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)	$ 11,929,879	$ 12,109,145	$ 13,500,269	$ 15,148,684	$ 16,399,189
Net pension liability (a) - (b)	$ 1,882,676	$ 2,446,902	$ 2,986,947	$ 2,052,438	$ 1,434,026
Plan fiduciary net position as a percentage of the total pension liability	86.37%	83.19%	81.88%	88.07%	91.96%
Covered payroll	$ 2,701,771	$ 2,375,585	$ 2,376,069	$ 2,072,121	$ 1,966,566
Net pension liability as a percentage of covered payroll	69.68%	103.00%	125.71%	99.05%	72.92%

(1) For GASB 68 purposes, the reporting year is one year before the measuremnt year.

Changes of Assumptions

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.

NOTE: The Village implemented GASB Statement 67 in 2014; information is presented for those years in which information is available.

2019
$ 251,678
1,201,578
(625,948)
(567,472)
259,836
17,833,215
$ 18,093,051
$ 358,152
97,522
721,786
(567,472)
(38,690)
571,298
16,399,189
$ 16,970,487
$ 1,122,564
93.80%
$ 1,834,767
61.18%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2019

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

Measurement Year (1)	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)	$ 19,480,362	$ 21,852,818	$ 22,602,715	$ 24,646,485	$ 27,159,019
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)	$ 16,801,946	$ 17,716,664	$ 19,940,073	$ 22,855,799	$ 25,024,740
Net pension liability (a) - (b)	$ 2,678,416	$ 4,136,154	$ 2,662,642	$ 1,790,686	$ 2,134,279
Plan fiduciary net position as a percentage of the total pension liability	86.25%	81.07%	88.22%	92.73%	92.14%
Covered employee payroll	$ 4,312,746	$ 4,518,020	$ 4,601,075	$ 4,772,092	$ 5,088,564
Net pension liability as a percentage of covered payroll	62.10%	91.55%	57.87%	37.52%	41.94%

(1) For GASB 68 purposes, the reporting year is one year before the measuremnt year.

Changes of Assumptions/Benefits

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 rate and the investment rate of return changed.

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

NOTE: The Village implemented GASB Statement 67 in 2014; information is presented for those years in which information is available.

2019
$ 1,031,048
2,236,125
(600,965)
1,660,762
(138,741)
205,896
6,698
(793,277)
3,607,546
27,159,019
$ 30,766,565
$ 918,263
328,826
239,271
6,698
787,045
(793,277)
(83,413)
1,403,413
25,024,740
$ 26,428,153
$ 4,338,412
85.90%
$ 5,451,987
79.57%

Changes of Assumptions/Benefits

For the 2019 fiscal year the benefit accrual rated 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%.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2019

Last Ten Fiscal Years

Schedule of Contributions

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
General Employees Retirement Fund					
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%
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	1,144,018	(8,369)	5,451,987	20.98%

Schedule of Investment Returns

Fiscal Year Ending September 30	Annual money weighted rate of return net of investment expense	
	General Employees	Fire and Police Employees
2014	10.50%	10.00%
2015	-0.39%	0.66%
2016	9.72%	8.25%
2017	11.32%	10.92%
2018	8.26%	7.14%
2019	4.63%	3.13%

NOTE: The Village implemented GASB Statement 67 in 2014; information is presented for those years in which information is available.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Schedule of Contributions
September 30, 2019

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
Actuarial Cost Method	Frozen Entry-Age	Entry Age Normal
Amortization Method	Level Dollar, closed	Level Percentage of Compensation
Remaining Amortization Period	30 years	20 years
Asset Valuation Method	Five year smoothed market	Five year smoothed market
Inflation	2.75%	2.50%
Salary increases	Service based Between 4% and 10%	Service based Between 4.5% and 10%
Cost of living adjustments	2.5% for those retired before 2/1/82 or who contribute an extra 2%.	2.50%
Investment Rate of Return	6.75%	7.80%
Mortality	Female: RP2000, 100% Annuitant White Collar, Scale BB Male: RP2000, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB	Female: RP2000, 100% Annuitant White Collar, Scale BB Male: RP2000, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 19,958,630	$ 19,958,630	$ 20,366,831	$ 408,201
Licenses and permits	980,100	980,100	1,522,913	542,813
Intergovernmental	1,500,382	1,500,382	1,582,513	82,131
Charges for services	2,340,560	2,340,560	2,399,174	58,614
Fines and forfeitures	77,800	77,800	100,188	22,388
Investment	95,530	95,530	573,096	477,566
Miscellaneous	24,800	24,800	510,688	485,888
Total revenues	24,977,802	24,977,802	27,055,403	2,077,601
Expenditures				
Current				
General government	3,356,808	3,368,970	3,275,570	93,400
Public safety	9,671,875	9,681,770	10,021,772	(340,002)
Public works	5,283,828	5,394,257	5,255,606	138,651
Community development and planning	1,649,923	1,764,305	1,532,428	231,877
Leisure services	2,817,701	2,840,682	2,664,689	175,993
Other government	361,331	361,331		361,331
Capital outlay		948,526	504,665	443,861
Debt service				
Principal payments	882,777	882,777	882,777	
Interest paid on debt	548,559	548,559	488,786	59,773
Total expenditures	24,572,802	25,791,177	24,626,293	1,164,884
Excess of revenues over expenditures	405,000	(813,375)	2,429,110	3,242,485
Other financing sources (uses)				
Appropriated fund balance		391,432		(391,432)
Capital lease proceeds		826,943	343,299	(483,644)
Transfer out	(405,000)	(405,000)	(405,000)	
Total other financing uses	(405,000)	813,375	(61,701)	(875,076)
Net change in fund balances	$	$	2,367,409	$ 2,367,409
Fund Balances				
Beginning of year			9,243,408	
End of year			$ 11,610,817	

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Budgetary
Required Supplementary Information (RSI)
General Fund
September 30, 2019

Note 1 - Basis of Accounting
Generally accepted accounting principles (GAAP) serve as the budgetary basis of accounting.

