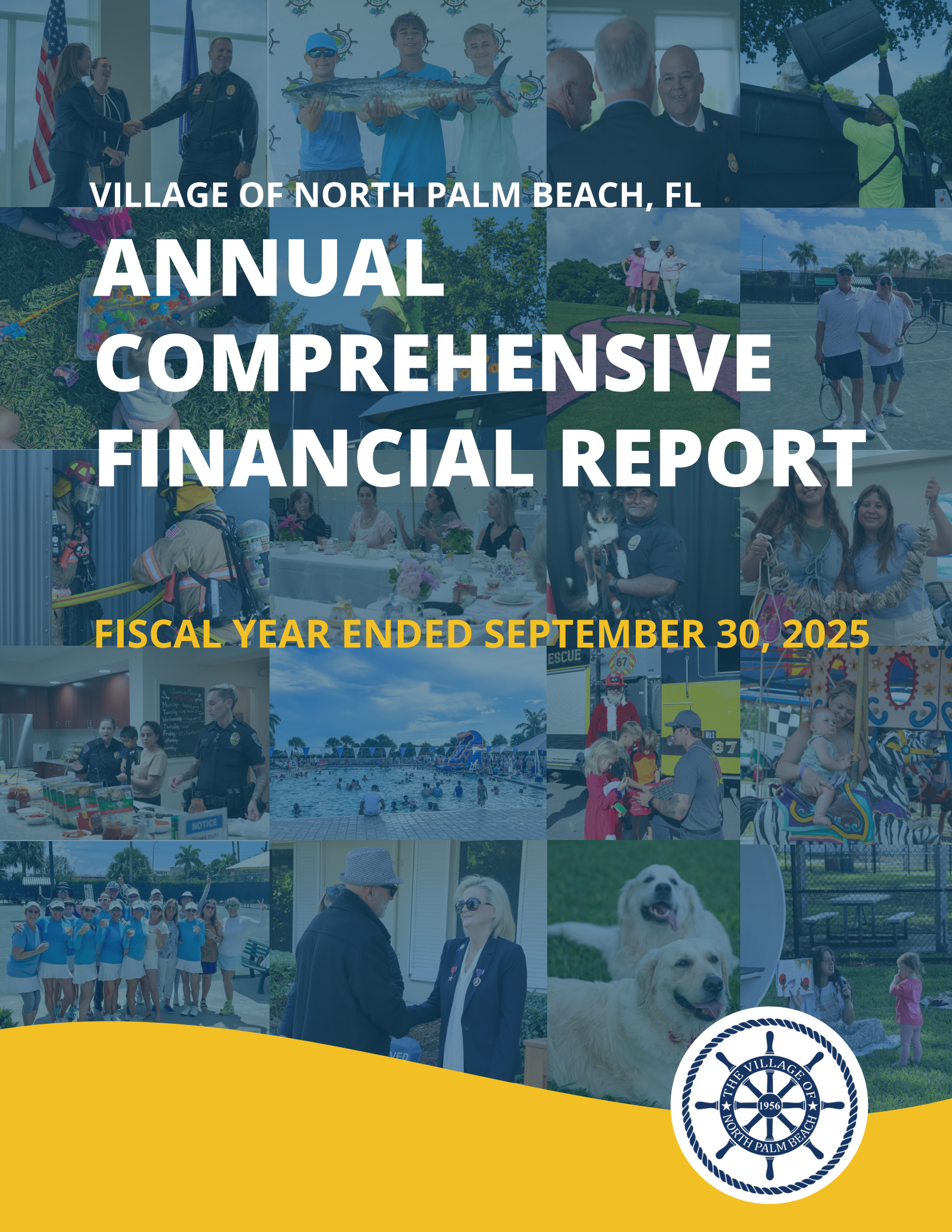


VILLAGE OF NORTH PALM BEACH, FL

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2025



The Village of North Palm Beach, Florida



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2025

**Prepared by:
Finance Department**

**Erica Ramirez
Director of Finance**

THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025

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INTRODUCTORY SECTION



THE VILLAGE OF NORTH PALM BEACH

“THE BEST PLACE TO LIVE UNDER THE SUN”

March 26, 2026

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

With pleasure, the Finance Department and Village Manager's Office present the Annual Comprehensive Financial Report (Annual Report) for the Village of North Palm Beach, Florida, covering the fiscal year ending on September 30, 2025.

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

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

THE REPORT

We are pleased to share that Nowlen, Holt & Miner, P.A., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Village of North Palm Beach's financial statements for the fiscal year concluding on September 30, 2025. The independent auditor's report precedes the Management's Discussion and Analysis (MD&A), which offers a narrative, overview, and analysis of the fundamental financial statements. The MD&A complements this transmittal letter and should be reviewed in conjunction with it.

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

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

VILLAGE PROFILE

The Village

The Village of North Palm Beach, incorporated in 1956, primarily serves as a residential community. The registered population stands at approximately 13,901 surging to around 18,000 during winter months as residents designate their northern homes as their official residences. The populace generally falls within middle to upper-income brackets.

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

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

FINANCIAL DATA

Financial Reporting System and Budgetary Controls

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

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

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

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

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

ECONOMIC OUTLOOK

Property Values

Ad valorem property taxes are the Village's primary revenue source, accounting for 69% of annual General Fund resources. While recent years have seen steady growth in gross assessed property values, the Village remains mindful of how broader economic shifts and real estate market fluctuations can impact these resources. Despite these variables, the community continues to see consistent residential investment. In 2025, the Village's gross taxable property values rose to \$3,638,364,199, representing an 8.02% increase over the 2024 valuation.

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

Investment Revenues

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

Personnel Costs

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

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

The financial considerations related to personnel salaries and benefits will persistently influence the future financial planning and service direction of our Village. Around 58% of the yearly budget is designated for wages and fringe benefits, signifying their critical role in determining staffing levels, public services, and community projects. These expenditures will continue to play a central role in defining our Village's financial framework and operational approaches in the upcoming fiscal period. As we anticipate the challenges ahead in Fiscal Year 25/26, it is evident that personnel costs, including salaries and benefits, will remain a focal point of our financial deliberations.

INITIATIVES AND FUTURE PROJECTS

For Fiscal Year 2025-26, the Village Council reiterated its vision to sustain the Village as the “Best Place to Live Under the Sun.” As part of that vision, the Council developed the following strategic themes and objectives to guide the Village’s financial plan in 2025 that is carried into 2026:

Community Culture and Character

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

Community Engagement

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

Quality of Life

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

All Neighborhoods as Safe and Desirable Places to Live

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

People and Organizational Performance

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

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

Economic Vitality

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

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

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

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a ***Certificate of Achievement of Excellence in Financial Reporting*** to the Village of North Palm Beach for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The Village has received this award since 1988. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the governmental unit must publish an easily readable and efficiently organized Annual Report. This report satisfied both GAAP and applicable legal requirements.

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

The GFOA also presented a ***Distinguished Budget Presentation Award*** to the Village for its annual budget for the fiscal year beginning October 1, 2025. The Village has received this award since 2010. The Distinguished Budget Presentation Award is a prestigious national award that recognizes conformance with the highest principles of governmental budgeting. In order to qualify for the Distinguished Budget Presentation Award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

Acknowledgements

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

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

Respectfully submitted,

Charles Huff

Charles Huff
Village Manager

Samia Janjua

Samia Janjua
Deputy Village Manager

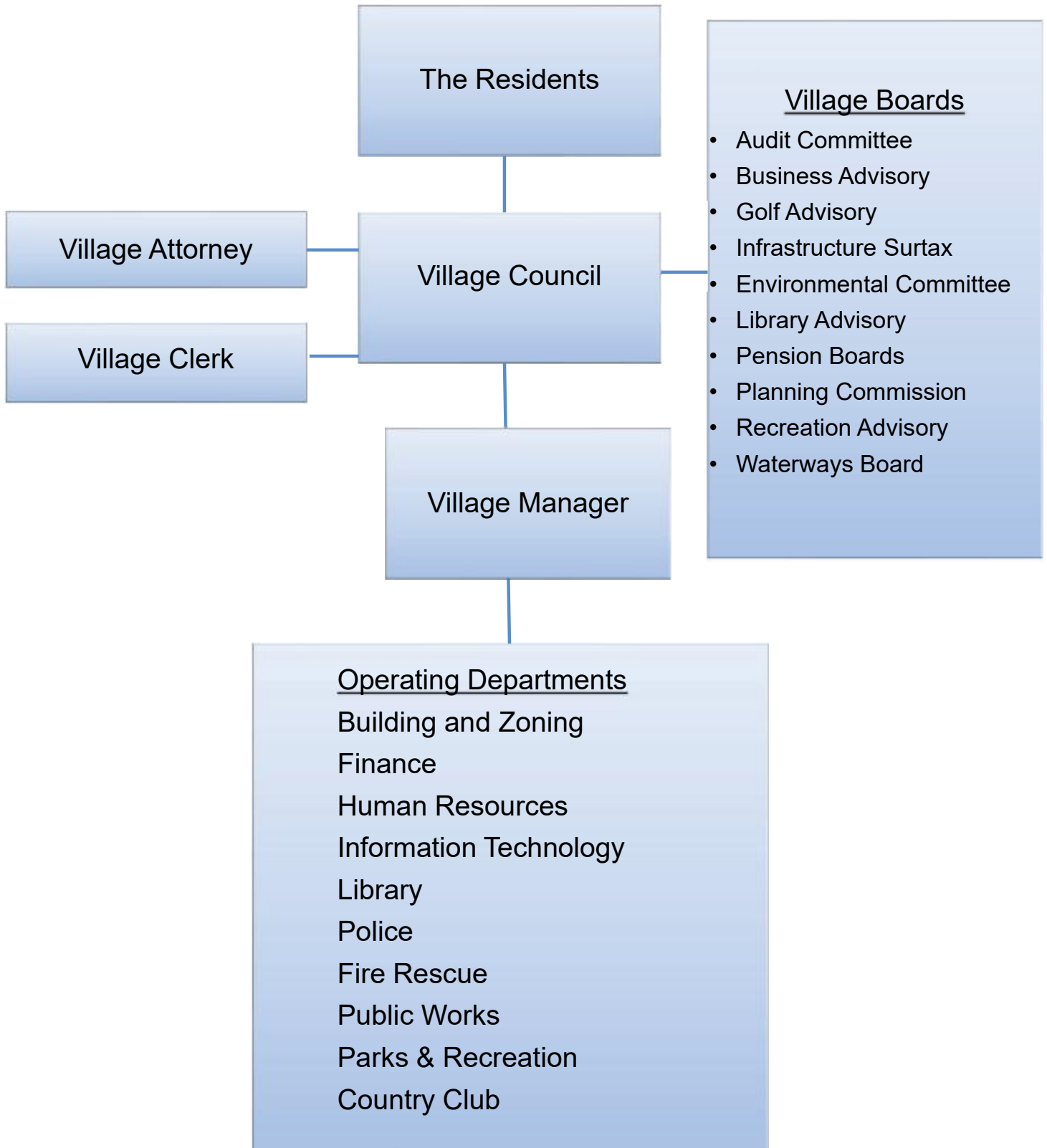
THE VILLAGE OF NORTH PALM BEACH, FLORIDA

PRINCIPAL VILLAGE OFFICIALS

SEPTEMBER 30, 2025

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

Village of North Palm Beach Organizational Structure





Government Finance Officers Association

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

Presented to

**Village of North Palm Beach
Florida**

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
EDWARD T. HOLT, JR., PFS, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WILLIAM C. KISKER, CPA
NANCY V. SALIB, CPA

INDEPENDENT AUDITOR'S REPORT

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

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Palm Beach, Florida as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village of North Palm Beach, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Palm Beach, Florida, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of North Palm Beach, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Village of North Palm Beach, Florida adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, effective October 1, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of North Palm Beach, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the Village of North Palm Beach, Florida's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of North Palm Beach, Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 14, Pension and Other Postemployment Benefit trend information on pages 84 through 90, and budgetary comparison information on pages 91 through 92 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of North Palm Beach, Florida's basic financial statements. The accompanying other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other

supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 11, 2026, on our consideration of the Village of North Palm Beach, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of North Palm Beach, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of North Palm Beach, Florida's internal control over financial reporting and compliance.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida
March 11, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Village of North Palm Beach, Florida's (the Village) Administration provides readers with this narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2025. Please review it in conjunction with the accompanying transmittal letter starting on page i, as well as the accompanying basic financial statements.

TABLE 1
FINANCIAL HIGHLIGHTS
(in millions)

	September 30,		Increase/ (Decrease)	Statemen Page #
	2025	2024		
Total net position	\$62.77	\$55.44	\$7.33	15
Unrestricted net position available for future use	\$26.04	\$21.35	\$4.69	15
Governmental net position	\$53.12	\$46.72	\$6.40	15
Total revenues from all sources	\$51.75	\$46.63	\$5.12	16 - 17
Governmental revenues	\$42.44	\$38.57	\$3.87	16 - 17
Total cost of all Village programs	\$43.42	\$41.15	\$2.27	16
Governmental transfers to Business-type	\$0.45	\$0.45	\$0.00	17
Governmental change in net position	\$6.41	\$4.76	\$1.65	17
Proprietary change in net position	\$1.93	\$1.03	\$0.90	23
General fund revenues over (under) expenditures	\$5.28	\$5.40	(\$0.12)	20
General fund unassigned fund balance	\$21.97	\$19.55	\$2.42	18
As a percent of general fund expenditures	63.54%	63.35%	0.19%	
Change in total long-term debt for the Village	(\$1.71)	(\$1.73)	\$0.02	

USING THIS ANNUAL REPORT

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

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

REPORTING ON THE VILLAGE AS A WHOLE

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

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

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

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

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

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

- **Governmental Funds**

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

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

- **Proprietary Funds**

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

Proprietary activities are accounted for in enterprise funds for the Country Club and Stormwater operations. The Country Club fund was the only major enterprise fund for the year ended September 30, 2025. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

- **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The funds in this category are the Village's Pension Trust Funds and Custodial Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously mentioned, the net position can serve as a valuable indicator of a government's financial standing over time. In the Village's case, its net position stood at \$62.77 million at the end of the latest fiscal year.

A considerable portion of the Village's net position (53.71%) represents its investment in capital assets, such as land, buildings, machinery, and equipment. This figure deducts any associated debt still outstanding, which was utilized to procure these assets. The Village utilizes these capital assets to deliver services to its citizens. Consequently, these assets are not liquid and cannot be utilized for future expenditure.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 39,479	\$ 36,550	\$ 6,171	\$ 3,151	\$ 45,650	\$ 39,701
Capital assets	36,995	35,556	6,626	7,074	43,621	42,630
Total assets	<u>76,474</u>	<u>72,106</u>	<u>12,797</u>	<u>10,225</u>	<u>89,271</u>	<u>82,331</u>
Deferred outflows of resources:	<u>5,257</u>	<u>5,895</u>	<u>1</u>	<u>2</u>	<u>5,258</u>	<u>5,897</u>
Liabilities:						
Current liabilities	2,525	2,051	2,086	2,074	4,611	4,125
Long-term liabilities	17,943	24,775	253	400	18,196	25,175
Total liabilities	<u>20,468</u>	<u>26,826</u>	<u>2,339</u>	<u>2,474</u>	<u>22,807</u>	<u>29,300</u>
Deferred inflows of resources:	<u>8,139</u>	<u>4,456</u>	<u>813</u>	<u>37</u>	<u>8,952</u>	<u>4,493</u>
Net position:						
Net investment in capital assets	27,090	24,107	6,626	6,908	33,716	31,015
Restricted	3,011	2,075			3,011	2,075
Unrestricted	23,023	20,537	3,020	808	26,043	21,345
Total net position	<u>\$ 53,124</u>	<u>\$ 46,719</u>	<u>\$ 9,646</u>	<u>\$ 7,716</u>	<u>\$ 62,770</u>	<u>\$ 54,435</u>

The fiscal year 2024 long-liabilities and unrestricted net position have been restated to reflect GASB 101 implementation, see Note 18 for additional information.

Governmental Activities

The cost of all governmental activities this year was \$35.58 million. As shown in Table 3, Changes in Net Position, grants and those who directly benefited from the programs covered \$6.13 million of this cost, while \$35.85 million was financed through general revenues. Governmental activities increased the Village's net position by \$6.41 million, accounting for 77% of the total increase in the Village's net position.

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

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 5,099	\$ 4,894	\$ 9,032	\$ 7,953	\$ 14,131	\$ 12,847
Operating grants and contributions	705	675			705	675
Capital grants and contributions	329	26		200	329	226
General revenues:						
Property taxes	26,052	22,472			26,052	22,472
Local option gas taxes	292	292			292	292
Local option infrastructure surtax	1,346	1,316			1,346	1,316
Utility service taxes	3,139	3,052			3,139	3,052
Sales and use taxes	1,856	1,883			1,856	1,883
Franchise taxes	1,629	1,601			1,629	1,601
Investment earnings	1,709	2,070	282	211	1,991	2,281
Miscellaneous	211	288			211	288
Gain on asset disposals	71				71	
Total revenues	42,438	38,569	9,314	8,364	51,752	46,933
Expenses:						
Program expenses:						
General Government	4,758	4,356			4,758	4,356
Public Safety	16,343	15,916			16,343	15,916
Public Works	6,830	6,280			6,830	6,280
Community Development	2,136	2,061			2,136	2,061
Leisure Services	5,171	4,379			5,171	4,379
Interest on long-term debt	345	369			345	369
Country Club			7,483	7,333	7,483	7,333
Stormwater			350	456	350	456
Total expenses	35,583	33,361	7,833	7,789	43,416	41,150
Increase (decrease) in net position before transfers	6,855	5,208	1,481	575	8,336	5,783
Transfers	(450)	(450)	450	450		
Increase (decrease) in net position	6,405	4,758	1,931	1,025	8,336	5,783
Net position - beginning of year	46,719	41,961	7,716	6,691	54,435	48,652
Net position - end of year	\$ 53,124	\$ 46,719	\$ 9,647	\$ 7,716	\$ 62,771	\$ 54,435

The fiscal year 2024 program expenses and beginning net position have been restated to reflect GASB 101 implementation, see Note 18 for additional information.

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

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

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 4,758	\$ (4,515)	\$ 4,356	\$ (4,139)
Public safety	16,343	(15,024)	15,916	(14,688)
Public works	6,830	(5,916)	6,280	(5,657)
Community development	2,136	722	2,061	759
Leisure services	5,171	(4,372)	4,379	(3,672)
Interest on long-term debt	345	(345)	369	(369)
	<u>\$ 35,583</u>	<u>\$ (29,450)</u>	<u>\$ 33,361</u>	<u>\$ (27,766)</u>

At the end of the current year, as compared to the prior year, the total cost of services increased by \$2.22 million. This increase is primarily attributed to the rise in personnel costs for Public Safety and General Government. In addition, the Village undertook several repair and improvement projects during FY2025 that contributed to the overall increase in the cost of services. These projects included repairs to library restroom facilities, replacement of the boat ramp, renovations to the dry storage building, and installation of new fencing at the dog park. The Village also continued its sidewalk repair and improvement program based on ongoing inspections conducted throughout the community.

Business-Type Activities

At the end of the current year, as compared to the prior year, Charges for Services (revenues) for the Business-type activities increased by \$1.08 million, while expenses increased by \$0.04 million. The net position of the Proprietary Funds at September 30, 2025, was \$9.64 million, reflecting an increase of \$1.93 million. This growth is mainly due to increased golf activity at the Country Club.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds

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

At the close of the current fiscal year, the combined fund balance for all Governmental Funds was \$34.36 million, reflecting a \$2.59 million increase from the 2024 fund balance of \$31.77 million. Approximately 86% of the combined ending fund balance (\$29.42 million) constitutes unrestricted (unassigned/assigned) fund balance, available for discretionary government spending. The remaining fund balance (\$4.94 million) is restricted (non-spendable/restricted) to indicate commitments for various restricted purposes, thus not available for new spending.

General Fund

The General Fund serves as the primary operating fund for the Village. At the close of the current fiscal year, the unassigned fund balance of the General Fund stood at \$21.97 million, with the total fund balance reaching \$24.84 million. To gauge the General Fund's liquidity, it is pertinent to compare both the unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance constitutes 64% of total general fund expenditures, while the total fund balance represents 72% of the same amount.

The unassigned fund balance increased by \$2.42 million, from \$19.55 million in 2024 to \$21.97 million in 2025. The principal contributors to this increase are outlined below:

Ad valorem tax revenues increased by approximately \$3.5 million, driven by growth in taxable values. In addition, surplus sales revenues increased by approximately \$0.51 million compared to the prior year. The Village also received an unbudgeted insurance reimbursement of \$0.08 million related to a tornado damage claim filed in prior years.

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to \$1,450,081 and can be summarized as follows:

- Prior Year Open Purchase Order Carryover: \$385,081
- Land Purchase ORD# 2025-05

General Fund Budget Analysis

As indicated on pages 93-95 of this report, in the Schedule of Departmental Expenditures – Budget and Actual, there was an overall favorable budget-to-actual cost variance of \$1.88 million in General Fund Departmental Expenditures.

Special Projects Fund

The Village's Special Projects Fund is utilized to account for specific capital projects sanctioned by the Village Council. Appropriations within this fund remain active and carry over to subsequent years until intended expenditures are fulfilled or until they are revised or nullified. At the conclusion of the present fiscal year, the total fund balance amounted to \$4.45 million.

Infrastructure Surtax Fund

The Village's Infrastructure Surtax Fund is utilized to track surtax proceeds. On November 8, 2016, PBC voters approved a one-cent sales surtax, increasing the sales tax from 6% to 7%, effective January 1, 2017. The surtax is set to expire on December 31, 2026. The utilization of surtax proceeds is specifically earmarked for financing, planning, and constructing infrastructure, among other purposes. Appropriations within this fund remain active and carry over to subsequent years until planned expenditures are fulfilled, amended, or revoked. As of the conclusion of the current fiscal year, the total fund balance stands at \$2.58 million.

Proprietary Funds

Proprietary funds offer a more detailed breakdown of the information presented in the government-wide financial statements. As previously stated, the primary proprietary fund for the Village is the Country Club Fund. At the conclusion of the current fiscal year, the unrestricted net position for the Country Club amounted to \$2.11 million, whereas the total net position for the Country Club stood at \$8.25 million.

CAPITAL ASSET AND DEBT ADMINISTRATION**Capital Assets**

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

As of September 30, 2025, and 2024, the Village's investment in capital assets for its governmental and business-type activities amounts to \$43.62 million and \$42.63 million, respectively (net of accumulated depreciation).

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 3,658	\$ 2,056	\$ 1,051	\$ 1,051	\$ 4,709	\$ 3,107
Construction in progress	2,068	2,620	508	191	2,576	2,811
Buildings and improvements	42,289	41,192	14,098	13,998	56,387	55,190
Furniture, fixtures and equipment	14,050	12,826	1,210	1,226	15,260	14,052
Total assets	62,065	58,694	16,867	16,466	78,932	75,160
Less accumulated depreciation	(25,070)	(23,139)	(10,241)	(9,392)	(35,311)	(32,531)
Net position	<u>\$ 36,995</u>	<u>\$ 35,555</u>	<u>\$ 6,626</u>	<u>\$ 7,074</u>	<u>\$ 43,621</u>	<u>\$ 42,629</u>

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

Debt

Currently, the Village utilizes debt financing on an as-needed basis each year. At the end of the current fiscal year, the Village had a total long-term debt of \$9.91 million, in governmental activities. None of the Village's long-term debt consists of debt backed by the full faith and credit of the government.

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Loans payable	\$ 8,005	\$ 9,010	\$	\$	\$ 8,005	\$ 9,010
Lease liability				166	-	166
Financing contracts	1,900	2,439			1,900	2,439
Total	<u>\$ 9,905</u>	<u>\$ 11,449</u>	<u>\$</u>	<u>\$ 166</u>	<u>\$ 9,905</u>	<u>\$ 11,615</u>

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

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The Village's Unassigned Fund Balance is considered by the Administration as a gauge of Village financial stability. The unassigned general fund balance increased to \$21.97 million during the 2025 fiscal year primarily due to increases in several revenue categories.

The FY 2025/26 Budget reflects ongoing enhancements to citizen services, public safety, and public facility maintenance while placing emphasis on improving community appearance and financial stability. Most importantly, the budget provides essential resources for the Village of North Palm Beach to maintain and further enhance services for residents without raising the millage rate or dipping into the General Fund Unassigned Fund Balance. The Village's operating millage rate remained at \$7.4000 mils.

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

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

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Net Position
September 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 22,261,544	\$ 6,353,883	\$ 28,615,427
Investments	10,938,102		10,938,102
Accounts receivable	635,691	104,326	740,017
Lease - receivable current portion	92,534	178,731	271,265
Accrued interest	79,402		79,402
Inventories	93,373	128,553	221,926
Prepays	249,385	25,538	274,923
Land held for resale	411,993		411,993
Due from other governments	641,900	49,999	691,899
Internal balances	1,288,094	(1,288,094)	
Non-current assets			
Lease - receivable	2,675,402	618,345	3,293,747
Net pension asset	110,904		110,904
Capital assets:			
Nondepreciable	5,726,350	1,559,595	7,285,945
Depreciable (net of depreciation)	31,269,092	5,066,660	36,335,752
Total assets	76,473,766	12,797,536	89,271,302
Deferred outflows of resources			
Other postemployment benefits related items	15,556	944	16,500
Pension related items	5,241,714		5,241,714
Total deferred outflows of resources	5,257,270	944	5,258,214
Liabilities			
Accounts payable	1,059,355	486,536	1,545,891
Deposits		81,880	81,880
Retainage payable			-
Accrued liabilities	755,064	64,594	819,658
Unearned revenue	605,479	1,453,042	2,058,521
Accrued interest payable	104,386		104,386
Noncurrent liabilities:			
Due within one year	4,058,924	127,752	4,186,676
Due in more than one year	13,884,437	124,655	14,009,092
Total liabilities	20,467,645	2,338,459	22,806,104
Deferred inflows of resources			
Deferred revenue	120,207		120,207
Leases	2,464,496	797,076	3,261,572
Other postemployment benefits related items	566,780	16,027	582,807
Pension related items	4,988,086		4,988,086
Total deferred inflows of resources	8,139,569	813,103	8,952,672
Net position			
Net investment in capital assets	27,090,309	6,626,255	33,716,564
Restricted for:			
Pension benefits	110,904		110,904
Infrastructure	2,705,690		2,705,690
Public safety	157,349		157,349
Other purposes	36,514		36,514
Unrestricted	23,023,056	3,020,663	26,043,719
Total net position	\$ 53,123,822	\$ 9,646,918	\$ 62,770,740

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Activities
For the Year Ended September 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Government:		
Governmental activities		
General government	\$ 4,758,264	\$ 185,788
Public safety	16,343,460	706,381
Public works	6,829,707	666,914
Community development and planning	2,136,406	2,858,622
Leisure services	5,170,997	681,555
Interest expense	345,107	
Total governmental activities	<u>35,583,941</u>	<u>5,099,260</u>
Business-type activities - country club	7,483,149	8,564,613
Business-type activities - stormwater	349,577	467,430
Total business-type activities	<u>7,832,726</u>	<u>9,032,043</u>
Total government	<u>\$ 43,416,667</u>	<u>\$ 14,131,303</u>

<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 57,916	\$	\$ (4,514,560)	\$	\$ (4,514,560)
604,103	8,669	(15,024,307)		(15,024,307)
27,019	219,647	(5,916,127)		(5,916,127)
		722,216		722,216
15,839	101,215	(4,372,388)		(4,372,388)
		(345,107)		(345,107)
<u>704,877</u>	<u>329,531</u>	<u>(29,450,273)</u>		<u>(29,450,273)</u>
			1,081,464	1,081,464
			117,853	117,853
			<u>1,199,317</u>	<u>1,199,317</u>
<u>\$ 704,877</u>	<u>\$ 329,531</u>	<u>(29,450,273)</u>	<u>1,199,317</u>	<u>(28,250,956)</u>
General Revenues:				
Taxes:				
Property taxes		26,051,916		26,051,916
Local option gas taxes		291,907		291,907
Local option infrastructure surtax		1,346,422		1,346,422
Utility service taxes		3,138,625		3,138,625
Franchise taxes		1,628,765		1,628,765
Sales and use taxes		1,855,998		1,855,998
Investment income - unrestricted		1,709,494	281,610	1,991,104
Miscellaneous		210,691		210,691
Gain on sale of capital assets		71,035		71,035
Transfers		<u>(450,000)</u>	<u>450,000</u>	
Total general revenues and transfers		<u>35,854,853</u>	<u>731,610</u>	<u>36,586,463</u>
Change in net position		6,404,580	1,930,927	8,335,507
Net position - beginning, as previously presented		47,762,014	7,809,213	55,571,227
Restatement for implementation of GASB 101		<u>(1,042,772)</u>	<u>(93,222)</u>	<u>(1,135,994)</u>
Net position - beginning, as restated		<u>46,719,242</u>	<u>7,715,991</u>	<u>54,435,233</u>
Net position, end of year		<u>\$ 53,123,822</u>	<u>\$ 9,646,918</u>	<u>\$ 62,770,740</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2025

	<u>General</u>	<u>Infrastructure Surtax Fund</u>	<u>Special Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and cash equivalents	\$ 12,672,838	\$ 2,456,470	\$ 4,643,935	\$ 2,488,301	\$ 22,261,544
Investments	10,938,102				10,938,102
Accounts receivable	635,691				635,691
Lease receivable	2,767,936				2,767,936
Accrued interest	79,402				79,402
Inventories	93,373				93,373
Prepays	249,385				249,385
Land held for resale	411,993				411,993
Advances to other funds	1,288,094				1,288,094
Due from other governments	264,749	296,221		80,930	641,900
Total assets	<u>\$ 29,401,563</u>	<u>\$ 2,752,691</u>	<u>\$ 4,643,935</u>	<u>\$ 2,569,231</u>	<u>\$ 39,367,420</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ 612,635	\$ 168,655	\$ 159,759	\$ 118,306	\$ 1,059,355
Accrued liabilities	755,064				755,064
Unearned revenue	605,479				605,479
Total liabilities	<u>1,973,178</u>	<u>168,655</u>	<u>159,759</u>	<u>118,306</u>	<u>2,419,898</u>
Deferred inflows of resources					
Deferred revenue	120,207				120,207
Leases	2,464,496				2,464,496
Total deferred inflows of resources	<u>2,584,703</u>				<u>2,584,703</u>
Fund balances					
Nonspendable:					
Inventories and prepaids	342,758				342,758
Land held for resale	411,993				411,993
Advances to other funds	1,288,094				1,288,094
Restricted for:					
Recreation	4,419				4,419
Infrastructure		2,584,036			2,584,036
Streets and roads	121,654				121,654
Public safety	157,349				157,349
Library	29,322				29,322
Other purposes	2,773				2,773
Assigned for:					
Small business grants	16,435				16,435
Neighborhood enhancement team	102,080				102,080
Subsequent year's expenditures	401,574		1,190,276		1,591,850
Special revenue funds				260,233	260,233
Capital project funds			3,293,900	2,190,692	5,484,592
Unassigned	21,965,231				21,965,231
Total fund balances	<u>24,843,682</u>	<u>2,584,036</u>	<u>4,484,176</u>	<u>2,450,925</u>	<u>34,362,819</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,401,563</u>	<u>\$ 2,752,691</u>	<u>\$ 4,643,935</u>	<u>\$ 2,569,231</u>	<u>\$ 39,367,420</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
September 30, 2025

Fund balances - total governmental funds \$ 34,362,819

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	\$ 62,065,349	
Less: accumulated depreciation	<u>(25,069,907)</u>	36,995,442

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	(104,386)	
Revenue notes	(8,005,000)	
Contracts that transfer ownership	(1,900,133)	
Net pension liability	(4,547,666)	
Net pension asset	110,904	
Other postemployment benefits	(575,795)	
Accrued compensated absences	<u>(2,914,767)</u>	(17,936,843)

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

Other postemployment benefits deferred outflows	15,556	
Other postemployment benefits deferred inflows	(566,780)	
Pension related deferred outflows	5,241,714	
Pension related deferred inflows	<u>(4,988,086)</u>	<u>(297,596)</u>