Note 2 - Legal Level of Control
The legel 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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Village Council					
Personnel services	$ 50,470	$ 50,470	$ 50,435	$ 35	0.07
Operating expenses	91,340	93,590	72,811	20,779	22.20
Total Village Council	141,810	144,060	123,246	20,814	14.45
Village Manager					
Personnel services	609,632	609,632	596,060	13,572	2.23
Operating expenses	65,900	65,900	61,831	4,069	6.17
Total Village Manager	675,532	675,532	657,891	17,641	2.61
Procurement and Purchasing					
Personnel services	75,717	75,717	58,675	17,042	22.51
Operating expenses	2,500	2,500		2,500	100.00
Total Procurement and Purchasing	78,217	78,217	58,675	19,542	24.98
Village Finance					
Personnel services	618,043	618,043	596,362	21,681	3.51
Operating expenses	52,720	52,720	69,096	(16,376)	-31.06
Total Village Finance	670,763	670,763	665,458	5,305	0.79
Village Attorney					
Operating expenses	160,000	160,000	216,455	(56,455)	-35.28
Village Clerk					
Personnel services	375,284	375,284	354,670	20,614	5.49
Operating expenses	60,435	60,435	17,274	43,161	71.42
Total Village Clerk	435,719	435,719	371,944	63,775	14.64
Information Technology					
Personnel services	339,117	339,117	347,543	(8,426)	-2.48
Operating expenses	77,325	80,396	79,126	1,270	1.58
Total Information Technology	416,442	419,513	426,669	(7,156)	-1.71
Human Resources					
Personnel services	296,428	296,428	310,663	(14,235)	-4.80
Operating expenses	100,600	107,441	82,550	24,891	23.17
Total Human Resources	397,028	403,869	393,213	10,656	2.64
Police					
Personnel services	4,939,348	4,939,348	5,424,068	(484,720)	-9.81
Operating expenses	1,077,635	1,077,635	938,905	138,730	12.87
Total Police	6,016,983	6,016,983	6,362,973	(345,990)	-5.75
Fire Rescue					
Personnel services	3,256,637	3,256,637	3,265,681	(9,044)	-0.28
Operating expenses	282,605	292,500	278,475	14,025	4.79
Total Fire Rescue	3,539,242	3,549,137	3,544,156	4,981	0.14

(Continued)

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Public Works Administration					
Personnel services	$ 341,012	$ 341,012	$ 351,359	$ (10,347)	-3.03
Operating expenses	75,815	111,088	77,035	34,053	30.65
Total Public Works	416,827	452,100	428,394	23,706	5.24
Sanitation					
Personnel services	1,508,363	1,508,363	1,360,116	148,247	9.83
Operating expenses	238,900	238,900	203,089	35,811	14.99
Total Sanitation	1,747,263	1,747,263	1,563,205	184,058	10.53
Facility Services					
Personnel services	350,568	350,568	335,757	14,811	4.22
Operating expenses	492,050	508,471	595,070	(86,599)	-17.03
Total Facility Services	842,618	859,039	930,827	(71,788)	-8.36
Street Maintenance					
Personnel services	525,288	525,288	500,444	24,844	4.73
Operating expenses	1,225,490	1,279,839	1,116,558	163,281	12.76
Total Street Maintenance	1,750,778	1,805,127	1,617,002	188,125	10.42
Vehicle Maintenance					
Personnel services	289,572	289,572	281,511	8,061	2.78
Operating expenses	236,770	236,770	220,681	16,089	6.80
Total Vehicle Maintenance	526,342	526,342	502,192	24,150	4.59
Planning and Engineering					
Personnel services	341,487	341,487	195,526	145,961	42.74
Operating expenses	147,175	255,973	246,045	9,928	3.88
Total Planning and Engineering	488,662	597,460	441,571	155,889	26.09
Building					
Personnel services	781,940	781,940	505,239	276,701	35.39
Operating expenses	142,937	148,521	395,412	(246,891)	-166.23
Total Building	924,877	930,461	900,651	29,810	3.20
Code Enforcement					
Personnel services	211,944	211,944	178,759	33,185	15.66
Operating expenses	33,440	33,440	21,447	11,993	35.86
Total Code Enforcement	245,384	245,384	200,206	45,178	18.41
Recreation					
Personnel services	706,240	706,240	625,140	81,100	11.48
Operating expenses	432,378	432,378	414,504	17,874	4.13
Total Leisure Services-Recreation	1,138,618	1,138,618	1,039,644	98,974	8.69

(Continued)

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Library					
Personnel services	$ 675,094	$ 675,094	$ 638,336	$ 36,758	5.44
Operating expenses	179,886	179,886	177,615	2,271	1.26
Total Library	854,980	854,980	815,951	39,029	4.56
Tennis					
Personnel services	421,214	421,214	447,122	(25,908)	-6.15
Operating expenses	136,960	159,941	131,167	28,774	17.99
Total Tennis	558,174	581,155	578,289	2,866	0.49
Pool					
Personnel services	69,354	69,354	72,244	(2,890)	-4.17
Operating expenses	95,575	95,575	71,940	23,635	24.73
Total Pool	164,929	164,929	144,184	20,745	12.58
Special Events					
Operating expenses	101,000	101,000	86,621	14,379	14.24
Total Special Events	101,000	101,000	86,621	14,379	14.24
Debt Service	1,431,336	1,431,336	1,371,563	59,773	4.18
Reserves and contingencies					
Operating expenses		125,969	341,547	(215,578)	-171.14
Contingencies	361,331	361,331		361,331	100.00
	361,331	487,300	341,547	145,753	29.91
Non-Departmental					
Operating expenses	487,947	487,947	466,662	21,285	4.36
	487,947	487,947	466,662	21,285	4.36
Capital Outlay					
Police			33,805	(33,805)	
Capital leases		826,943	343,299	483,644	58.49
Total Capital Outlay		826,943	377,104	449,839	54.40
Total expenditures	$ 24,572,802	$ 25,791,177	$ 24,626,293	$ 1,164,884	4.52%