Net position of governmental activities \$ 53,123,822

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, 2025

	<u>General</u>	<u>Infrastructure Surtax Fund</u>	<u>Special Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 31,111,213	\$	\$	\$	\$ 31,111,213
Licenses and permits	1,881,173				1,881,173
Intergovernmental	1,945,437	1,566,068		712,272	4,223,777
Charges for services	2,607,055				2,607,055
Fines and forfeitures	550,665				550,665
Investment	1,448,002	91,926	169,567		1,709,495
Miscellaneous	309,374				309,374
Total revenues	<u>39,852,919</u>	<u>1,657,994</u>	<u>169,567</u>	<u>712,272</u>	<u>42,392,752</u>
Expenditures					
Current					
General government	4,673,134				4,673,134
Public safety	15,528,991			612,272	16,141,263
Public works	5,923,096				5,923,096
Community development and planning	2,120,129				2,120,129
Leisure services	4,154,506				4,154,506
Capital outlay	278,461	771,252	942,020	2,549,781	4,541,514
Debt service					
Principal	1,544,239				1,544,239
Interest	348,412				348,412
Total expenditures	<u>34,570,968</u>	<u>771,252</u>	<u>942,020</u>	<u>3,162,053</u>	<u>39,446,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,281,951</u>	<u>886,742</u>	<u>(772,453)</u>	<u>(2,449,781)</u>	<u>2,946,459</u>
Other financing sources (uses)					
Insurance proceeds	92,539				92,539
Transfers in			650,000	1,715,000	2,365,000
Transfers out	(2,815,000)				(2,815,000)
Total other financing sources (uses)	<u>(2,722,461)</u>		<u>650,000</u>	<u>1,715,000</u>	<u>(357,461)</u>
Net change in fund balances	2,559,490	886,742	(122,453)	(734,781)	2,588,998
Fund balances					
Beginning of year	<u>22,284,192</u>	<u>1,697,294</u>	<u>4,606,629</u>	<u>3,185,706</u>	<u>31,773,821</u>
End of year	<u>\$ 24,843,682</u>	<u>\$ 2,584,036</u>	<u>\$ 4,484,176</u>	<u>\$ 2,450,925</u>	<u>\$ 34,362,819</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds \$ 2,588,998

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	\$ 4,491,912	
Less: current year depreciation	(3,005,646)	
Net book value for retired assets	<u>(46,770)</u>	1,439,496

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

Principal payments on debt		1,544,239
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Expenses that do not use current financial resources are not reported on the governmental funds but are included in the statement of activities:

Change in accrued interest payable	3,305	
Change in long-term compensated absences	(181,480)	
Change in net pension liability and related deferred amounts	668,975	
Change in other postemployment benefits and deferred amounts	<u>341,047</u>	<u>831,847</u>

Change in net position		<u><u>\$ 6,404,580</u></u>
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See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2025

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 5,440,641	\$ 913,242	\$ 6,353,883
Accounts receivable	101,204	3,122	104,326
Due from other governments	49,999		49,999
Lease receivable - current portion	178,731		178,731
Inventories	128,553		128,553
Prepays	25,538		25,538
Total current assets	<u>5,924,666</u>	<u>916,364</u>	<u>6,841,030</u>
Non-current assets			
Lease receivable	618,345		618,345
Capital assets, net	6,143,403	482,852	6,626,255
Total non-current assets	<u>6,761,748</u>	<u>482,852</u>	<u>7,244,600</u>
Total assets	<u>12,686,414</u>	<u>1,399,216</u>	<u>14,085,630</u>
Deferred outflows of resources			
Other postemployment benefits related items	944		944
Total deferred outflows of resources	<u>944</u>		<u>944</u>
Liabilities			
Current liabilities			
Accounts payable	485,569	967	486,536
Accrued liabilities	64,594		64,594
Deposits	81,880		81,880
Unearned revenue	1,453,042		1,453,042
Due to other funds			
Compensated absences - current portion	125,656		125,656
Other postemployment benefits- current portion	2,096		2,096
Total current liabilities	<u>2,212,837</u>	<u>967</u>	<u>2,213,804</u>
Non-current liabilities			
Other postemployment benefits	32,838		32,838
Compensated absences	91,817		91,817
Advances from other funds	1,288,094		1,288,094
Total non-current liabilities	<u>1,412,749</u>		<u>1,412,749</u>
Total liabilities	<u>3,625,586</u>	<u>967</u>	<u>3,626,553</u>
Deferred inflows of resources			
Other postemployment benefits related items	16,027		16,027
Leases	797,076		797,076
Total deferred inflows of resources	<u>813,103</u>		<u>813,103</u>
Net position			
Net investment in capital assets	6,143,403	482,852	6,626,255
Unrestricted	2,105,266	915,397	3,020,663
Total net position	<u>\$ 8,248,669</u>	<u>\$ 1,398,249</u>	<u>\$ 9,646,918</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended September 30, 2025

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Operating revenue			
Greens fee/cart rentals/golf membership fees	\$ 5,366,185	\$	\$ 5,366,185
Golf shop revenues	848,183		848,183
Driving range revenues	644,090		644,090
Restaurant revenues	523,480		523,480
Tennis revenues	904,197		904,197
Pool revenues	230,202		230,202
Stormwater assessments		467,430	467,430
Miscellaneous	48,276		48,276
Total operating revenues	<u>8,564,613</u>	<u>467,430</u>	<u>9,032,043</u>
Operating expenses			
Golf course maintenance expenses	2,280,007		2,280,007
Clubhouse grounds expenses	594,523		594,523
Golf shop expenses	2,046,939		2,046,939
Food and beverage expenses	15,517		15,517
Tennis expenses	853,174		853,174
Pool expenses	442,171		442,171
Administrative and general	386,147	34,973	421,120
Repairs and maintenance		279,620	279,620
Amortization	162,827		162,827
Depreciation	665,386	34,984	700,370
Total operating expenses	<u>7,446,691</u>	<u>349,577</u>	<u>7,796,268</u>
Operating income	<u>1,117,922</u>	<u>117,853</u>	<u>1,235,775</u>
Nonoperating revenues (expenses)			
Interest revenue	241,033	40,577	281,610
Gain on disposal of equipment	1,788		1,788
Interest expense	(38,246)		(38,246)
Total nonoperating revenues (expenses)	<u>204,575</u>	<u>40,577</u>	<u>245,152</u>
Income (loss) before capital contributions and transfers	1,322,497	158,430	1,480,927
Transfers in	<u>450,000</u>		<u>450,000</u>
Change in net position	1,772,497	158,430	1,930,927
Net position - beginning, as previously presented	6,569,394	1,239,819	7,809,213
Restatement for implementation of GASB 101	(93,222)		(93,222)
Net position - beginning, as restated	<u>6,476,172</u>	<u>1,239,819</u>	<u>7,715,991</u>
Net position - ending	<u>\$ 8,248,669</u>	<u>\$ 1,398,249</u>	<u>\$ 9,646,918</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2025

	Country Club Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 8,681,610	\$ 467,172	\$ 9,148,782
Payments to suppliers for goods or services	(4,388,674)	(338,643)	(4,727,317)
Payments to employees for services	(2,266,793)		(2,266,793)
Net cash Provided by operating activities	<u>2,026,143</u>	<u>128,529</u>	<u>2,154,672</u>
Cash flows from non-capital financing activities:			
Transfers in	450,000		450,000
Payments to other funds	(411,906)		(411,906)
Net cash provided by non-capital financing activities:	<u>38,094</u>		<u>38,094</u>
Cash flows from capital and related financing activities:			
Capital contributions		150,000	150,000
Principal paid on long term debt	(166,344)		(166,344)
Interest paid on debt	(38,246)		(38,246)
Proceeds from sale of capital assets	2,931		2,931
Acquisition of capital assets	(416,360)		(416,360)
Net cash provided (used) by capital and related financing activities	<u>(618,019)</u>	<u>150,000</u>	<u>(468,019)</u>
Cash flows from investing activities:			
Interest and dividends on investments	200,305	40,577	240,882
Net increase (decrease) in cash and cash equivalents	1,646,523	319,106	1,965,629
Cash and cash equivalents at beginning of year	3,794,118	594,136	4,388,254
Cash and cash equivalents at end of year	<u>\$ 5,440,641</u>	<u>\$ 913,242</u>	<u>\$ 6,353,883</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,117,922	\$ 117,853	\$ 1,235,775
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	828,213	34,984	863,197
Change in OPEB liability and related deferred amounts	20,364		20,364
Change in assets and liabilities			
Increase in accounts receivable	13,970	(258)	13,712
(Increase) decrease in inventory	(3,591)		(3,591)
(Increase) decrease in prepaids	(5,981)		(5,981)
Increase (decrease) in accounts payable	(67,365)	(24,050)	(91,415)
Increase (decrease) in compensated absences payable	19,584		19,584
Increase (decrease) in deposits	5,411		5,411
Increase (decrease) in deferred revenue	97,616		97,616
Total adjustments	<u>908,221</u>	<u>10,676</u>	<u>918,897</u>
Net cash provided by operating activities	<u>\$ 2,026,143</u>	<u>\$ 128,529</u>	<u>\$ 2,154,672</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2025

	Employee Retirement Funds	Custodial Fund
Assets		
Cash and cash equivalents	\$ 1,182,191	\$ 372,397
Investments:		
Domestic common equity securities	13,481,897	
International common equity securities	4,502,169	
U.S. Government and agencies	11,472,704	
Municipal bonds	1,017,544	
Domestic corporate bonds	3,929,643	
International corporate bonds	285,943	
Domestic equity exchange traded funds	3,742,188	
International equity exchange traded funds	1,572,750	
Fixed income mutual funds	2,141,310	
Domestic equity mutual funds	20,114,044	
International equity mutual funds	2,969,212	
Real estate investment fund	3,087,617	
Money market mutual funds	526,464	
Accrued interest and dividends	137,401	
Accounts receivable	81,378	
Prepays	7,965	
Total assets	70,252,420	372,397
Liabilities		
Accounts payable	62,074	
Total liabilities	62,074	
Net position		
Restricted for pensions	70,190,346	
Restricted for individuals, organizations, and other governments	\$ 70,190,346	372,397 \$ 372,397

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, 2025

	Employee Retirement Funds	Custodial Fund
	<u> </u>	<u> </u>
Additions		
Contributions		
Employer	\$ 1,727,663	\$
Plan members	849,336	
DROP contributions	13,185	
State on-behalf payments	603,603	
Total contributions	<u>3,193,787</u>	<u> </u>
Investment earnings		
Dividends and interest	1,800,584	16,285
Change in fair value of investments	<u>6,084,255</u>	<u> </u>
Total investment earnings	7,884,839	16,285
Less: investment expenses	<u>274,335</u>	<u> </u>
Total net investment earnings	<u>7,610,504</u>	<u>16,285</u>
Total additions	<u>10,804,291</u>	<u>16,285</u>
Deductions		
Administrative expense	176,306	
Lump sum DROP distributions	1,403,735	
Benefits	2,347,972	
Total deductions	<u>3,928,013</u>	<u> </u>
Change in net position	6,876,278	16,285
Net position - beginning	<u>63,314,068</u>	<u>356,112</u>
Net position - ending	<u>\$ 70,190,346</u>	<u>\$ 372,397</u>

See notes to the financial statements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The government-wide financial statements and proprietary fund financial statements are reported using the accrual basis of accounting and the economic resources measurement focus. Fiduciary funds use the accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

General Fund

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

Infrastructure Surtax Fund

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

Special Projects Fund

The Special Projects Fund is a capital projects fund.

The Village reports the following major proprietary fund:

Country Club Enterprise Fund

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

The Village reports the following nonmajor proprietary fund.

Stormwater Utility Fund

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

Additionally, the Village reports the following fund types:

Special Revenue Funds

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

Capital Projects Fund

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

Employee Retirement Funds

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Custodial Funds

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Cash and Cash Equivalents

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Accounts Receivable

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

Concentration of Credit Risk

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

Investments

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

Interfund Transactions

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

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

Inventories and Prepaid Items

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets and Depreciation

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

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

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

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

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Leases

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

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

Deferred Outflows and Inflows of Resources

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows and Inflows of Resources (Continued)

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

Unearned Revenue

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

Compensated Absences

Village employees earn sick pay and vacation leave benefits on the basis of length of service time. Subject to certain restrictions, Village employees are compensated (historically from the fund that the employee is assigned) for unused sick and vacation time upon leaving the Village's employment. All sick pay and vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. The Village uses the First in First Out (FIFO) method in valuing compensated absences. In governmental funds, a liability for these amounts is reported only as payments come due each period upon the occurrence of relevant events such as employee resignations and retirements.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Net Position

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

Fund Balance

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balance (Continued)

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

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

Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

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

A. Budgetary Data (Continued)

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

The procedures for establishing budgetary data are as follows:

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

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders or contracts) outstanding at year end are reported assigned fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The General Fund had \$401,574 the Infrastructure Surtax Fund had \$695,219, and the Special Projects Fund had \$1,190,276 in outstanding encumbrances at year-end.

B. Property Taxes

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

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, 2025, was 7.4000 (\$7.4000 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, 2025, unpaid delinquent taxes are not material and have not been recorded by the Village.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2025, the carrying amount of the Village's deposits (including fiduciary funds) was \$5,392,975 and the bank balances totaled \$5,246,582. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Village's deposits at year end are considered insured for custodial credit risk purposes.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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

By Category:

Deposits	\$ 5,246,582
Petty cash	2,500
Investments	<u>104,702,519</u>
Total deposits and investments	<u><u>\$109,951,601</u></u>

Presented in the statement of net position

Governmental activities	
Cash and cash equivalents	\$22,261,544
Investments	10,938,102
Business-type activities	
Cash and cash equivalents	<u>6,353,883</u>
Total statements of net position	<u><u>39,553,529</u></u>

Presented in the statement of fiduciary net position

Pension trust funds	
Cash and cash equivalents	1,182,191
Investments	68,843,484
Custodial funds	
Cash and cash equivalents	<u>372,397</u>
Total fiduciary funds	<u><u>70,398,072</u></u>

Total deposits and investments	<u><u>\$109,951,601</u></u>
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Investments

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

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, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value. However, the Trustees of the funds can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

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

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

The Florida Public Assets for Liquidity Management FL Palm-Term Series invests in highly rated securities including U.S. Treasury securities, U.S. government agency securities, deposits including certificates of deposit and commercial paper Securities are rated at least 'A/F1' by Fitch Ratings or equivalent. The term portfolio is a fixed-rate, fixed-term portfolio with a maximum term of one year. The maturity profile of the term portfolio is managed to meet preset redemptions of the portfolio's participants. Upon investing in the program, a participant selects a planned maturity date on which the portfolio seeks to produce a share price of at least \$1.00 for the participant that redeems on said date. Participants may request premature redemption, but the portfolio may charge significant penalties for any redemption prior to the agreed-upon redemption date and net asset value may be more or less than \$1.00 per share. Redemptions will be made seven days after the request is received. The Village did not have any investments in this fund as of September 30, 2025.

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2025, the Village held the following investments:

	Weighted Average Maturity	Fair Value	Fair Value Measurement	
			Level 1	Level 2
<i>Governmental Funds</i>				
U.S. Government and Agency	2.14 Years	\$ 3,949,407	\$	\$ 3,949,407
MBS & ABS	3.02 Years	3,570,332		3,570,332
Municipal Bonds	1.75 Years	40,427		40,427
Domestic Corporate Bonds	1.65 Years	2,551,387		2,551,387
International Corporate Bonds	1.99 Years	795,257		795,257
<i>Fiduciary Funds</i>				
U.S. Government and Agency	9.70 Years	4,620,834		4,620,834
MBS & ABS	21.23 Years	6,851,870		6,851,870
Municipal Bonds	10.30 Years	1,017,544		1,017,544
Domestic Corporate Bonds	10.47 Years	3,929,643		3,929,643
International Corporate Bonds	8.06 Years	285,943		285,943
Domestic Common Equity				
Securities	N/A	13,481,897	13,481,897	
International Common Equity				
Securities	N/A	4,502,169	4,502,169	
Domestic Equity ETF	N/A	3,742,188	3,742,188	
International Equity ETF	N/A	1,572,750	1,572,750	
Fixed Income Mutual Funds	N/A	2,141,310	2,141,310	
Domestic Equity Mutual Funds	N/A	20,114,044	20,114,044	
International Equity Mutual				
Funds	N/A	2,969,212	2,969,212	
		76,136,214	<u>\$ 48,523,570</u>	<u>\$ 27,612,644</u>
Investments Reported at NAV				
<i>Fiduciary Funds</i>				
American Core Realty Fund	N/A	3,087,616		
Investments Reported at Amortized Cost:				
<i>Governmental Funds</i>				
Money Market Mutual Funds	N/A	31,291		
Florida Prime	39 Days	10,908,542		
FL Palm	35 Days	13,532,130		
<i>Fiduciary Funds</i>				
Money Market Mutual Funds	N/A	1,006,726		
Total Investments		<u>\$ 104,702,519</u>		

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

Investments:	S&P Rating	Moody’s Rating	Fair Value
<i><u>Governmental Funds</u></i>			
U.S. Government and Agency	AA+	AA1	\$ 3,949,407
MBS & ABS	AAA to NR	AAA to NR	3,570,332
Municipal Bonds	NR	AA2	40,427
Domestic Corporate Bonds	AA+ to BB+	AA2 to A2	2,551,387
International Corporate Bonds	AA- to A-	AAA to A3	795,257
Florida Prime	AAAm	NR	10,908,542
FL Palm Portfolio	AAAm	NR	13,532,130
<i><u>Fiduciary Funds</u></i>			
U.S. Government and Agency	AA+ to NR	AAA to Aa1	4,620,834
MBS & ABS	AAA to NR	Aaa to NR	6,851,870
Municipal Bonds	AAA to NR	Aaa to NR	1,017,544
Domestic Corporate Bonds	AAA to BBB-	Aaa to Baa3	3,929,643
International Corporate Bonds	A+ to BBB-	Aaa to NR	285,943

* Rated AA Af by Fitch.