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2019

	Special Revenue Funds				
	Public Safety Fund	Northlake Boulevard Fund	Recreation	On-Behalf Pension Contributions	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 1,520	$ 1,987	$ 5,835	$	$ 9,342
Due from other governments			448,851		448,851
Total assets	$ 1,520	$ 1,987	$ 454,686	$	$ 458,193
Liabilities					
Due to other funds	$	$	$ 476,285	$	$ 476,285
Deferred inflows of resources					
Unavailable revenue			400,000		400,000
Fund balances					
Assigned	1,520	1,987			3,507
Unassigned			(421,599)		(421,599)
Total fund balances	1,520	1,987	(421,599)		(418,092)
Total liabilities, deferred inflows of resources, and fund balances	$ 1,520	$ 1,987	$ 454,686	$	$ 458,193

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, 2019

	Special Revenue Funds				
	Public Safety Fund	Northlake Boulevard Fund	Recreation	On-Behalf Pension Contributions	Total Nonmajor Governmental Funds
Revenues					
Intergovernmental	$ 27,268	$	$ 48,851	$ 328,826	$ 404,945
Total revenues	27,268		48,851	328,826	404,945
Expenditures					
Current					
Public safety				328,826	328,826
Capital outlay	27,268		358,170		385,438
Total expenditures	27,268		358,170	328,826	714,264
Excess (deficiency) of revenues over (under) expenditures			(309,319)		(309,319)
Other financing sources (uses)					
Transfers in			2,000		2,000
Total other financing sources (uses)			2,000		2,000
Net changes in fund balances			(307,319)		(307,319)
Fund balances - Beginning of year	1,520	1,987	(114,280)		(110,773)
Fund balances - End of year	$ 1,520	$ 1,987	$ (421,599)	$	$ (418,092)

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, 2019

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
Assets			
Cash and cash equivalents	$ 193,254	$ 372,195	$ 565,449
Investments:			
Domestic common equity securities		13,009,522	13,009,522
International common equity securities		2,708,368	2,708,368
U.S. Government and agencies		3,322,069	3,322,069
Municipal bonds		272,814	272,814
Corporate bonds		3,024,595	3,024,595
Fixed income exchange traded funds	3,352,878		3,352,878
Equity exchange traded funds	1,006,351		1,006,351
Fixed income mutual funds	2,606,625		2,606,625
Equity mutual funds	9,757,199		9,757,199
Real estate investment fund		2,705,074	2,705,074
Money market mutual funds		1,122,114	1,122,114
Accrued interest and dividends	8,231	51,872	60,103
Accounts receivable	74,977		74,977
Accounts receivable, broker-dealers		459,175	459,175
Prepaids		1,737	1,737
Total assets	16,999,515	27,049,535	44,049,050
Liabilities			
Accounts payable	29,028	42,070	71,098
Accounts payable, broker-dealers		579,312	579,312
Total liabilities	29,028	621,382	650,410
Net Position restricted for pensions	$ 16,970,487	$ 26,428,153	$ 43,398,640

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2019

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
Additions			
Contributions			
Employer	$ 358,152	$ 918,111	$ 1,276,263
Plan members	97,522	246,121	343,643
State on-behalf payments		328,826	328,826
Total contributions	455,674	1,493,058	1,948,732
Investment earnings			
Dividends and interest	558,935	738,670	1,297,605
Net increase in fair value of investments	211,863	229,959	441,822
Total investment earnings	770,798	968,629	1,739,427
Less: investment expenses	49,012	181,583	230,595
Total investment earnings	721,786	787,046	1,508,832
Total additions	1,177,460	2,280,104	3,457,564
Deductions			
Administration	38,690	83,413	122,103
Benefits	567,472	793,278	1,360,750
Total deductions	606,162	876,691	1,482,853
Change in net position	571,298	1,403,413	1,974,711
Net position - beginning	16,399,189	25,024,740	41,423,929
Net position - ending	$ 16,970,487	$ 26,428,153	$ 43,398,640

AGENCY FUNDS

Manatee Protection Agency
Northlake Boulevard Task Force

THE VILLAGE OF NORTH PALM BEACH, FLORIDA

Combining Statement of Agency Net Position

September 30, 2019

	Manatee Protection Agency	Northlake Boulevard Task Force	Total Agency Funds
Assets			
Cash and cash equivalents	$ 314,619	$ 66,889	$ 381,508
Liabilities			
Due to others	$ 314,619	$ 66,889	$ 381,508

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Schedule of Changes in Agency Net Position
For the Year Ended September 30, 2019

	September 30, 2018	Additions	Deductions	September 30, 2019
Manatee Protection Agency				
Assets				
Cash and cash equivalents	$ 308,111	$ 6,508	$	$ 314,619
Liabilities				
Due to others	$ 308,111	$ 6,508	$	$ 314,619
Northlake Boulevard Task Force				
Assets				
Cash and cash equivalents	$ 65,506	$ 1,383	$	$ 66,889
Liabilities				
Due to others	$ 65,506	$ 1,383	$	$ 66,889
Total All Agency Funds				
Assets				
Cash and cash equivalents	$ 373,617	$ 7,891	$	$ 381,508
Liabilities				
Due to others	$ 373,617	$ 7,891	$	$ 381,508