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

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

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

The Village is authorized to invest its funds as follows:

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 4 – RECEIVABLES

Receivables at September 30, 2025, were as follows:

	General Fund	Country Club	Nonmajor Enterprise Fund
Utility franchise fees & taxes	\$ 419,852	\$	\$
Other accounts receivable	215,839	101,204	3,122
Total accounts receivable	<u>\$ 635,691</u>	<u>\$101,204</u>	<u>\$ 3,122</u>

NOTE 5 – CAPITAL ASSETS

Capital Assets activity for the year ended September 30, 2025, was as follows:

Primary Government

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,055,889	\$ 1,602,303	\$	\$ 3,658,192
Construction in progress	2,620,387	341,826	(894,055)	2,068,158
Capital assets being depreciated:				
Buildings	25,675,216	581,173	(2,640)	26,253,749
Improvements	15,517,427	517,679		16,035,106
Machinery and equipment	4,471,338	497,042	(558,439)	4,409,941
Vehicles	8,354,445	1,845,944	(560,186)	9,640,203
Total:	<u>58,694,702</u>	<u>5,385,967</u>	<u>(2,015,320)</u>	<u>62,065,349</u>
Less accumulated depreciation:				
Buildings	(9,362,074)	(754,163)	2,640	(10,113,597)
Improvements	(6,347,228)	(847,292)		(7,194,520)
Machinery and equipment	(2,828,977)	(416,031)	511,669	(2,733,339)
Vehicles	(4,600,477)	(988,160)	560,186	(5,028,451)
Total accumulated depreciation	<u>(23,138,756)</u>	<u>(3,005,646)</u>	<u>1,074,495</u>	<u>(25,069,907)</u>
Governmental activities capital assets, net	<u>\$ 35,555,946</u>	<u>\$ 2,380,321</u>	<u>\$ (940,825)</u>	<u>\$ 36,995,442</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 104,854
Public safety	969,101
Public works	922,854
Community development	23,964
Leisure services	984,873
Total depreciation expense, governmental activities	<u><u>\$ 3,005,646</u></u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,051,311	\$	\$	\$ 1,051,311
Construction in progress	191,265	317,019		508,284
Capital assets being depreciated:				
Buildings	1,150,327			1,150,327
Improvements	12,848,235	99,341		12,947,576
Machinery and equipment	594,334		(15,013)	579,321
Vehicles	22,607			22,607
Intangible Right to Use Asset - Vehicles	608,407			608,407
Total:	<u>16,466,486</u>	<u>416,360</u>	<u>(15,013)</u>	<u>16,867,833</u>
Less accumulated depreciation/amortization:				
Buildings	(305,556)	(41,611)		(347,167)
Improvements	(8,289,636)	(576,088)		(8,865,724)
Machinery and equipment	(335,521)	(77,352)	13,870	(399,003)
Vehicles	(15,958)	(5,319)		(21,277)
Intangible Right to Use Asset - Vehicles	(445,580)	(162,827)		(608,407)
Total accumulated depreciation/amortization	<u>(9,392,251)</u>	<u>(863,197)</u>	<u>13,870</u>	<u>(10,241,578)</u>
Business-type activities capital assets, net	<u><u>\$ 7,074,235</u></u>	<u><u>\$ (446,837)</u></u>	<u><u>\$ (1,143)</u></u>	<u><u>\$ 6,626,255</u></u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expense of \$665,386 and \$34,984 was charged to the Country Club and Stormwater Utility Funds respectively. Amortization expense of \$162,827 was charged to the Country Club Fund.

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

NOTE 6 – LONG TERM LIABILITIES

Change in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Beginning Balance (2)	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities:					
Direct borrowings and direct placements					
Loans payable	\$ 9,010,000	\$	\$(1,005,000)	\$ 8,005,000	\$ 1,040,000
Contracts that transfer ownership	2,439,372		(539,239)	1,900,133	477,540
Total	11,449,372		(1,544,239)	9,905,133	1,517,540
OPEB (see Note 14)	588,479		(12,684)	575,795	34,548
Net pension liability (see Note 9)	10,003,131		(5,455,465)	4,547,666	
Compensated absences(1) payable	2,733,287	181,480		2,914,767	2,506,836
Total	<u>\$ 24,774,269</u>	<u>\$ 181,480</u>	<u>\$(7,012,388)</u>	<u>\$ 17,943,361</u>	<u>\$ 4,058,924</u>

(1) The change is reported net.

(2) As restated for GASB 101

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 6 – LONG TERM LIABILITIES (Continued)

	<u>Beginning Balance(2)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Business-type activities:					
Lease liability(see Note 7)	\$ 166,344	\$	\$ (166,344)	\$	\$
OPEB(see Note 14)	35,571		(637)	34,934	2,096
Compensated absences(1) payable	<u>197,889</u>	<u>19,584</u>		<u>217,473</u>	<u>125,656</u>
Total	<u>\$ 399,804</u>	<u>\$ 19,584</u>	<u>\$ (166,981)</u>	<u>\$ 252,407</u>	<u>\$ 127,752</u>

(1) The change is reported net.

(2) As restated for GASB 101

For fiscal year ended September 30, 2025 the Government Activities incurred interest expense of \$345,107 and paid interest of \$348,412 and the Country Club fund paid and incurred interest of \$38,246.

Non-Ad Valorem Revenue Notes, Series 2017

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

Series 2017A

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

This note may be prepaid in whole but not in part at any time after June 1, 2025, at a redemption price equal to 100% of the principal amount outstanding plus accrued interest through the redemption date. As of September 30, 2025, the principal amount outstanding was \$8,005,000 and was for the purpose of governmental-type activities.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 6 – LONG TERM LIABILITIES (Continued)

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

Series 2017B

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

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

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,040,000	\$ 255,360	\$ 1,295,360
2027	1,070,000	222,184	1,292,184
2028	1,105,000	188,051	1,293,051
2029	1,140,000	152,801	1,292,801
2030	1,180,000	116,435	1,296,435
2031 - 2032	2,470,000	118,828	2,588,828
	<u>\$ 8,005,000</u>	<u>\$ 1,053,659</u>	<u>\$ 9,058,659</u>

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

Governmental Activities - Contracts That Transfer Ownership

The Village entered into contract agreements for the purpose of financing the purchase of vehicles. Principal and interest payments are due either quarterly or annually. As of September 30, 2025, the principal amounts outstanding were \$1,900,133 and the net book value of the equipment was \$2,101,867. Amortization is included with depreciation expense. The interest rates on the leases range from 1.74% to 7.25%.

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 6 – LONG TERM LIABILITIES (Continued)

Governmental Activities - Contracts That Transfer Ownership (Continued)

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 477,540	\$ 47,015	\$ 524,555
2027	626,792	35,267	662,059
2028	253,097	17,907	271,004
2029	214,186	12,566	226,752
2030	219,180	7,571	226,751
2031	109,338	2,460	111,798
	<u>\$ 1,900,133</u>	<u>\$ 122,786</u>	<u>\$ 2,022,919</u>

NOTE 7 – LEASES

Right to Use Lease

Huntington National Bank

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 7 – LEASES (Continued)

Lessor Leases – General Fund

AT&T, Inc.

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

Sprint Corporation

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

Verizon Communications, Inc.

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

The General Fund is reporting a lease receivable of \$2,767,936 at September 30, 2025. For the fiscal year ended September 30, 2025, the General Fund reported lease revenue of \$149,335 and interest revenue of \$84,393 related to lease payments received.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 7 – LEASES (Continued)

Lessor Leases – General Fund (Continued)

The General Fund’s amortization of lease payments receivable as of September 30, 2025, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 92,534	\$ 81,781	\$ 174,315
2027	99,135	78,914	178,049
2028	106,049	75,846	181,895
2029	113,291	72,565	185,856
2030	122,747	69,058	191,805
2031 - 2035	773,774	281,062	1,054,836
2036 - 2040	1,004,121	144,282	1,148,403
2041 - 2045	456,285	27,165	483,450
	<u>\$ 2,767,936</u>	<u>\$ 830,673</u>	<u>\$ 3,598,609</u>

Lessor Leases –Country Club Fund

The Village is committed under a lease agreement as lessor of the food and beverage operations at the North Palm Beach Country Club. The Village is leasing The Restaurant (air-conditioned area with Nano doors and covered outdoor dining terrace), the Grill Room (air-conditioned area, covered outdoor dining terrace, and pass-through bar seating), the Banquet Room, the Snack Shack, and designated storage areas within the Clubhouse, together with non-exclusive right to the use of the South Patio, the Garden Patio and Putting Green Patio, the covered front entry, the pool deck, the event lawn, restrooms, and other public areas in and around the Clubhouse, as well as the Pavilion Structure Area, Golf Course, Driving Range, and Tennis Center for food and beverage sales, including alcoholic beverages to Lessing’s Florida Ventures, LLC (Lessee). The initial term of the lease is five years and the lease shall automatically renew for additional five year terms unless either party gives the other party written notice of its intent not to renew at least one hundred and eighty days prior to the end of the term. Since the lease is cancelable by either party, the renewal terms are not taken into account when calculating the lease receivable.

During the initial term the base rent shall be \$16,667 per month, the rent shall increase by 3% over the base rent payable for the immediately preceding twelve-month period. In addition to the base rent, the Lessee shall pay to the Village an amount equal to five percent of lessee’s annual gross sales for Restaurant over Two Million Dollars and five percent of lessee’s annual gross sales for Catering Services on the first One Million Dollars increasing to ten percent over One Million Dollars . The lessee shall also pay 50% of the electric, water/ sewer, burglar alarm and natural gas of the premises and all the ad valorem property taxes assessed by the Palm Beach County Property Appraiser and Tax Collector as a result of its operations.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 7 – LEASES (Continued)

Lessor Leases –Country Club Fund (Continued)

The Lessor also agrees to make \$1,200,000 in capital improvements to the facilities used during the initial term and the first renewal term. This amount shall be amortized over a period of ten years. Upon expiration of the Agreement or earlier termination of the Agreement by either party for any reason whatsoever (such date being referred to as the "Termination Date") prior to the complete amortization of the investment, the Village shall reimburse the Lessee for the unamortized balance of the Capital Investments actually expended, plus all accrued but unbilled interest as of the Termination Date which interest has accrued from the date the investment was finalized at a five percent (5%) interest rate. Title to the capital improvements shall pass to Village upon completion of amortization or earlier payment to the Lessee of the unamortized balance. The Village is currently negotiating with the Lessor over what constitutes a capital improvement and at September 30, 2025, the Village estimates the unamortized balance including interest was between \$833,250 and \$935,450 depending on what constitutes a capital improvement.

For the fiscal year ended September 30, 2025, the Country Club reported lease revenue of \$169,240 and interest revenue of \$30,760. The Country Club Fund also received \$80,493 in supplemental rent and \$71,563 in utility and property tax reimbursements for the year ended September 30, 2025 under the terms of this lease agreement. Except for the interest revenue, the lease income is recorded in operating revenues as the Village believes restaurant operations are an integral part of running a Country Club.

The Country Club Fund's amortization of lease payments receivable as of September 30, 2025, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 178,731	\$ 27,269	\$ 206,000
2027	191,950	20,230	212,180
2028	205,870	12,675	218,545
2029	<u>220,525</u>	<u>4,577</u>	<u>225,102</u>
	<u>\$ 797,076</u>	<u>\$ 64,751</u>	<u>\$ 861,827</u>

NOTE 8 – RISK MANAGEMENT

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

The Village currently reports all of its risk management activities in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

NOTE 8 – RISK MANAGEMENT (Continued)

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

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

NOTE 9 – EMPLOYEE RETIREMENT PLANS

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

Each plan has its own board that acts as plan administrator and trustee: The Fire and Police Retirement Fund Board of Trustees consists of five members (5); four (4) of whom were elected by a majority of the members of the plan. Two (2) of the elected members are certified firefighters of the Village and two (2) are certified police officers of the Village. The fifth member of the board is a legal resident of the Village and is appointed by the Village council. The General Employees Retirement Board consists of five members (5); two (2) of whom were employees elected by a majority of the members of the plan, two (2) of the members are a legal resident of the Village and appointed by the Village council, the two (2) council appointed members of the Board shall appoint a member of the general public who has never been employed by the Village to serve as the fifth member of the Board. Each plan's assets may only be used for the payment of benefits to the members and beneficiaries of the plan in accordance with the terms of each plan document. The costs of administering each plan are financed in the appropriate pension trust fund.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Retirement Plans

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

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

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

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

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

Membership of each plan consisted of the following at October 1, 2024:

	<u>GERF</u>	<u>F&P</u>
Inactive Plan Members or Beneficiaries		
currently receiving benefits	52	33
Inactive Plan Members entitled to but		
not yet receiving benefits	29	27
Active Plan Members	<u>16</u>	<u>53</u>
Total	<u>97</u>	<u>113</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

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.

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

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

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.

"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, 2025, is as follows:

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

Rate of Return. For the year ended September 30, 2025, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 10.61 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

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. 2025-04. The Plan is also governed by provisions Chapters 175 and 185, 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. 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.

Plan Benefits A police officer may retire with normal benefits after reaching age 55, regardless of credited service, or age 52 with 25 years of service. A firefighter may retire with normal benefits after reaching age 52, regardless of credited service, or with 25 years of service, regardless of age. Police benefits are 2.5% of the member’s average monthly earnings (“AME”) for credited service prior to October 1, 2018; plus 2.75% of AME for credited service between October 1, 2018 and September 30, 2022; plus 3% of AME for credited service on and after October 1, 2022. Firefighter benefits are 2.5% of AME for credited service prior to October 1, 2018; plus 2.75% of AME for credited service between October 1, 2018 and September 30, 2021; plus 3% of AME for credited service on and after October 1, 2021. The AME is the member’s average monthly earnings during the highest 5 years of the last 10 years. The maximum benefit is 80% (75% prior to October 1, 2022) of AME, provided that the benefit is at least 2.75% of AME for each year of service after October 1, 2018. A member who is age 50 is eligible for early retirement. Benefits are calculated in the same manner as for normal retirement and are reduced by 3% per year by which the member’s age at retirement precedes their normal retirement age. Members are vested after 10 years of credited service.

Deferred Retirement Option Plan (“DROP”) The Plan contains a DROP whereupon the member could retire from the pension plan but continue employment with the Village for an additional maximum period of up to five years. The retirement benefit is immediately calculated and the monthly benefit is allocated to the DROP account. The actual rate of investment return is credited to the account, but no less than 0.00% or more than 6.4%. Once a participant elects this option, he is no longer eligible for disability or pre-retirement benefits. The Plan’s guidelines for the DROP are designed to adhere to IRS regulations. At September 30, 2025, there was \$303,723 in the DROP, this amount is included in both the Total Pension Liability and the Plan Fiduciary Net Position. Additional information about the DROP can be obtained from the ordinance.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Asset Allocation. The plan’s adopted asset allocation policy as of September 30, 2025, is as follows:

Asset Class	Target Allocation
Domestic equity	54%
International equity	10
Domestic bonds	25
Real estate	10
Digital assets	1
Total	100%

Rate of Return. For the year ended September 30, 2025, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 13.12 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Contributions. Police officers are required to contribute 10% of their earnings to the Plan effective October 1, 2023. Firefighters are required to contribute 8% of their earnings to the Plan effective September 30, 2023, 8.5% of their earnings effective September 30, 2024, and 11% of their earnings effective April 1, 2025. During participation in the DROP, members are required to contribute 4% of earnings to the Plan; of which 3% is added to the DROP account and 1% is applied to the Plan’s unfunded actuarial accrued liability. The 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 \$603,603 during the fiscal year ended September 30, 2025.