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Revenue					
Greens fee/cart rentals/membership fees	$ 2,129,209	$ 2,129,209	$ 1,011,369	$ (1,117,840)	-52.50
Golf shop revenues	159,400	159,400	109,563	(49,837)	-31.27
Driving range revenues	300,000	300,000	164,020	(135,980)	-45.33
Restaurant revenues			4,611	4,611	
Interest revenues	10,000	10,000	804	(9,196)	-91.96
Miscellaneous	6,000	6,000	117,000	111,000	1850.00
Appropriated net position	275,647	611,983		(611,983)	-100.00
Total revenues	2,880,256	3,216,592	1,407,367	(1,809,225)	-56.25
Golf Maintenance					
Operating expenses	1,163,500	1,163,500	1,340,159	(176,659)	-15.18
Capital outlay		336,336	360,296	(23,960)	-7.12
Total Golf Maintenance	1,163,500	1,499,836	1,700,455	(200,619)	-13.38
Golf Pro Shop and Range					
Personnel services	596,460	596,460	474,923	121,537	20.38
Operating expenses	343,200	343,200	438,928	(95,728)	-27.89
Capital outlay			9,707	(9,707)	
Total Golf Pro Shop and Range	939,660	939,660	923,558	16,102	1.71
Food and Beverage					
Personnel services					
Operating expenses	12,314	12,314	23,945	(11,631)	-94.45
Total Food and Beverage	12,314	12,314	23,945	(11,631)	(94.45)
Administration					
Personnel services	231,838	231,838	41,835	190,003	81.96
Operating expenses	13,700	13,700	15,621	(1,921)	-14.02
Total Administration	245,538	245,538	57,456	188,082	76.60
Clubhouse and Grounds					
Operating expenses	29,000	29,000	75,854	(46,854)	(161.57)
Total Clubhouse and Grounds	29,000	29,000	75,854	(46,854)	(161.57)
Insurance and General Liability					
Operating expenses	46,555	46,555	27,034	19,521	41.93
Reserves					
Operating	10,000	10,000	5,402	4,598	45.98
Total Reserves	10,000	10,000	5,402	4,598	45.98
Debt service					
Debt service	433,689	433,689	430,849	2,840	0.65
Total expenses on the budgetary basis	2,880,256	3,216,592	3,244,553	(27,961)	(0.87)
Revenues under expenses	$	$	$ (1,837,186)	$ (1,837,186)	
Adjustments to reconcile to the GAAP Basis					
Total expenses on the budgetary basis			$ 3,244,553		
Less: capital outlay costs capitalized			(370,003)		
Less: debt service			(430,849)		
Add: depreciation expense			325,559		
Total operating expenses			$ 2,769,260		

The revenue under expenses was less than the $425,770 budgeted along with the loan.

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.

Contents **Page**

Financial Trends

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:

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Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.

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Debt Capacity

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.

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Direct and Overlapping Governmental Activities Debt	108
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

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Operating Information

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.

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

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VILLAGE OF NORTH PALM BEACH

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING) Unaudited

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities:					
Net investment in capital assets	$ 18,184,508	$ 17,237,355	$ 16,109,707	$ 15,431,966	$ 14,966,927
Restricted	390,081	548,489	658,194	317,190	180,755
Unrestricted	10,568,594	11,775,621	11,846,141	11,973,715	11,314,096
Total governmental activities net position	29,143,183	29,561,465	28,614,042	27,722,871	26,461,778
Business-Type Activities:					
Net investment in capital assets	2,295,125	2,200,927	2,082,668	1,998,974	1,907,746
Unrestricted	403,261	385,623	557,954	668,434	514,167
Total business-type activities net position	2,698,386	2,586,550	2,640,622	2,667,408	2,421,913
Primary government:					
Net investment in capital assets	20,479,633	19,438,282	18,192,375	17,430,940	16,874,673
Restricted	390,081	548,489	658,194	317,190	180,755
Unrestricted	10,971,855	12,161,244	12,404,095	12,642,149	11,828,263
Total primary government net position	$ 31,841,569	$ 32,148,015	$ 31,254,664	$ 30,390,279	$ 28,883,691

	2015 (1)	2016	2017	2018	2019
Governmental Activities:					
Net investment in capital assets	$ 14,711,016	$ 14,102,547	$ 13,484,731	$ 15,429,484	$ 18,814,116
Restricted	177,431	398,519	992,538	484,568	525,536
Unrestricted	6,168,366	6,677,850	6,536,225	6,658,744	7,504,062
Total governmental activities net position	21,056,813	21,178,916	21,013,494	22,572,796	26,843,714
Business-Type Activities:					
Net investment in capital assets	1,833,975	1,880,421	1,991,168	3,056,715	3,422,142
Unrestricted	544,523	418,726	361,461	(1,324,978)	(3,162,414)
Total business-type activities net position	2,378,498	2,299,147	2,352,629	1,731,737	259,728
Primary government:					
Net investment in capital assets	16,544,991	15,982,968	15,475,899	18,486,199	22,236,258
Restricted	177,431	398,519	992,538	484,568	525,536
Unrestricted	6,712,889	7,096,576	6,897,686	5,333,766	4,341,648
Total primary government net position	$ 23,435,311	$ 23,478,063	$ 23,366,123	$ 24,304,533	$ 27,103,442

(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				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	$ 2,679,192	$ 2,403,681	$ 2,520,815	$ 2,489,488	$ 2,696,298
Public safety	7,304,233	7,232,748	7,892,561	8,282,062	9,259,442
Public works	4,594,738	4,733,913	4,652,620	4,482,973	4,485,246
Community development and planning	806,536	811,177	884,773	966,245	1,046,299
Leisure services	2,830,292	2,749,065	2,873,496	2,974,290	3,114,213
Interest on long-term debt	4,384				
Total governmental activities expenses	18,219,375	17,930,584	18,824,265	19,195,058	20,601,498
Business-type activities:					
Country club	3,398,206	3,691,528	3,536,139	3,629,120	3,902,131
Total business-type activities	3,398,206	3,691,528	3,536,139	3,629,120	3,902,131
Total primary government expenses	$ 21,617,581	$ 21,622,112	$ 22,360,404	$ 22,824,178	$ 24,503,629
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 126,968	$ 130,886	$ 135,372	$ 107,976	$ 110,694
Public safety	465,263	420,653	440,568	522,121	592,644
Public works	411,722	400,662	386,974	403,447	402,814
Community development and planning	734,718	861,394	816,673	993,059	1,621,471
Leisure services	1,063,748	1,043,459	1,018,883	1,087,182	1,096,021
Other government					
Operating grants and contributions	96,670	126,568	149,573	91,901	90,520
Capital grants and contributions	75,845	5,169	5,686	233,949	16,098
Total governmental activities program revenues	2,974,934	2,988,791	2,953,729	3,439,635	3,930,262
Business-type activities:					
Charges for services:					
Country club	3,227,580	3,571,199	3,582,760	3,577,446	3,645,706
Operating grants and contributions					
Capital grants and contributions					
Total business-type activities program revenues	3,227,580	3,571,199	3,582,760	3,577,446	3,645,706
Total primary government program revenues	$ 6,202,514	$ 6,559,990	$ 6,536,489	$ 7,017,081	$ 7,575,968
Net (Expense)/Revenue					
Governmental activities	$ (15,244,441)	$ (14,941,793)	$ (15,870,536)	$ (15,755,423)	$ (16,671,236)
Business-type activities	(170,626)	(120,329)	46,621	(51,674)	(256,425)
Total primary government net expense	$ (15,415,067)	$ (15,062,122)	$ (15,823,915)	$ (15,807,097)	$ (16,927,661)
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	$ 11,053,128	$ 10,441,869	$ 10,011,748	$ 9,981,391	$ 10,154,695
Local option gas taxes	266,077	259,794	263,369	261,852	266,147
Local option infrastruture surtax					
Utility service taxes	2,261,375	2,198,148	2,164,920	2,197,760	2,277,366
Franchise taxes	1,204,328	1,191,155	1,178,598	1,160,780	1,232,669
Sales and use taxes	1,114,945	1,140,744	1,138,097	1,187,221	1,260,617
Unrestricted grants and contributions					
Investment earnings	280,217	97,743	90,968	37,029	16,653
Miscellaneous	213,425	30,622	75,413	38,219	146,360
Contributions for Support Our Troops					
Gain on disposl of equipment					55,636
Transfers					
Total governmental activities	16,393,495	15,360,075	14,923,113	14,864,252	15,410,143
Business-type activities:					
Investment income	14,686	8,493	7,451	8,555	10,930
Miscellaneous	55,300			69,905	
Transfers					
Total business-type activities	69,986	8,493	7,451	78,460	10,930
Total primary government	$ 16,463,481	$ 15,368,568	$ 14,930,564	$ 14,942,712	$ 15,421,073
Change in net position					
Governmental activities	$ 1,149,054	$ 418,282	$ (947,423)	$ (891,171)	$ (1,261,093)
Business-type activities	(100,640)	(111,836)	54,072	26,786	(245,495)
Total primary government	$ 1,048,414	$ 306,446	$ (893,351)	$ (864,385)	$ (1,506,588)

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

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

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VILLAGE OF NORTH PALM BEACH

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING) Unaudited

	2010	2011	2012	2013	2014
General Fund					
Nonspendable	$ 167,108	$ 276,924	$ 166,839	$ 293,674	$ 244,438
Restricted	338,457	548,489	658,194	317,190	135,255
Committed				442,833	
Assigned	104,245	186,594	127,574	200,016	216,808
Unassigned	10,443,099	10,688,660	11,244,977	11,451,668	12,391,362
Total general fund	$ 11,052,909	$ 11,700,667	$ 12,197,584	$ 12,705,381	$ 12,987,863
All other Governmental Funds					
Restricted					$ 45,500
Assigned					
Special revenue funds	$ 47,379	$ 47,107	$ 47,652	$ 47,652	325,152
Capital projects funds	844,742	1,491,574	2,129,831	1,799,617	841,850
Unassigned					
Total all other governmental funds	$ 892,121	$ 1,538,681	$ 2,177,483	$ 1,847,269	$ 1,212,502

	2015	2016	2017	2018	2019
General Fund					
Nonspendable	$ 155,594	$ 358,606	$ 183,220	$ 1,240,793	$ 2,789,824
Restricted	131,931	353,019	781,756	47,338	61,227
Committed					
Assigned	319,888	208,204	316,266	407,862	582,008
Unassigned	10,802,623	10,724,049	11,811,468	7,547,415	8,177,758
Total general fund	$ 11,410,036	$ 11,643,878	$ 13,092,710	$ 9,243,408	$ 11,610,817
All other Governmental Funds					
Restricted	$ 45,500	$ 45,500	$ 13,988,744	$ 11,826,016	$ 464,309
Assigned					
Special revenue funds	318,526	508,481	388,981	3,506	3,507
Capital projects funds	1,448,620	1,604,073	1,670,196	5,398,245	3,727,482
Unassigned				(114,279)	(421,599)
Total all other governmental funds	$ 1,812,646	$ 2,158,054	$ 16,047,921	$ 17,113,488	$ 3,773,699