Concentrations

The American Core Realty Fund represented more than 5% of the Fire and Police Officers Pension Fund’s fiduciary net position. The percentage at September 30, 2025 was 6.4%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Net Pension Liability. The components of net pension liability of the Village on September 30, 2025, were as follows:

	<u>General Employees</u>	<u>Fire and Police</u>
Total pension liability	\$ 20,976,804	\$ 53,658,411
Plan fiduciary net position	<u>(21,697,375)</u>	<u>(48,492,971)</u>
Village's net pension liability(asset)	<u>\$ (720,571)</u>	<u>\$ 5,165,440</u>
Plan fiduciary net position as a percentage of total pension liability	<u>103.44%</u>	<u>90.37%</u>

Fire and Police Retirement System

Plan Changes. For retirements on and after April 1, 2025, firefighter eligibility requirements for normal retirement changed. For firefighters employed on or after April 1, 2025, the benefit accrual rate is 3% for all years of service on or after October 1, 2021. Firefighters who are eligible for normal retirement or approved for a duty disability retirement on or after April 1, 2025, are entitled to a monthly health insurance subsidy equal to \$15 per year of credited service, payable as a life annuity. Effective the first payroll period after March 31, 2025, firefighter member contribution rate shall increase from 8.5% to 11%. These changes increased the Village's total pension liability by \$1,708,314.

Actuarial Assumption Changes. Assumptions were added for the change in eligibility for normal retirement and for the monthly health insurance subsidy. The discount rate was updated from 7.35% to 7.25% and the assumed mortality rates were updated. These changes increased the Village's total pension liability by \$2,445,401.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions applied to the September 30, 2025 measurement period.

	General Employees	Fire and Police
Inflation	2.40%	2.50%
Salary increases	Service based	Service based
Investment rate of return	6.25%	7.25%
Mortality	The same version of Pub-2010 Headcount weighted tables as used the FRS in their 7/1/23 Actuarial Valuation	PubS.H-2010 for Employees, set forward one year

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan's target asset allocation as of September 30, 2025, are summarized in the following table:

<u>Asset Class</u>	Long-Term Expected Real Rate of Return	
	General Employees	Fire and Police
Domestic equity	8.96%	7.50%
International equity	9.34%	8.50%
Domestic bonds	4.90%	2.50%
Real estate	N/A	4.50%
Digital assets	N/A	5.98%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.25 percent for the General Employees Retirement Fund and 7.25 percent for the Fire and Police Retirement Fund. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

General Employees' Retirement System

	1% Decrease	Current Discount Rate	1% Increase
	5.25%	6.25%	7.25%
Village's net pension liability	\$ 1,755,848	\$ (720,571)	\$ (2,796,703)

Fire and Police Retirement System

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Village's net pension liability	\$ 12,938,098	\$ 5,165,440	\$ (1,212,157)

All Retirement Plans

The above information on the plan required by GASB 67 are reported using a measurement date of September 30, 2025.

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, 2025, are reported using a measurement date of September 30, 2024. These disclosures follow.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

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

	General Employees	Fire and Police
Inflation	2.40%	2.50%
Salary increases	Service based	Service based
Investment rate of return	6.25%	7.35%
Mortality	The same version of Pub-2010 Headcount weighted tables as used the FRS in their 7/1/23 Actuarial Valuation	PubS.H-2010 for Employees, set forward one year

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan’s target asset allocation as of September 30, 2024, are summarized in the following table:

<u>Asset Class</u>	Target Allocation		Long-Term Expected Real Rate of Return	
	General Employees	Fire and Police	General Employees	Fire and Police
Domestic equity	42%	55%	8.67%	7.50%
International equity	18	10	9.13%	8.50%
Domestic bonds	40	25	4.24%	2.50%
Real estate	<u>N/A</u>	<u>10</u>	N/A	4.50%
Total	<u>100%</u>	<u>100%</u>		

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.25 percent for the General Employees Retirement Fund and 7.35 percent for the Fire and Police Retirement Fund. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

General Employees' Retirement System

Changes in Net Pension Liability

Using a measurement date of September 30, 2024, the components of the net pension liability reported by the Village at September 30, 2025, were as follows:

<u>Description</u>	<u>Total Pension Liability (a)</u>	<u>Fiduciary Net Position (b)</u>	<u>Net Pension Liability(asset) (a)-(b)</u>
Balances at September 30, 2023	\$ 19,788,459	\$ 17,552,516	\$ 2,235,943
Changes due to:			
Service cost	195,518		195,518
Interest	1,217,142		1,217,142
Difference between expected and actual experience	178,449		178,449
Changes of Assumptions			
Employer contributions		238,581	(238,581)
Employee contributions		67,323	(67,323)
Benefit payments and refunds	(1,019,424)	(1,019,424)	
Net investment income		3,710,130	(3,710,130)
Refunds			
Administrative expenses		(78,078)	78,078
Total changes	<u>571,685</u>	<u>2,918,532</u>	<u>(2,346,847)</u>
Balances at September 30, 2024	<u>\$ 20,360,144</u>	<u>\$ 20,471,048</u>	<u>\$ (110,904)</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

Changes in Net Pension Liability (Continued)

Plan fiduciary net position as a
percentage of total pension liability 100.54%

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

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

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2025, the Village recognized pension expense of \$313,556. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$	\$ 1,194,085
Differences between expected and actual experience	29,741	
Assumption changes		
Village plan contributions subsequent to the measurement date	<u>299,020</u>	
Total	<u>\$ 328,761</u>	<u>\$ 1,194,085</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

General Employees' Retirement System (Continued)

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

The deferred outflows of resources totaling \$299,020 resulting from Village contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	<u>Amount</u>
2026	\$ (127,997)
2027	230,477
2028	(739,257)
2029	(527,567)
2030	
Thereafter	
	<u>\$ (1,164,344)</u>

Fire and Police Retirement System

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Changes in Net Pension Liability

Using a measurement date of September 30, 2024, the components of the net pension liability reported by the Village at September 30, 2025, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability(asset) (a)-(b)
Balances at September 30, 2023	\$ 41,759,990	\$ 33,992,802	\$ 7,767,188
Changes due to:			
Service cost	1,420,700		1,420,700
Interest	3,178,311		3,178,311
Differences between expected and actual experience			
Change of benefit terms	1,475,388		1,475,388
Change of assumptions	593,871		593,871
Employer contributions		952,930	(952,930)
Employer contributions-state		551,246	(551,246)
Employer contributions-DROP		25,263	(25,263)
Employee contributions		593,982	(593,982)
Employee contributions buy back			
Benefit payments and refunds	(1,037,574)	(1,037,574)	
Net investment income		7,867,499	(7,867,499)
Administrative expenses		(103,128)	103,128
Total changes	<u>5,630,696</u>	<u>8,850,218</u>	<u>(3,219,522)</u>
Balances at September 30, 2024	<u>\$ 47,390,686</u>	<u>\$ 42,843,020</u>	<u>\$ 4,547,666</u>
Plan fiduciary net position as a percentage of total pension liability	<u>90.40%</u>		

The change of assumptions was the discount rate going from 7.45% to 7.35%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

Fire and Police Retirement System (Continued)

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2025, the Village recognized pension expense of \$1,348,735. In addition, the Village reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$	\$ 2,552,829
Differences between expected and actual experience	2,113,644	873,126
Change of assumptions	767,063	368,046
Village plan contributions subsequent to the measurement date	<u>2,032,246</u>	<u> </u>
Total	<u>\$ 4,912,953</u>	<u>\$ 3,794,001</u>

The deferred outflows of resources totaling \$2,032,246 resulting from Village contributions to the plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	<u>Amount</u>
2026	\$ (192,044)
2027	443,951
2028	(1,055,726)
2029	(554,596)
2030	445,121
Thereafter	<u>\$ (913,294)</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 9 – EMPLOYEE RETIREMENT PLANS (Continued)

All Retirement Plans

Summarized information

The Village’s total pension liability, plan fiduciary net position, net pension liability, pension related deferred outflows and inflows, and pension expense for the fiscal year ended September 30, 2025, using a measurement date of September 30, 2024, are as follows:

	<u>General Employees</u>	<u>Fire and Police</u>	<u>Total</u>
Total pension liability	\$ 20,360,144	\$ 47,390,686	\$ 67,750,830
Plan fiduciary net position	20,471,048	42,843,020	63,314,068
Net pension liability(asset)	(110,904)	4,547,666	4,436,762
Deferred outflows of resources	328,761	4,912,953	5,241,714
Deferred inflows of resources	1,194,085	3,794,001	4,988,086
Pension expense	313,556	1,348,735	1,662,291
Accounts Payable	-	-	-

NOTE 10 – ON-BEHALF PAYMENTS

The state makes a contribution to the Fire and Police Officers’ Retirement System from the firefighters’ and police officers’ Insurance Premium Tax. For the fiscal year ended September 30, 2025, \$603,603 was recorded as revenues and expenditures in the On-Behalf Pension Contribution Special Revenue Fund relating to on-behalf payments received from the state.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 11 – PENSION PLAN FINANCIAL INFORMATION

Generally accepted accounting principles (GAAP) requires that financial statements for individual pension plans be presented in the notes to the financial statements of the primary government if separate GAAP financial reports have not been issued. The General Employees' pension fund does not have a separate GAAP report issued, and the financial information as of September 30, 2025, is presented below.

STATEMENT OF FIDUCIARY NET POSITION

	<u>General Employees' Pension</u>
Assets	
Cash and cash equivalents	\$ 480,262
Investments:	
Domestic equity securities	3,132,777
International equity securities	1,953,697
U.S. Government and agencies	2,922,564
Municipal bonds	765,414
Domestic corporate bonds	1,867,962
International corporate bonds	137,783
Domestic equity income ETF	3,742,188
International equity ETF	1,528,428
Fixed income mutual funds	2,141,310
Domestic equity mutual funds	2,440,706
International equity mutual funds	536,982
Accrued dividends and interest	67,124
Prepays	6,000
Total assets	<u>21,723,197</u>
Liabilities	
Accounts payable	<u>25,822</u>
Total liabilities	<u>25,822</u>
Net position	
Held in trust for pension benefits and other purposes	<u><u>\$ 21,697,375</u></u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 11 – PENSION PLAN FINANCIAL INFORMATION (Continued)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	General Employees’ Pension
Additions	
Contributions	
Employer	\$ 299,020
Plan members	76,882
Total contributions	375,902
Investment earnings	
Dividends and interest	509,887
Change in the fair value of investments	1,621,439
Less investment expense	(100,695)
Total investment earnings	2,030,631
Total additions	2,406,533
Deductions	
Administration	62,788
Benefits	1,117,418
Total deductions	1,180,206
Change in net position	1,226,327
Net position - beginning	20,471,048
Net position - ending	\$ 21,697,375

NOTE 12 – DEFINED CONTRIBUTION PLAN

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 12 – DEFINED CONTRIBUTION PLAN (Continued)

The in-service withdrawal age is 59 ½. There is no waiting period for participation in the plan. The minimum age for participation is eighteen. The Village contributes 15% of participant earnings for the plan year. Earnings include regular and bonus compensation, but do not include overtime or commissions. Employee contributions are voluntary, pre-tax contributions that are not matched by the Village. Employees may contribute 3%, 5%, 10%, or 15% of earnings to the plan. Contributions are remitted to the trusts every payroll period.

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

Plan detail for participating employees at September 30, 2025, is listed below:

	<u>Village Manager</u>	<u>Directors</u>	<u>General Employees</u>	<u>Municipal Employees</u>
Employee contributions	\$ 12,471	\$ 82,133	\$ 127,817	\$ 93,588
Village pension expense	37,412	172,814	366,533	254,449
Forfeitures	-	12,028	47,402	16,142
Payable as of fiscal year end	-	-	-	-

NOTE 13 – DEFERRED COMPENSATION PLAN ASSETS

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

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Retirees of the Village pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied subsidy is considered other post-employment benefits (OPEB).

The following describes the Village's OPEB Provisions:

Plan Description

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

Benefits Provided

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

Employees Covered by Benefit Terms

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Total OPEB Liability

The Village's total OPEB liability of \$610,729 was measured as of September 30, 2025 and was determined by the actuarial valuation as September 30, 2024.

Actuarial Assumptions and Methods

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

Valuation Date:	September 30, 2024
Measurement Date:	September 30, 2025
Discount Rate:	4.90% per annum
Source	Fidelity 20-Year Municipal GO AA Index
Salary Increase Rate:	Service based between 2.4% to 8% per annum
Health Care Trend Rate:	An initial rate of 6.00% decreasing to an ultimate rate of 4.00%.
Inflation Rate:	2.50%
Marriage Rate/Participation:	The assumed number of eligible dependents is based on the current portions of single and family contracts in the census provided. The spousal participation assumed at retirement is 75%.
Actuarial Cost Method:	Entry Age Normal based on level percentage of projected salary.
Amortization Method:	<i>Experience/Assumptions</i> gains and losses are amortized over the closed period of 9 years starting on October 1, 2017, equal to the average remaining service of active and inactive plan members (who have no future service).

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods (Continued)

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

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

Discount Rate

The Village does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As a result, the calculation used a rate of 4.90%.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2024	\$ 624,050
Changes for the Year:	
Service Cost	51,564
Interest Cost	25,079
Difference between expected and actual experience	
Changes of Assumptions and Other Inputs	(55,202)
Benefit Payments	(34,762)
Net Change in Total OPEB Liability	(13,321)
Balance at September 30, 2025	\$ 610,729

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Assumptions

The discount rate was 3.81% at October 1, 2024 and 4.90% at September 30, 2025.

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

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

	1.0% Decrease (3.90%)	Discount Rate (4.90%)	1.0% Increase (5.90%)
Total OPEB Liability	\$ 661,166	\$ 610,729	\$ 564,841

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

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

	1.0% Decrease	Healthcare cost Trend Rates	1.0% Increase
Total OPEB Liability	\$ 544,753	\$ 610,729	\$ 688,529

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

For the year ended September 30, 2025, the Village recognized OPEB revenue of \$326,649. At September 30, 2025, 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	\$ 16,029	\$ 526,585
Differences Between Expected and Actual Experience	471	56,222
Total	\$ 16,500	\$ 582,807

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

Fiscal Year Ending:		
September 30, 2026	\$	(149,310)
September 30, 2027		(159,060)
September 30, 2028		(137,228)
September 30, 2029		(50,226)
September 30, 2030		(47,713)
Thereafter		(22,770)
		(566,307)
	\$	(566,307)

NOTE 15 – JOINTLY GOVERNED ORGANIZATION

The Village, through an interlocal agreement with certain other municipalities and Palm Beach County, created the Seacoast Utility Authority (“Seacoast”) which provides water and sewer service to the citizens of each of the participating municipalities and a portion of Palm Beach County. Seacoast’s governing board consists of one member from each participating entity. Seacoast is an Independent Authority organized under the laws of the State of Florida, and the Village has no participating equity ownership in Seacoast. The Village paid \$304,462 to Seacoast during the fiscal year for water and sewer service.

NOTE 16 –INTERFUND ACTIVITY

Advances to/from other funds

The advance from the General Fund to the Country Club Fund was to provide \$1,700,000 for the renovation of the Golf Course, at September 30, 2025, the amount outstanding was \$1,288,094.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 16 –INTERFUND ACTIVITY (Continued)

Transfers

Interfund transfers during the year ended September 30, 2025, are as follows:

The \$1,715,000 from the General Fund to the Capital Projects Fund were to fund capital projects according to the original budget and subsequent budget amendments. The \$450,000 from the General Fund to the Country Club Enterprise Fund were to help fund the operations of the Tennis and Pool activities. The \$650,000 from the General Fund was to the Special Capital Projects Fund was to fund capital projects.

NOTE 17 – CONTRACTS, COMMITMENTS AND CONTINGENCIES

Contract Commitments

On September 17, 2014, the Village entered into an agreement with the City of Palm Beach Gardens whereby the City of Palm Beach Gardens will provide the Village public safety dispatch services. The term of the agreement was for two years beginning on October 1, 2014, and extending through September 30, 2016. In 2016 the agreement was renewed for an additional five years extending through September 30, 2021. On August 11, 2021 a new five year agreement was approved expiring September 30, 2026. The fee for each year under the contract will be based upon the budget of the North County Dispatch (NCDC) center prorated to each contracting municipality based on that municipalities cost share. If at the end any contract year a budget shortfall exists, each contracting municipality shall pay its share of the shortfall. Conversely, if at the end of any contract year a budget surplus exists, such surplus shall represent a committed fund balance to be utilized specifically for NCDC budgetary purposes. The Village's estimated cost for fiscal year ending September 30, 2025 is \$539,500. On August 11, 2021, a second interlocal agreement was signed for five years expiring on September 30, 2026.

Subsequent to September 30, 2025, the Villages entered into contracts for \$511,700 for the purchase of 5 police vehicles, \$375,600 for the replacement of the generator at the Public Safety Building, and \$1,189,332 for the East Alley Wall Replacement Project.