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

VILLAGE OF NORTH PALM BEACH

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING) Unaudited

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues:					
Taxes	$ 14,784,906	$ 14,090,966	$ 13,618,635	$ 13,601,783	$ 13,930,877
Licenses and Permits	910,997	959,098	810,390	803,337	1,344,653
Intergovernmental	1,768,388	1,557,377	1,591,678	1,817,603	1,688,608
Charges for services	1,944,245	1,934,424	1,966,179	2,141,437	2,320,305
Fines and forfeitures	142,048	164,366	140,610	131,524	117,869
Investment earnings	280,218	97,743	90,968	37,029	16,653
Miscellaneous	278,062	59,462	130,293	207,076	258,086
Total revenues	20,108,864	18,863,436	18,348,753	18,739,789	19,677,051
Expenditures:					
General government	2,496,342	2,402,241	2,328,568	2,346,281	2,541,546
Public safety	7,021,231	7,053,282	7,583,018	7,947,221	8,947,627
Public works	3,887,034	4,044,642	3,886,698	3,733,977	3,773,689
Community development	774,121	790,937	844,748	933,117	1,004,642
Leisure services	2,361,388	2,295,959	2,374,748	2,491,559	2,644,598
Other government					
Capital outlay	663,582	682,057	495,254	1,110,051	1,117,234
Debt service					
Principal payments	2,250,000				
Interest paid on debt	4,384				
Total expenditures	19,458,082	17,269,118	17,513,034	18,562,206	20,029,336
Excess of revenues over (under) expenditures	650,782	1,594,318	835,719	177,583	(352,285)
Other financing sources (uses)					
Transfers in	163,490	1,334,934	500,000	265,000	323,000
Transfers out	(163,490)	(1,334,934)	(500,000)	(265,000)	(323,000)
Capital lease					
Proceeds from debt issuance					
Miscellaneous					
Total other financing sources (uses)					
Net change in fund balances	$ 650,782	$ 1,594,318	$ 835,719	$ 177,583	$ (352,285)
Debt service as a percentage of noncapital expenditures	11.99%	-	-	-	-

2015	2016	2017	2018	2019
$ 15,167,694	$ 16,109,173	$ 17,118,361	$ 19,111,506	$ 20,366,831
947,158	1,235,782	997,656	1,222,594	1,522,913
1,758,246	1,765,836	2,417,809	2,679,389	2,910,395
2,231,673	2,364,013	2,321,298	2,200,860	2,399,174
128,235	91,534	124,395	100,140	100,188
108,794	103,353	126,926	376,227	811,915
122,107	191,250	157,063	412,513	510,688
20,463,907	21,860,941	23,263,508	26,103,229	28,622,104
2,904,553	2,876,521	2,970,223	3,059,623	3,275,570
8,966,077	9,129,947	9,166,060	9,669,361	10,350,598
4,255,636	4,266,749	4,882,159	5,313,834	5,255,606
1,270,399	1,351,061	1,190,759	1,429,764	1,532,428
2,514,495	2,448,164	2,591,866	2,613,664	2,664,689
1,530,430	1,209,249	2,123,742	5,507,617	15,487,329
			680,000	882,777
			613,101	488,786
21,441,590	21,281,691	22,924,809	28,886,964	39,937,783
(977,683)	579,250	338,699	(2,783,735)	(11,315,679)
2,091,246	1,503,750	1,503,750	4,963,307	407,000
(2,091,246)	(1,503,750)	(1,503,750)	(4,963,307)	(407,000)
		15,000,000		343,299
		15,000,000		343,299
$ (977,683)	$ 579,250	$ 15,338,699	$ (2,783,735)	$ (10,972,380)
-	-	-	5.53%	5.61%

VILLAGE OF NORTH PALM BEACH

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

		Real Property				
Fiscal Year Ended Sept 30,	Tax Roll Year	Residential Property	Commercial Property	Personal Property	Total Net Market - Assessed Value	Total Direct Tax Rate
2010	2009	1,394,954,867	221,443,121	40,552,276	1,656,950,264	6.9000
2011	2010	1,295,097,223	210,844,220	38,261,607	1,544,203,050	6.9723
2012	2011	1,265,549,795	189,284,601	33,303,512	1,488,137,908	6.9723
2013	2012	1,254,302,880	195,770,816	30,033,151	1,480,106,847	6.9723
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

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

			Overlapping Rates (1)			
Fiscal Year	Tax Roll Year	Village of N. Palm Beach	Palm Beach County School District	Palm Beach County	Special Districts	Total Direct and Overlapping Rates
2010	2009	6.9000	7.9830	4.5614	2.4934	21.9378
2011	2010	6.9723	8.1540	4.9960	2.5549	22.6772
2012	2011	6.9723	8.1800	4.9925	2.3433	22.4881
2013	2012	6.9723	7.7780	4.9902	2.3154	22.0559
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

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

2019 & 2009 Presented

	2019			2009		
Taxpayers	Taxable Assessed Value	Rank	Percentage of Total Village Net Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Net Taxable Assessed Value
Olen Residential Realty	33,250,109	1	1.49%	18,000,000	1	0.97%
SHM Old Port Cove LLC	30,065,264	2	1.35%			
Sanctuary Bay Trust Corporation	26,144,325	3	1.17%	14,000,300	3	0.76%
Florida Power & Light	19,919,679	4	0.89%			
JB Shoppes LLLP	16,854,702	5	0.75%			
Pearland RJR LLC	15,630,043	6	0.70%			
New Country Motor Cars	14,966,903	7	0.67%			
SHM North Palm Beach LLC	12,565,504	8	0.56%			
Palm Beach Autoplex LLC	9,697,192	9	0.43%			
Chouest Gary	10,025,549	10	0.45%			
Domani Development				9,213,927	6	0.50%
Crystal Tree NPB				17,030,531	2	0.92%
Greater Fla Inv Co&				12,911,802	4	0.70%
CF02 Palm Beach III LP				11,000,000	5	0.60%
Village Shoppers at US 1LLC				7,896,575	7	0.43%
Old Port Cove Holding, INC				7,706,522	8	0.42%
Riverside National Bank				6,044,474	9	0.33%
701 us One Inc				5,839,803	10	0.32%
Total	$ 189,119,270		8.46%	$ 109,643,934		5.95%