Contingencies

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 18 – NEW ACCOUNTING STANDARDS

Implementation of Governmental Accounting Standards Board Statements

The Village implemented the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended September 30, 2025:

GASB Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The cumulative effect of applying this Statement is reported as a decrease in the beginning net position of the Governmental Activities in the amount of \$1,042,772 and \$66,625 in the business-type activities and in the Country Club fund. .

GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Basic Financial Statements
September 30, 2025

NOTE 18 – NEW ACCOUNTING STANDARDS (Continued)

Recently Issued Accounting Pronouncements

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

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

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for the fiscal year ending September 30, 2026.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The requirements of this Statement will improve financial reporting related to subsequent events by (1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. Those improvements will assist preparers and auditors in applying the requirements more consistently, thereby reducing diversity in practice and providing information that better meets the needs of financial statement users. This Statement is effective for the fiscal year ending September 30, 2027.

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

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TREND INFORMATION

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THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2025

Schedule of Changes in Total OPEB Liability
Last Ten Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB liability					
Service cost	\$ 274,702	\$ 113,906	\$ 119,601	\$ 72,316	\$ 77,845
Interest cost	124,097	63,447	61,990	20,766	20,623
Change in benefit terms			655		
Difference between expected and actual experience	(1,354,390)				(102,114)
Changes of assumptions and other inputs	(677,494)	78,007	(960,663)	14,544	(239,114)
Benefit payments	<u>(134,593)</u>	<u>(56,645)</u>	<u>(59,477)</u>	<u>(28,872)</u>	<u>(37,440)</u>
Net change in total OPEB liability	(1,767,678)	198,715	(837,894)	78,754	(280,200)
Total OPEB liability, beginning of year	<u>3,210,652</u>	<u>1,442,974</u>	<u>1,641,689</u>	<u>803,795</u>	<u>882,549</u>
Total OPEB liability, end of year	<u>\$ 1,442,974</u>	<u>\$ 1,641,689</u>	<u>\$ 803,795</u>	<u>\$ 882,549</u>	<u>\$ 602,349</u>
Covered employee payroll	<u>\$ 10,148,392</u>	<u>\$ 10,566,520</u>	<u>\$ 9,347,911</u>	<u>\$ 11,834,425</u>	<u>\$ 8,871,817</u>
Net OPEB liability as a percentage of covered employee payroll	<u>14.22%</u>	<u>15.54%</u>	<u>8.60%</u>	<u>7.46%</u>	<u>6.79%</u>
Changes of Assumptions					
Discount rate (3.36% at 10/1/17)	4.15%	3.58%	2.41%	2.19%	4.40%
Coverage acceptance rate	40.00%	40.00%	25.00%	25.00%	20.00%
	<u>2023</u>	<u>2024</u>	<u>2025</u>		
Total OPEB liability					
Service cost	\$ 44,764	\$ 44,641	\$ 51,564		
Interest cost	27,792	30,430	25,079		
Change in benefit terms					
Difference between expected and actual experience		621			
Changes of assumptions and other inputs	(11,200)	(44,103)	(55,202)		
Benefit payments	<u>(30,976)</u>	<u>(40,268)</u>	<u>(34,762)</u>		
Net change in total OPEB liability	30,380	(8,679)	(13,321)		
Total OPEB liability, beginning of year	<u>602,349</u>	<u>632,729</u>	<u>624,050</u>		
Total OPEB liability, end of year	<u>\$ 632,729</u>	<u>\$ 624,050</u>	<u>\$ 610,729</u>		
Covered employee payroll	<u>\$ 13,609,837</u>	<u>\$ 10,778,149</u>	<u>\$ 16,612,045</u>		
Net OPEB liability as a percentage of covered employee payroll	<u>4.65%</u>	<u>5.79%</u>	<u>3.68%</u>		
Changes of Assumptions					
Discount rate	4.63%	3.81%	4.90%		
Coverage acceptance rate	20.00%	20.00%	20.00%		

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

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2025

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

Reporting Year	2017	2018	2019	2020	2021
Measurement Year	2016	2017	2018	2019	2020
Total pension liability:					
Service cost	\$ 357,344	\$ 275,504	\$ 250,072	\$ 251,678	\$ 216,125
Interest	1,106,085	1,116,142	1,162,025	1,201,578	1,211,026
Differences between Expected and Actual Experience	(129,381)	(246,222)	(307,977)	(625,948)	(343,736)
Assumption changes	928,295	23,053			
Benefit payments, including refunds of employee contributions	(331,174)	(454,571)	(472,027)	(567,472)	(736,101)
Net change in total pension liability	1,931,169	713,906	632,093	259,836	347,314
Total pension liability - beginning	14,556,047	16,487,216	17,201,122	17,833,215	18,093,051
Total pension liability - ending (a)	<u>\$ 16,487,216</u>	<u>\$ 17,201,122</u>	<u>\$ 17,833,215</u>	<u>\$ 18,093,051</u>	<u>\$ 18,440,365</u>
Plan fiduciary net position					
Contributions - employer	\$ 458,615	\$ 527,617	\$ 451,560	\$ 358,152	\$ 232,738
Contributions - Employees	126,947	110,417	101,858	97,522	85,829
Net investment income	1,161,530	1,487,313	1,190,603	721,786	1,497,222
Benefit payments, including refunds of employee contributions	(331,174)	(454,571)	(472,027)	(567,472)	(736,101)
Administrative expenses	(24,794)	(22,361)	(21,489)	(38,690)	(60,096)
Net change in plan fiduciary net position	1,391,124	1,648,415	1,250,505	571,298	1,019,592
Plan fiduciary net position - beginning	12,109,145	13,500,269	15,148,684	16,399,189	16,970,487
Plan fiduciary net position - ending (b)	<u>\$ 13,500,269</u>	<u>\$ 15,148,684</u>	<u>\$ 16,399,189</u>	<u>\$ 16,970,487</u>	<u>\$ 17,990,079</u>
Net pension liability(asset) (a) - (b)	<u>\$ 2,986,947</u>	<u>\$ 2,052,438</u>	<u>\$ 1,434,026</u>	<u>\$ 1,122,564</u>	<u>\$ 450,286</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.88%</u>	<u>88.07%</u>	<u>91.96%</u>	<u>93.80%</u>	<u>97.56%</u>
Covered payroll	<u>\$ 2,376,069</u>	<u>\$ 2,072,121</u>	<u>\$ 1,966,566</u>	<u>\$ 1,834,767</u>	<u>\$ 1,612,777</u>
Net pension liability as a percentage of covered payroll	<u>125.71%</u>	<u>99.05%</u>	<u>72.92%</u>	<u>61.18%</u>	<u>27.92%</u>

Changes of Assumptions (By Measurement Year)

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

For the 2017 fiscal year the mortality rate changed.

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

2022	2023	2024	2025	2026
2021	2022	2023	2024	2025
\$ 211,929	\$ 164,218	\$ 176,461	\$ 195,518	\$ 174,189
1,232,553	1,157,772	1,180,659	1,217,142	1,248,477
(29,429)	(62,808)	195,149	178,449	311,412
(283,447)				
(784,490)	(854,693)	(955,780)	(1,019,424)	(1,117,418)
347,116	404,489	596,489	571,685	616,660
18,440,365	18,787,481	19,191,970	19,788,459	20,360,144
<u>\$ 18,787,481</u>	<u>\$ 19,191,970</u>	<u>\$ 19,788,459</u>	<u>\$ 20,360,144</u>	<u>\$ 20,976,804</u>
\$ 197,770	\$ 165,928	\$ 179,038	\$ 238,581	\$ 299,020
76,595	68,012	72,032	67,323	76,882
3,135,663	(3,586,330)	2,051,214	3,710,130	2,033,778
(784,490)	(854,693)	(955,780)	(1,019,424)	(1,117,418)
(74,760)	(66,486)	(61,276)	(78,078)	(65,935)
2,550,778	(4,273,569)	1,285,228	2,918,532	1,226,327
17,990,079	20,540,857	16,267,288	17,552,516	20,471,048
<u>\$ 20,540,857</u>	<u>\$ 16,267,288</u>	<u>\$ 17,552,516</u>	<u>\$ 20,471,048</u>	<u>\$ 21,697,375</u>
<u>\$ (1,753,376)</u>	<u>\$ 2,924,682</u>	<u>\$ 2,235,943</u>	<u>\$ (110,904)</u>	<u>\$ (720,571)</u>
109.33%	84.76%	88.70%	100.54%	103.44%
<u>\$ 1,472,661</u>	<u>\$ 1,316,077</u>	<u>\$ 1,407,674</u>	<u>\$ 1,289,484</u>	<u>\$ 1,442,369</u>
<u>-119.06%</u>	<u>222.23%</u>	<u>158.84%</u>	<u>-8.60%</u>	<u>-49.96%</u>

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

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2025
Fire and Police Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

Reporting Year	2017	2017	2019	2020	2021
Measurement Year	2016	2017	2018	2019	2020
Total pension liability:					
Service cost	\$ 833,909	\$ 851,932	\$ 897,280	\$ 1,031,048	\$ 1,102,333
Interest	1,738,069	1,779,947	1,922,314	2,236,125	2,423,113
Changes in excess state money	79,505	83,231	77,905	(600,965)	
Changes of benefit terms				1,660,762	
Differences between Expected and Actual Experience	(31,422)	(197,249)	187,041	(138,741)	319,251
Changes of assumptions	(1,223,780)	198,680	174,565	205,896	(981,457)
Contributions - Buy Back	7,609	7,902	4,746	6,698	3,498
Benefit payments, including refunds of employee contributions	(653,993)	(680,673)	(751,317)	(793,277)	(799,809)
Net change in total pension liability	749,897	2,043,770	2,512,534	3,607,546	2,066,929
Total pension liability - beginning	21,852,818	22,602,715	24,646,485	27,159,019	30,766,565
Total pension liability - ending (a)	<u>\$ 22,602,715</u>	<u>\$ 24,646,485</u>	<u>\$ 27,159,019</u>	<u>\$ 30,766,565</u>	<u>\$ 32,833,494</u>
Plan fiduciary net position					
Contributions - employer	\$ 969,836	\$ 945,880	\$ 822,951	\$ 918,263	\$ 863,762
Contributions - State	310,200	309,138	308,600	328,826	339,482
Contributions - DROP Contributions					
Contributions - Employees	190,989	211,474	224,469	239,271	329,454
Contributions - Buy Back	7,609	7,902	4,746	6,698	3,498
Net investment income	1,475,735	2,198,298	1,637,891	787,045	1,228,865
Benefit payments, including refunds of employee contributions	(653,993)	(680,673)	(751,317)	(793,277)	(799,808)
Administrative expenses	(76,967)	(76,293)	(78,399)	(83,413)	(78,868)
Net change in plan fiduciary net position	2,223,409	2,915,726	2,168,941	1,403,413	1,886,385
Plan fiduciary net position - beginning	17,716,664	19,940,073	22,855,799	25,024,740	26,428,153
Plan fiduciary net position - ending (b)	<u>\$ 19,940,073</u>	<u>\$ 22,855,799</u>	<u>\$ 25,024,740</u>	<u>\$ 26,428,153</u>	<u>\$ 28,314,538</u>
Net pension liability(asset) (a) - (b)	<u>\$ 2,662,642</u>	<u>\$ 1,790,686</u>	<u>\$ 2,134,279</u>	<u>\$ 4,338,412</u>	<u>\$ 4,518,956</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.22%</u>	<u>92.73%</u>	<u>92.14%</u>	<u>85.90%</u>	<u>86.24%</u>
Covered payroll	<u>\$ 4,601,075</u>	<u>\$ 4,772,092</u>	<u>\$ 5,088,564</u>	<u>\$ 5,451,987</u>	<u>\$ 5,134,942</u>
Net pension liability as a percentage of covered payroll	<u>57.87%</u>	<u>37.52%</u>	<u>41.94%</u>	<u>79.57%</u>	<u>88.00%</u>

Changes of Assumptions (By Measurement Year)

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

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

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

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

For the 2020 fiscal year the mortality rates changed.

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

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 1,026,423	\$ 1,186,982	\$ 1,329,402	\$ 1,420,700	\$ 1,564,708
2,574,829	2,639,997	2,887,764	3,178,311	3,501,411
	617,530			1,708,314
(1,956,361)	419,712	701,705	1,475,388	(317,820)
464,035	3,498	2,422	593,871	2,445,401
3,498				
<u>(841,165)</u>	<u>(946,116)</u>	<u>(1,187,659)</u>	<u>(1,037,574)</u>	<u>(2,634,289)</u>
1,271,259	3,921,603	3,733,634	5,630,696	6,267,725
<u>32,833,494</u>	<u>34,104,753</u>	<u>38,026,356</u>	<u>41,759,990</u>	<u>47,390,686</u>
<u>\$ 34,104,753</u>	<u>\$ 38,026,356</u>	<u>\$ 41,759,990</u>	<u>\$ 47,390,686</u>	<u>\$ 53,658,411</u>
\$ 754,690	\$ 662,686	\$ 910,146	\$ 952,930	\$ 1,428,643
350,777	414,511	472,893	551,246	603,603
			25,263	13,185
383,069	416,272	533,218	593,982	772,454
3,498	3,498	2,422		
5,607,649	(4,870,319)	3,289,833	7,867,499	5,579,873
(841,221)	(946,116)	(1,187,659)	(1,037,574)	(2,634,289)
<u>(93,646)</u>	<u>(84,157)</u>	<u>(103,780)</u>	<u>(103,128)</u>	<u>(113,518)</u>
6,164,816	(4,403,625)	3,917,073	8,850,218	5,649,951
<u>28,314,538</u>	<u>34,479,354</u>	<u>30,075,729</u>	<u>33,992,802</u>	<u>42,843,020</u>
<u>\$ 34,479,354</u>	<u>\$ 30,075,729</u>	<u>\$ 33,992,802</u>	<u>\$ 42,843,020</u>	<u>\$ 48,492,971</u>
<u>\$ (374,601)</u>	<u>\$ 7,950,627</u>	<u>\$ 7,767,188</u>	<u>\$ 4,547,666</u>	<u>\$ 5,165,440</u>
<u>101.10%</u>	<u>79.09%</u>	<u>81.40%</u>	<u>90.40%</u>	<u>90.37%</u>
<u>\$ 5,169,073</u>	<u>\$ 5,627,173</u>	<u>\$ 6,344,818</u>	<u>\$ 6,465,485</u>	<u>\$ 7,873,782</u>
<u>-7.25%</u>	<u>141.29%</u>	<u>122.42%</u>	<u>70.34%</u>	<u>65.60%</u>

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

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

For the 2026 fiscal year the firefighter normal retirement age changed, the benefit accrual rate changed, a monthly supplemental health insurance subsidy was added and the member contribution percentage increased.

For the 2026 fiscal year the discount rate changed from 7.35% to 7.25 percent and the assumed mortality rates were updated.

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Required Supplemental Information
September 30, 2025

Last Ten Fiscal Years

Schedule of Contributions

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
<u>General Employees Retirement Fund</u>					
2016	\$ 449,552	\$ 458,615	\$ (9,063)	\$ 2,376,069	19.30%
2017	519,821	527,617	(7,796)	2,072,121	25.46%
2018	449,477	451,560	(2,083)	1,966,566	22.96%
2019	355,507	358,152	(2,645)	1,834,767	19.52%
2020	231,604	232,738	(1,134)	1,612,777	14.43%
2021	194,733	197,770	(3,037)	1,472,661	13.43%
2022	162,168	165,928	(3,760)	1,316,077	12.61%
2023	173,176	178,999	(5,823)	1,407,674	12.72%
2024	234,590	238,581	(3,991)	1,289,484	18.50%
2025	293,696	299,020	(5,324)	1,442,369	20.73%

Fire and Police Retirement Fund

2016	\$ 1,193,059	\$ 1,200,531	\$ (7,472)	\$ 4,601,075	26.09%
2017	1,175,844	1,171,787	4,057	4,772,092	24.55%
2018	1,038,576	1,053,646	(15,070)	5,088,564	20.71%
2019	1,135,649	1,247,089	(111,440)	5,451,987	22.87%
2020	1,190,793	1,203,271	(12,478)	5,134,942	23.43%
2021	1,233,858	1,105,440	128,418 *	5,169,073	21.39%
2022	1,074,227	1,077,197	(2,970)	5,627,173	19.14%
2023	1,317,009	1,383,039	(66,030)	6,334,818	21.83%
2024	1,460,553	1,504,176	(43,623)	6,465,485	23.26%
2025	2,066,868	2,032,246	34,622 *	7,872,782	25.81%

* Prior year excess contributions were used.