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
2010	2009	11,564,281	10,683,829	92.39%	284,004	10,967,833	94.84%
2011	2010	10,793,319	10,097,289	93.55%	298,514	10,395,803	96.32%
2012	2011	10,424,715	9,992,145	95.85%	15,616	10,007,761	96.00%
2013	2012	10,358,172	9,948,550	96.05%	36,366	9,984,916	96.40%
2014	2013	10,503,598	10,097,763	96.14%	57,493	10,155,256	96.68%
2015	2014	11,761,226	11,350,738	96.51%	14,777	11,365,515	96.64%
2016	2015	12,627,355	12,197,736	96.60%	57,133	12,254,869	97.05%
2017	2016	13,519,978	13,051,272	96.53%	41,267	13,092,539	96.84%
2018	2017	15,537,277	14,999,572	96.54%	3,390	15,002,962	96.56%
2019	2018	16,749,038	16,176,654	96.58%	6,223	16,182,877	96.62%

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					
	Loans Payable	Capital Leases	Loans Payable	Capital Leases	Total		Percent of Median Personal Income (1)		Per Capita
2010	-	-	4,090,284	235,176	4,325,460		0.56%		371.64
2011	-	-	3,844,928	173,084	4,018,012	*	0.54%	*	345.22
2012	-	-	3,608,294	106,933	3,715,227		0.50%		303.51
2013	-	-	3,357,875	396,055	3,753,930		0.49%		305.37
2014	-	-	3,096,925	274,471	3,371,396		0.46%		266.62
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

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

* Information was not available, the prior year info was used.

(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, 2019

Unaudited

Government Unit	Net Debt Outstanding	Percentage Applicable to the Village of North Palm Beach (1)	Amount Applicable to the Village of North Palm Beach
Debt repaid with property taxes:			
Palm Beach County	$ 66,868	1.19%	$ 796
Palm Beach County School Board	8,542	1.12%	$ 96
Other debt:			
Palm Beach County	731,607	1.19%	8,706
Palm Beach County School Board		1.12%	
Subtotal, overlapping debt			9,598
Village of North Palm Beach Direct Debt			-
Total direct and overlapping debt			$ 9,598

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

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue	Required Debt Service	Coverage (3)
2010	3,242,266	2,728,470	513,796	394,900	1.30
2011	3,579,692	3,049,301	530,391	394,900	1.34
2012	3,590,211	2,932,743	657,468	394,900	1.66
2013	3,586,001	2,986,080	599,921	394,900	1.52
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

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 (2)
2010 (estimate)	11,639	64,156	49,130	12.0
2011 (estimate)	*	*	*	10.7
2012 (estimate)	12,241	***62,121	****49,117	**5.29
2013 (estimate)	12,293	***59,778	****42,830	**4.66
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

Sources: Business Development Board
US Census Bureau

* 2011 Demographic data is not available due to Agency Software upgrade that is not complete
** Village of North Palm Beach Unemployment Rate for 2019 presented
*** North Palm Beach Median Personal Income for 2019 presented
**** West Palm Beach/Ft Lauderdale/Miami Mean Income data presented

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

VILLAGE OF NORTH PALM BEACH

PRINCIPAL EMPLOYERS

	2019		2009	
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Palm Beach Country School Board	22,049	2.98%	21,718	3.53%
State Government	9,924	1.34%	7,433	1.21%
Federal Government	6,915	0.93%	6,423	1.04%
Tenet Health Care Corp	6,505	0.88%	5,127	0.83%
Palm Beach County Government	5,438	0.73%	11,381	1.85%
NextEra Energy (Florida Power & Light)	4,807	0.65%	3,658	0.59%
Hospital Corporation of America (HCA) (1)	2,806	0.38%	4,150	0.67%
Boca Raton Regional Hospital (2)	2,800	0.38%	2,100	0.34%
Florida Alantic University	2,898	0.39%	2,776	0.45%
Veterans Health Administration	2,700	0.36%	2,205	0.36%
The Breakers Hotel	2,300	0.31%	1,800	0.29%
Bethesda Memorial Hospital	2,282	0.31%	2,300	0.37%
Office Depot	2,000	0.27%	2,100	0.34%
Florida Crystal Corp.	2,000	0.27%	1,900	0.31%
Jupiter Medical Center	1,780	0.24%	1,500	0.24%
City of West Palm Beach	1,679	0.23%	1,671	0.27%
City of Boca Raton	1,513	0.20%	1,638	0.27%
	80,396	10.85%	79,880	12.96%

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.

Notes:

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

VILLAGE OF NORTH PALM BEACH

Full-Time Equivalent Village Government Employees by Function

LAST TEN FISCAL YEARS (*)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Number of Employees:										
General Government										
Village Manager										
Full-Time	2	2	2	2	2	2	2	4	4	4
Part-Time	0	0	0	0	0	0	0	1	1	1
Information Technology										
Full-Time	2	2	3	3	3	3	3	3	3	3
Part-Time	1	1	0	0	0	0	0	0	0	0
Human Resources										
Full-Time	2	2	2	2	2	2	2	2	2	2
Part-Time	0	0	0	0	0	1	2	2	2	2
Village Clerk - Full-Time	3	3	3	3	3	3	3	3	3	3
Finance										
Full-time	5	5	5	5	5	7	7	5	6	6
Part-Time	1	1	1	1	1	0	0	1	0	0
Public Works										
Full-time	37	37	37	37	37	35	34	36	37	37
Part-Time	0	0	0	0	0	0	0	0	0	2
Police & Fire										
Full-time	67	67	0	0	0	0	0	0	0	0
Part-Time	12	12	0	0	0	0	0	0	0	0
Police										
Full-time	0	0	43	43	43	36	36	36	38	38
Part-Time	0	0	12	13	13	13	13	13	15	15
Fire Rescue										
Full-time	0	0	24	24	24	24	24	24	24	24
Part-Time	0	0	0	0	0	0	0	0	0	0
Community Development and Planning										
Full-time	9	9	8	8	10	11	12	13	14	15
Part-Time	2	2	2	2	1	0	0	1	1	1
Leisure Services										
Library										
Full-time	6	6	6	6	6	7	7	7	7	7
Part-Time	10	10	10	10	10	9	9	9	7	7
Recreation										
Full-time	7	6	6	6	6	6	6	6	6	6
Part-Time	42	43	43	43	43	43	43	43	42	42
Other Government - Country Club										
Full-time	5	7	5	6	8	8	8	5	5	6
Part-Time	21	64	56	54	65	65	65	27	27	27
Total Number of Employees Budgeted FY Ending	**234**	**279**	**268**	**268**	**282**	**275**	**276**	**241**	**244**	**248**

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

Source: Village of North Palm Beach Budget Report

VILLAGE OF NORTH PALM BEACH

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC WORKS										
Sanitation (Tons of Refuse Collected)	10,165	9,962	10,065	10,720	10,720	11,167	12,556	12,980	12,624	12,330
No. of collection units for solid waste (residential)	7,070	7,071	7,076	7,471	7,616	7,618	7,614	7,614	7,632	7,632
Number of vehicles maintained	110	98	98	111	98	98	92	85	89	88
Number of repair overlays completed (miles)	2.71	-	-	-	-	-	-	-	-	-
POLICE										
Number of arrests by police officers	402	260	211	216	238	293	247	233	192	134
Number of traffic citations issued	4,951	2,564	2,566	1,254	2,799	3,407	2,494	1,974	2,014	1,184
FIRE RESCUE										
EMS average response times (minutes)	5.12	5.19	5.26	5.11	5.10	5.05	5.26	5.21	5.37	4.50
Number of EMS calls	1,146	1,179	1,326	1,296	1,110	1,499	1,601	1,746	1,550	1,577
COMMUNITY DEVELOPMENT & PLANNING										
Bldg Dept - Number of Permits,Subpermits and certificates	1,744	1,616	1,835	2,480	2,103	3,920	4,242	4,665	2,173	2,737
Number of code enforcement violations/cases	391	575	817	790	887	769	680	**516/357	**726/317	885
Number of code violations brought to board/magistrate (Calendar Yr End)	38	72	100	62	28	56	42	98	246	263
RECREATION										
Number of community events presented	28	38	49	37	53	57	48	40	38	24
Number of registrants in athletic programs	1,005	1,260	1,311	2,074	1,439	1,389	1,174	1,109	1,174	1,077
LIBRARY										
Library - Number of Volumes	39,277	40,658	43,340	44,966	46,546	47,339	*57,935	41,161	43,992	45,446
OTHER GOVERNMENT										
Country Club										
Number of Golf Members	354	298	283	262	250	255	265	271	178	198
Number of Tennis Members	184	173	162	190	194	193	183	183	159	182

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

VILLAGE OF NORTH PALM BEACH

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program:	2010	2011	2012	2013	2014	2015	2016*	2017	2018	2019
General Government										
No. of General Government Buildings	23	23	23	23	23	23	23	23	23	23
Public Works										
Square Miles	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18	5.18
Miles of Streets	36.00	36.00	36.00	36.00	36.00	36.00	32.30**	32.30	32.30	32.30
Number of Street Lights (within corp surroundings)	513	513	513	513	513	513	513	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	23	23	22	22	22	22	23	24	21	23
Number of Fire Captains	0	0	0	0	0	0	0	0	0	0
Police/EMS Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Policemen & Officers	31	31	28	28	28	28	28	28	30	28
Number of Police Captains	0	0	2	2	2	2.5	2.5	2.5	2.5	2.5
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)	39,277	40,658	43,340	44,966	46,546	47,339	48,913	33,502	36,009	37,429
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

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, 2019, 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 11, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of North Palm Beach, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of North Palm Beach, Florida's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 determination of financial statement amounts. 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 + Miner, P.A.

West Palm Beach, Florida
March 11, 2020

NOWLEN, HOLT & MINER, P.A.
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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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, 2019, and have issued our report thereon dated March 11, 2020.

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 11, 2019, 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. Finding 2018-1 is a comment from the prior year that still applies.

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Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village of North Palm Beach, Florida has 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, 2019.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. 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 the 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 had one finding.

Finding 2018-1

The 2006 loan agreement with Bank of America 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. Due to the Golf Course and Country Club being closed for part of the year for renovations this requirement was not met.

Management Response

Continued work on the North Palm Beach Country Club clubhouse construction and golf course renovation projects disrupted the Country Club's ability to deliver services and resulted in significant revenue loss in the Country Club. Without the revenues from the operation of the Country Club, the General Fund is supporting the debt service associated with the projects until the Country Club returns to full operation. All required debt service payments have been paid on time for the loan.

Single Audits

The Village expended less than $750,000 of federal awards and less than $750,000 of state financial assistance for the fiscal year ended September 30, 2019, and was not required to have a federal single audit or a state single audit.

Response to Management Letter

The Village of North Palm Beach, Florida's response to the finding identified in our audit is described above. The Village of North Palm Beach, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 11, 2020
West Palm Beach, Florida

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

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

We have examined the Village of North Palm Beach, Florida's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2019. 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 risk 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.

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, 2019.

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 11, 2020

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