Schedule of Investment Returns

Fiscal Year Ending September 30	Annual money weighted rate of return net of investment expense	
	General	Fire and Police
	Employees	Employees
2016	9.72%	8.25%
2017	11.32%	10.92%
2018	8.26%	7.14%
2019	4.63%	3.13%
2020	9.28%	4.62%
2021	17.85%	19.69%
2022	-17.51%	-14.09%
2023	13.04%	10.92%
2024	21.61%	22.98%
2025	10.61%	13.12%

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Schedule of Contributions
September 30, 2025

Methods and assumptions used in calculations of determined contributions.

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

	General Employees Retirement Fund	Police and Fire Retirement Fund
Valuation Date	October 1, 2023	October 1, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar, closed	Level Percentage of Compensation
Remaining Amortization Period	29	28
Asset Valuation Method	Five year smoothed market	Five year smoothed market
Inflation	2.40%	2.50%
Salary increases	Service based Between 2.4% and 5.9%	Service based Between 4% and 8%
Cost of living adjustments	2.15% for those retired before 2/1/82 or who contribute an extra 2%.	2.50%
Investment Rate of Return	6.25%	7.35%
Mortality	The same version of Pub- 2010 Headcount wighted tables as used by the FRS in their 7/1/22 Actuarial Valuation	PubS.H-2010 for Employees, set forward one year

GENERAL FUND

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Year Ended September 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 30,452,286	\$ 30,452,286	\$ 31,111,213	\$ 658,927
Licenses and permits	2,219,500	2,219,500	1,881,173	(338,327)
Intergovernmental	1,859,781	1,859,781	1,945,437	85,656
Charges for services	2,448,095	2,448,095	2,607,055	158,960
Fines and forfeitures	132,450	132,450	550,665	418,215
Investment	710,530	710,530	1,448,002	737,472
Miscellaneous			309,374	309,374
Total revenues	<u>37,822,642</u>	<u>37,822,642</u>	<u>39,852,919</u>	<u>2,030,277</u>
Expenditures				
Current				
General government	4,916,167	4,941,298	4,673,134	268,164
Public safety	16,215,483	16,239,483	15,528,991	710,492
Public works	6,353,574	6,364,450	5,923,096	441,354
Community development and planning	2,168,459	2,202,088	2,120,129	81,959
Leisure services	4,526,308	4,792,753	4,154,506	638,247
Capital outlay		25,000	278,461	(253,461)
Debt service				
Principal payments	1,544,239	1,544,239	1,544,239	
Interest paid on debt	348,412	348,412	348,412	
Total expenditures	<u>36,072,642</u>	<u>36,457,723</u>	<u>34,570,968</u>	<u>1,886,755</u>
Excess of revenues over expenditures	<u>1,750,000</u>	<u>1,364,919</u>	<u>5,281,951</u>	<u>3,917,032</u>
Other financing sources (uses)				
Appropriated fund balance		1,450,081		(1,450,081)
Insurance recoveries			92,539	92,539
Transfer out	(1,750,000)	(2,815,000)	(2,815,000)	
Total other financing uses	<u>(1,750,000)</u>	<u>(1,364,919)</u>	<u>(2,722,461)</u>	<u>(1,357,542)</u>
Net change in fund balances	<u>\$</u>	<u>\$</u>	2,559,490	<u>\$ 2,559,490</u>
Fund Balances				
Beginning of year			<u>22,284,192</u>	
End of year			<u>\$ 24,843,682</u>	

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Notes to the Budgetary
Required Supplementary Information (RSI)
General Fund
September 30, 2025

Note 1 - Basis of Accounting

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

Note 2 - Legal Level of Control

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

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Village Council					
Personnel services	\$ 75,713	\$ 75,713	\$ 63,074	\$ 12,639	16.69
Operating expenses	139,130	139,130	144,552	(5,422)	-3.90
Total Village Council	<u>214,843</u>	<u>214,843</u>	<u>207,626</u>	<u>7,217</u>	<u>3.36</u>
Village Manager					
Personnel services	869,998	869,998	922,789	(52,791)	-6.07
Operating expenses	172,887	172,887	156,226	16,661	9.64
Total Village Manager	<u>1,042,885</u>	<u>1,042,885</u>	<u>1,079,015</u>	<u>(36,130)</u>	<u>-3.46</u>
Village Finance					
Personnel services	726,191	726,191	608,500	117,691	16.21
Operating expenses	69,730	69,730	122,108	(52,378)	-75.12
Total Village Finance	<u>795,921</u>	<u>795,921</u>	<u>730,608</u>	<u>65,313</u>	<u>8.21</u>
Village Attorney					
Operating expenses	<u>235,000</u>	<u>235,000</u>	<u>226,652</u>	<u>8,348</u>	<u>3.55</u>
Village Clerk					
Personnel services	287,676	287,676	260,566	27,110	9.42
Operating expenses	79,740	79,740	27,709	52,031	65.25
Total Village Clerk	<u>367,416</u>	<u>367,416</u>	<u>288,275</u>	<u>79,141</u>	<u>21.54</u>
Information Technology					
Personnel services	707,515	707,515	602,711	104,804	14.81
Operating expenses	186,872	186,872	245,941	(59,069)	-31.61
Total Information Technology	<u>894,387</u>	<u>894,387</u>	<u>848,652</u>	<u>45,735</u>	<u>5.11</u>
Human Resources					
Personnel services	434,923	434,923	402,020	32,903	7.57
Operating expenses	180,650	205,781	129,741	76,040	36.95
Total Human Resources	<u>615,573</u>	<u>640,704</u>	<u>531,761</u>	<u>108,943</u>	<u>17.00</u>
Police					
Personnel services	8,633,277	8,633,277	8,702,046	(68,769)	-0.80
Operating expenses	1,663,469	1,687,469	1,360,578	326,891	19.37
Total Police	<u>10,296,746</u>	<u>10,320,746</u>	<u>10,062,624</u>	<u>258,122</u>	<u>2.50</u>
Fire Rescue					
Personnel services	5,099,797	5,099,797	4,804,143	295,654	5.80
Operating expenses	630,890	630,890	543,038	87,852	13.93
Total Fire Rescue	<u>5,730,687</u>	<u>5,730,687</u>	<u>5,347,181</u>	<u>383,506</u>	<u>6.69</u>

(Continued)

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Public Works Administration					
Personnel services	\$ 632,953	\$ 632,953	\$ 619,306	\$ 13,647	2.16
Operating expenses	129,400	129,400	145,177	(15,777)	-12.19
Total Public Works	<u>762,353</u>	<u>762,353</u>	<u>764,483</u>	<u>(2,130)</u>	<u>-0.28</u>
Sanitation					
Personnel services	1,846,681	1,846,681	1,514,216	332,465	18.00
Operating expenses	435,500	435,500	388,373	47,127	10.82
Total Sanitation	<u>2,282,181</u>	<u>2,282,181</u>	<u>1,902,589</u>	<u>379,592</u>	<u>16.63</u>
Facility Services					
Personnel services	406,792	406,792	394,001	12,791	3.14
Operating expenses	681,700	687,176	651,202	35,974	5.24
Total Facility Services	<u>1,088,492</u>	<u>1,093,968</u>	<u>1,045,203</u>	<u>48,765</u>	<u>4.46</u>
Street Maintenance					
Personnel services	369,776	369,776	353,900	15,876	4.29
Operating expenses	1,067,000	1,072,400	1,137,569	(65,169)	-6.08
Total Street Maintenance	<u>1,436,776</u>	<u>1,442,176</u>	<u>1,491,469</u>	<u>(49,293)</u>	<u>-3.42</u>
Vehicle Maintenance					
Personnel services	358,072	358,072	349,921	8,151	2.28
Operating expenses	425,700	425,700	369,431	56,269	13.22
Total Vehicle Maintenance	<u>783,772</u>	<u>783,772</u>	<u>719,352</u>	<u>64,420</u>	<u>8.22</u>
Planning and Engineering					
Personnel services	282,578	282,578	182,293	100,285	35.49
Operating expenses	183,800	208,762	345,222	(136,460)	-65.37
Total Planning and Engineering	<u>466,378</u>	<u>491,340</u>	<u>527,515</u>	<u>(36,175)</u>	<u>-7.36</u>
Building					
Personnel services	951,864	951,864	839,085	112,779	11.85
Operating expenses	344,800	353,467	514,752	(161,285)	-45.63
Total Building	<u>1,296,664</u>	<u>1,305,331</u>	<u>1,353,837</u>	<u>(48,506)</u>	<u>-3.72</u>
Code Enforcement					
Personnel services	343,117	343,117	219,405	123,712	36.06
Operating expenses	62,300	62,300	19,372	42,928	68.91
Total Code Enforcement	<u>405,417</u>	<u>405,417</u>	<u>238,777</u>	<u>166,640</u>	<u>41.10</u>
Recreation					
Personnel services	1,389,472	1,389,472	1,022,073	367,399	26.44
Operating expenses	1,893,743	2,031,840	1,801,107	230,733	11.36
Total Leisure Services-Recreation	<u>3,283,215</u>	<u>3,421,312</u>	<u>2,823,180</u>	<u>598,132</u>	<u>17.48</u>

(Continued)

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Departmental Expenditures - Budget and Actual
General Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Library					
Personnel services	\$ 781,569	\$ 781,569	\$ 778,992	\$ 2,577	0.33
Operating expenses	308,124	436,472	405,176	31,296	7.17
Total Library	<u>1,089,693</u>	<u>1,218,041</u>	<u>1,184,168</u>	<u>33,873</u>	<u>2.78</u>
Special Events					
Operating expenses	153,400	153,400	147,158	6,242	4.07
Total Special Events	<u>153,400</u>	<u>153,400</u>	<u>147,158</u>	<u>6,242</u>	<u>4.07</u>
Debt Service	<u>1,892,651</u>	<u>1,892,651</u>	<u>1,892,651</u>		<u>0.00</u>
Non-Departmental					
Operating expenses	938,192	938,192	879,731	58,461	6.23
	<u>938,192</u>	<u>938,192</u>	<u>879,731</u>	<u>58,461</u>	<u>6.23</u>
Capital Outlay					
Police		25,000	51,693	(26,693)	
Fire			9,610	(9,610)	
Facility Services			13,703	(13,703)	
Vehicle Maintenance			4,670	(4,670)	
Street Maintenance			44,919	(44,919)	
Building			6,090	(6,090)	
Leisure Services-Recreation			141,976	(141,976)	
Non-Departmental			5,800	(5,800)	
Total Capital Outlay		<u>25,000</u>	<u>278,461</u>	<u>(253,461)</u>	
Total expenditures	<u>\$ 36,072,642</u>	<u>\$ 36,457,723</u>	<u>\$ 34,570,968</u>	<u>\$ 1,886,755</u>	<u>5.18%</u>

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

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

Capital Projects Fund

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Public Safety Fund	Northlake Boulevard Fund	Recreation	On-Behalf Pension Contributions		
Assets						
Cash and cash equivalents	\$ 757	\$ 1,987	\$ 257,489	\$	\$ 2,228,068	\$ 2,488,301
Total assets	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ 257,489</u>	<u>\$ 80,930</u>	<u>\$ 2,228,068</u>	<u>\$ 2,569,231</u>
Liabilities						
Accounts payable	\$	\$	\$	\$ 80,930	\$ 37,376	\$ 118,306
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>80,930</u>	<u>37,376</u>	<u>118,306</u>
Fund balances						
Assigned	757	1,987	257,489		2,190,692	2,450,925
Total fund balances	<u>757</u>	<u>1,987</u>	<u>257,489</u>	<u></u>	<u>2,190,692</u>	<u>2,450,925</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 757</u>	<u>\$ 1,987</u>	<u>\$ 257,489</u>	<u>\$ 80,930</u>	<u>\$ 2,228,068</u>	<u>\$ 2,569,231</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Public Safety Fund	Northlake Boulevard Fund	Recreation	On-Behalf Pension Contributions	Capital Projects Fund	
Revenues						
Intergovernmental	\$ 8,669	\$	\$ 100,000	\$ 603,603	\$	\$ 712,272
Total revenues	8,669		100,000	603,603		712,272
Expenditures						
Current						
Public safety	8,669			603,603		612,272
Capital outlay			35,969		2,513,812	2,549,781
Total expenditures	8,669		35,969	603,603	2,513,812	3,162,053
Excess (deficiency) of revenues over (under) expenditures			64,031		(2,513,812)	(2,449,781)
Other financing sources (uses)						
Transfers in					1,715,000	1,715,000
Net changes in fund balances			64,031		(798,812)	(734,781)
Fund balances - Beginning of year	757	1,987	193,458		2,989,504	3,185,706
Fund balances - End of year	\$ 757	\$ 1,987	\$ 257,489	\$	\$ 2,190,692	\$ 2,450,925

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, 2025

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
Assets			
Cash and cash equivalents	\$ 480,262	\$ 701,929	\$ 1,182,191
Investments:			
Domestic common equity securities	3,132,777	10,349,120	13,481,897
International common equity securities	1,953,697	2,548,472	4,502,169
U.S. Government and agencies	2,922,564	8,550,140	11,472,704
Municipal bonds	765,414	252,130	1,017,544
Domestic corporate bonds	1,867,962	2,061,681	3,929,643
International corporate bonds	137,783	148,160	285,943
Domestic equity exchange traded funds	3,742,188		3,742,188
International equity exchange traded funds	1,528,428	44,322	1,572,750
Fixed income mutual funds	2,141,310		2,141,310
Domestic equity mutual funds	2,440,706	17,673,338	20,114,044
International equity mutual funds	536,982	2,432,230	2,969,212
Real estate investment fund		3,087,617	3,087,617
Money market mutual funds		526,464	526,464
Accrued interest and dividends	67,124	70,277	137,401
Accounts receivable		81,378	81,378
Prepays	6,000	1,965	7,965
Total assets	<u>21,723,197</u>	<u>48,529,223</u>	<u>70,252,420</u>
Liabilities			
Accounts payable	<u>25,822</u>	<u>36,252</u>	<u>62,074</u>
Total liabilities	<u>25,822</u>	<u>36,252</u>	<u>62,074</u>
Net Position restricted for pensions	<u>\$ 21,697,375</u>	<u>\$ 48,492,971</u>	<u>\$ 70,190,346</u>

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2025

	General Employees Pension	Fire and Police Officers Pension	Total Employee Retirement Funds
	<u> </u>	<u> </u>	<u> </u>
Additions			
Contributions			
Employer	\$ 299,020	\$ 1,428,643	\$ 1,727,663
Plan members	76,882	772,454	849,336
DROP contributions		13,185	13,185
State on-behalf payments		603,603	603,603
Total contributions	<u>375,902</u>	<u>2,817,885</u>	<u>3,193,787</u>
Investment earnings			
Dividends and interest	509,887	1,290,697	1,800,584
Change in fair value of investments	1,621,439	4,462,816	6,084,255
Total investment earnings	<u>2,131,326</u>	<u>5,753,513</u>	<u>7,884,839</u>
Less: investment expenses	<u>100,695</u>	<u>173,640</u>	<u>274,335</u>
Total investment earnings	<u>2,030,631</u>	<u>5,579,873</u>	<u>7,610,504</u>
Total additions	<u>2,406,533</u>	<u>8,397,758</u>	<u>10,804,291</u>
Deductions			
Administration	62,788	113,518	176,306
Lump sum DROP distributions		1,403,735	1,403,735
Benefits	1,117,418	1,230,554	2,347,972
Total deductions	<u>1,180,206</u>	<u>2,747,807</u>	<u>3,928,013</u>
Change in net position	1,226,327	5,649,951	6,876,278
Net position - beginning	<u>20,471,048</u>	<u>42,843,020</u>	<u>63,314,068</u>
Net position - ending	<u>\$ 21,697,375</u>	<u>\$ 48,492,971</u>	<u>\$ 70,190,346</u>

PROPRIETARY FUND
(ENTERPRISE FUND)

Country Club Fund

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Revenues and Departmental Expenses - Budget and Actual
Country Club Fund - Budgetary Basis
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
Revenue					
Greens fee/cart rentals/membership fees	\$ 5,057,500	\$ 5,057,500	\$ 5,366,185	\$ 308,685	6.10
Golf shop revenues	767,500	767,500	848,183	80,683	10.51
Driving range revenues	535,000	535,000	644,090	109,090	20.39
Restaurant revenues	550,000	550,000	554,240	4,240	0.77
Tennis revenues	872,640	872,640	904,197	31,557	3.62
Pool revenues	223,695	223,695	230,202	6,507	2.91
Interest revenues	105,000	105,000	210,272	105,272	100.26
Proceeds from sale of assets			2,932	2,932	
Miscellaneous	22,000	22,000	48,276	26,276	119.44
Operating transfers	450,000	450,000	450,000		
Appropriated net position		701,685		(701,685)	-100.00
Total revenues	8,583,335	9,285,020	9,258,577	(26,443)	-0.28
Golf Maintenance					
Operating expenses	2,383,007	2,383,007	2,280,007	103,000	4.32
Capital outlay	500,000	976,685	407,259	569,426	58.30
Total Golf Maintenance	2,883,007	3,359,692	2,687,266	672,426	20.01
Clubhouse and Grounds					
Personnel services	109,225	109,225	103,336	5,889	5.39
Operating expenses	577,300	577,300	496,889	80,411	13.93
Capital outlay	18,000	18,000		18,000	100.00
Total Clubhouse and Grounds	704,525	704,525	600,225	104,300	14.80
Golf Pro Shop and Range					
Personnel services	1,218,713	1,218,713	1,175,985	42,728	3.51
Operating expenses	943,857	943,857	1,049,585	(105,728)	-11.20
Total Golf Pro Shop and Range	2,162,570	2,162,570	2,225,570	(63,000)	-2.91
Food and Beverage					
Personnel services					
Operating expenses	22,500	22,500	15,517	6,983	31.04
Capital outlay					
Total Food and Beverage	22,500	22,500	15,517	6,983	31.04
Tennis					
Personnel services	859,088	859,088	655,509	203,579	23.70
Operating expenses	169,171	169,171	197,665	(28,494)	-16.84
Capital outlay	8,000	158,000		158,000	100.00
Total Tennis	1,036,259	1,186,259	853,174	333,085	28.08
Pool					
Personnel services	337,654	337,654	240,383	97,271	28.81
Operating expenses	230,506	230,506	201,788	28,718	12.46
Total Pool	568,160	568,160	442,171	125,989	22.17

(Continued)

THE VILLAGE OF NORTH PALM BEACH, FLORIDA
Schedule of Revenues and Departmental Expenses - Budget and Actual
Country Club Fund - Budgetary Basis
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Percent Variance
(Continued)					
Administration					
Personnel services	\$ 303,753	\$ 303,753	\$ 308,059	\$ (4,306)	-1.42
Operating expenses	57,350	57,350	35,525	21,825	38.06
Capital outlay		75,000	9,100	65,900	87.87
Total Administration	<u>361,103</u>	<u>436,103</u>	<u>352,684</u>	<u>83,419</u>	<u>19.13</u>
Insurance and General Liability					
Operating expenses	40,000	40,000	37,771	2,229	5.57
Reserves					
Operating	7,775	7,775	9,883	(2,108)	(27.11)
Capital	350,000	350,000	350,000		0.00
Total Reserves	<u>357,775</u>	<u>357,775</u>	<u>359,883</u>	<u>(2,108)</u>	<u>(0.59)</u>
Debt service					
Debt service	447,436	447,436	447,436		
Total expenses on the budgetary basis	<u>8,583,335</u>	<u>9,285,020</u>	<u>8,021,697</u>	<u>1,263,323</u>	<u>13.61</u>
Revenues over expenses	<u>\$</u>	<u>\$</u>	<u>\$ 1,236,880</u>	<u>\$ 1,236,880</u>	
Adjustments to reconcile to the GAAP Basis					
Total expenses on the budgetary basis			\$ 8,021,697		
OPEB adjustments			(20,364)		
Less: capital reserve			(350,000)		
Less: capital outlay costs capitalized			(416,359)		
Less: debt service			(447,436)		
Less: lease adjustment			(6,233)		
Add: depreciation expense			665,386		
Total operating expenses			<u>\$ 7,446,691</u>		

STATISTICAL SECTION

STATISTICAL SECTION

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

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Financial Trends	
<i>These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time. These schedules include:</i>	
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Fund Balances, Governmental Funds	105
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Revenue Capacity	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities:					
Net investment in capital assets	\$ 14,102,547	\$ 13,484,731	\$ 15,429,484	\$ 18,814,116	\$ 22,423,120
Restricted	398,519	992,538	484,568	525,536	986,489
Unrestricted	<u>6,677,850</u>	<u>6,536,225</u>	<u>6,658,744</u>	<u>7,504,062</u>	<u>6,689,693</u>
Total governmental activities net position	<u>21,178,916</u>	<u>21,013,494</u>	<u>22,572,796</u>	<u>26,843,714</u>	<u>30,099,302</u>
Business-Type Activities:					
Net investment in capital assets	1,880,421	1,991,168	3,056,715	3,422,142	2,947,241
Restricted	418,726	361,461	(1,324,978)	(3,162,414)	(3,161,738)
Unrestricted	<u>2,299,147</u>	<u>2,352,629</u>	<u>1,731,737</u>	<u>259,728</u>	<u>(214,497)</u>
Total business-type activities net position	<u>2,299,147</u>	<u>2,352,629</u>	<u>1,731,737</u>	<u>259,728</u>	<u>(214,497)</u>
Primary government:					
Net investment in capital assets	15,982,968	15,475,899	18,486,199	22,236,258	25,370,361
Restricted	398,519	992,538	484,568	525,536	986,489
Unrestricted	<u>7,096,576</u>	<u>6,897,686</u>	<u>5,333,766</u>	<u>4,341,648</u>	<u>3,527,955</u>
Total primary government net position	<u>\$ 23,478,063</u>	<u>\$ 23,366,123</u>	<u>\$ 24,304,533</u>	<u>\$ 27,103,442</u>	<u>\$ 29,884,805</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities:					
Net investment in capital assets	\$ 18,910,112	\$ 20,231,457	\$ 22,360,893	\$ 24,106,574	\$ 27,090,309
Restricted	1,418,916	3,331,270	1,923,630	2,075,644	3,010,457
Unrestricted	<u>10,078,079</u>	<u>17,346,639</u>	<u>19,242,051</u>	<u>21,579,796</u>	<u>23,023,056</u>
Total governmental activities net position	<u>30,407,107</u>	<u>40,909,366</u>	<u>43,526,574</u>	<u>47,762,014</u>	<u>53,123,822</u>
Business-Type Activities:					
Net investment in capital assets	5,874,752	5,976,057	6,236,086	6,907,891	6,626,255
Unrestricted	<u>(2,599,491)</u>	<u>(1,248,264)</u>	<u>612,692</u>	<u>901,322</u>	<u>3,020,663</u>
Total business-type activities net position	<u>3,275,261</u>	<u>4,727,793</u>	<u>6,848,778</u>	<u>7,809,213</u>	<u>9,646,918</u>
Primary government:					
Net investment in capital assets	24,784,864	26,207,514	28,596,979	31,014,465	33,716,564
Restricted	1,418,916	3,331,270	1,923,630	2,075,644	3,010,457
Unrestricted	<u>7,478,588</u>	<u>16,098,375</u>	<u>19,854,743</u>	<u>22,481,118</u>	<u>26,043,719</u>
Total primary government net position	<u>\$ 33,682,368</u>	<u>\$ 45,637,159</u>	<u>\$ 50,375,352</u>	<u>\$ 55,571,227</u>	<u>\$ 62,770,740</u>

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

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

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

	Fiscal Year				
	2015	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 3,028,716	\$ 3,205,903	\$ 3,213,886	\$ 3,312,770	\$ 3,541,302
Public safety	9,311,441	9,905,815	10,045,757	10,505,278	12,103,224
Public works	4,963,704	5,707,570	5,911,225	5,603,991	5,633,427
Community development and planning	1,308,924	1,255,115	1,458,523	1,685,525	1,398,876
Leisure services	2,973,687	3,114,720	3,058,410	3,037,981	2,795,698
Interest on long-term debt	266,892	266,892	499,929	489,988	520,755
Total governmental activities expenses	<u>21,586,472</u>	<u>23,456,015</u>	<u>24,187,730</u>	<u>24,635,533</u>	<u>25,993,282</u>
Business-type activities:					
Country club	3,842,660	2,903,224	2,912,523	2,879,376	4,242,674
Stormwater					
Total business-type activities	<u>3,842,660</u>	<u>2,903,224</u>	<u>2,912,523</u>	<u>2,879,376</u>	<u>4,242,674</u>
Total primary government expenses	<u>\$ 25,429,132</u>	<u>\$ 26,359,239</u>	<u>\$ 27,100,253</u>	<u>\$ 27,514,909</u>	<u>\$ 30,235,956</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 131,445	\$ 134,249	\$ 140,998	\$ 147,104	\$ 152,779
Public safety	537,064	557,265	548,019	687,905	488,393
Public works	514,354	547,596	510,732	538,459	511,916
Community development and planning	1,163,875	1,222,464	1,495,298	1,799,878	1,723,949
Leisure services	1,006,382	1,022,175	876,174	899,164	853,581
Other government					
Operating grants and contributions	380,567	377,339	422,255	395,376	717,982
Capital grants and contributions	26,548	102,187	9,591	808,193	850,187
Total governmental activities program revenues	<u>3,760,235</u>	<u>3,963,275</u>	<u>4,003,067</u>	<u>5,276,079</u>	<u>5,298,787</u>
Business-type activities:					
Charges for services:					
Country club	3,788,852	2,946,432	2,946,432	1,406,563	3,768,449
Stormwater					
Operating grants and contributions					
Capital grants and contributions					
Total business-type activities program revenues	<u>3,788,852</u>	<u>2,946,432</u>	<u>2,254,638</u>	<u>1,406,563</u>	<u>3,768,449</u>
Total primary government program revenues	<u>\$ 7,549,087</u>	<u>\$ 6,909,707</u>	<u>\$ 6,257,705</u>	<u>\$ 6,682,642</u>	<u>\$ 9,067,236</u>
Net (Expense)/Revenue					
Governmental activities	\$ (17,826,237)	\$ (19,492,740)	\$ (20,184,663)	\$ (19,359,454)	\$ (20,694,495)
Business-type activities	(53,808)	43,208	(657,885)	(1,472,813)	(474,225)
Total primary government net expense	<u>\$ (17,880,045)</u>	<u>\$ (19,449,532)</u>	<u>\$ (20,842,548)</u>	<u>\$ (20,832,267)</u>	<u>\$ (21,168,720)</u>
General revenues and other changes in net position:					
Governmental activities:					
Taxes:					
Property taxes	\$ 11,364,888	\$ 13,091,985	\$ 15,003,141	\$ 16,185,283	\$ 16,991,314
Local option gas taxes	282,549	305,700	302,208	307,130	273,428
Local option infrastructure surtax		552,600	879,565	922,937	869,852
Utility service taxes	2,267,118	2,413,679	2,511,877	2,521,954	2,558,092
Franchise taxes	1,253,139	1,306,997	1,294,280	1,352,464	1,304,936
Sales and use taxes	1,332,209	1,371,890	1,413,335	1,448,423	1,345,508
Investment earnings	108,794	126,926	376,227	811,915	502,335
Miscellaneous	57,137	150,698	268,471	80,266	104,618
Gain on disposal of equipment	30,457	6,843	74,449		
Transfers					
Total governmental activities	<u>16,696,291</u>	<u>19,327,318</u>	<u>22,123,553</u>	<u>23,630,372</u>	<u>23,950,083</u>
Business-type activities:					
Investment income	10,393	10,274	13,874	804	
Miscellaneous					
Transfers					
Total business-type activities	<u>10,393</u>	<u>10,274</u>	<u>13,874</u>	<u>804</u>	
Total primary government	<u>\$ 16,706,684</u>	<u>\$ 19,337,592</u>	<u>\$ 22,137,427</u>	<u>\$ 23,631,176</u>	<u>\$ 23,950,083</u>
Change in net position					
Governmental activities	\$ (1,129,946)	\$ (165,422)	\$ 1,938,890	\$ 4,270,918	\$ 3,255,588
Business-type activities	(43,415)	53,482	(644,011)	(1,472,009)	(474,225)
Total primary government	<u>\$ (1,173,361)</u>	<u>\$ (111,940)</u>	<u>\$ 1,294,879</u>	<u>\$ 2,798,909</u>	<u>\$ 2,781,363</u>

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

	2021	2022	2023	2024	2025
\$	3,819,733	\$ 3,565,793	\$ 3,781,088	\$ 4,355,400	\$ 4,758,264
	11,260,437	10,899,752	14,930,313	15,916,330	16,343,460
	5,416,934	5,359,535	6,172,611	6,280,133	6,829,707
	1,261,701	1,406,266	1,497,167	2,060,806	2,136,406
	2,706,225	3,441,248	4,941,996	4,379,178	5,170,997
	477,717	470,896	435,245	369,135	345,107
	<u>24,942,747</u>	<u>25,143,490</u>	<u>31,758,420</u>	<u>33,360,982</u>	<u>35,583,941</u>
	5,942,293	6,566,206	6,936,277	7,332,550	7,483,149
		123,196	182,297	455,998	349,577
	<u>5,942,293</u>	<u>6,689,402</u>	<u>7,118,574</u>	<u>7,788,548</u>	<u>7,832,726</u>
	<u>\$ 30,885,040</u>	<u>\$ 31,832,892</u>	<u>\$ 38,876,994</u>	<u>\$ 41,149,530</u>	<u>\$ 43,416,667</u>
\$	217,227	\$ 200,020	\$ 188,225	\$ 189,169	\$ 185,788
	496,492	597,258	609,761	630,561	706,381
	461,166	464,084	485,449	566,205	666,914
	1,955,663	2,139,067	2,177,673	2,819,348	2,858,622
	375,196	544,283	615,554	688,903	681,555
	602,032	7,109,940	600,847	674,633	704,877
	21,775	30,817	1,152,105	25,533	329,531
	<u>4,129,551</u>	<u>11,085,469</u>	<u>5,829,614</u>	<u>5,594,352</u>	<u>6,133,668</u>
	5,903,220	6,833,669	7,375,933	7,486,328	8,564,613
		479,459	484,614	466,472	467,430
		50,000		199,999	
	<u>5,903,220</u>	<u>7,363,128</u>	<u>7,860,547</u>	<u>8,152,799</u>	<u>9,032,043</u>
	<u>\$ 10,032,771</u>	<u>\$ 18,448,597</u>	<u>\$ 13,690,161</u>	<u>\$ 13,747,151</u>	<u>\$ 15,165,711</u>
\$	(20,813,196)	\$ (14,058,021)	\$ (25,928,806)	\$ (27,766,630)	\$ (29,450,273)
	(39,073)	673,726	741,973	364,251	1,199,317
	<u>\$ (20,852,269)</u>	<u>\$ (13,384,295)</u>	<u>\$ (25,186,833)</u>	<u>\$ (27,402,379)</u>	<u>\$ (28,250,956)</u>
\$	17,629,392	\$ 17,833,603	\$ 20,000,861	\$ 22,472,458	\$ 26,051,916
	283,233	297,106	305,894	291,717	291,907
	1,011,627	1,228,691	1,287,744	1,316,252	1,346,422
	2,539,175	2,726,954	3,000,981	3,052,329	3,138,625
	1,354,110	1,492,336	1,654,533	1,600,774	1,628,765
	1,548,330	1,868,788	1,942,316	1,883,159	1,855,998
	81,338	(248,726)	1,394,072	2,070,430	1,709,494
	181,109	92,879	72,707	287,572	210,691
	21,384	29,460	169,456		71,035
	(3,528,697)	(760,811)	(1,282,550)	(450,000)	(450,000)
	<u>21,121,001</u>	<u>24,560,280</u>	<u>28,546,014</u>	<u>32,524,691</u>	<u>35,854,853</u>
	134	17,995	96,462	210,779	281,610
	<u>3,528,697</u>	<u>760,811</u>	<u>1,282,550</u>	<u>450,000</u>	<u>450,000</u>
	<u>3,528,831</u>	<u>778,806</u>	<u>1,379,012</u>	<u>660,779</u>	<u>731,610</u>
	<u>\$ 24,649,832</u>	<u>\$ 25,339,086</u>	<u>\$ 29,925,026</u>	<u>\$ 33,185,470</u>	<u>\$ 36,586,463</u>
\$	307,805	\$ 10,502,259	\$ 2,617,208	\$ 4,758,061	\$ 6,404,580
	3,489,758	1,452,532	2,120,985	1,025,030	1,930,927
	<u>\$ 3,797,563</u>	<u>\$ 11,954,791</u>	<u>\$ 4,738,193</u>	<u>\$ 5,783,091</u>	<u>\$ 8,335,507</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund					
Nonspendable	\$ 358,606	\$ 183,220	\$ 2,789,824	\$ 2,789,824	\$ 2,325,778
Restricted	353,019	781,756	61,227	61,227	79,730
Committed					
Assigned	208,204	316,266	582,008	582,008	176,865
Unassigned	10,724,049	11,811,468	8,177,758	8,177,758	11,622,285
Total general fund	<u>\$ 11,643,878</u>	<u>\$ 13,092,710</u>	<u>\$ 11,610,817</u>	<u>\$ 11,610,817</u>	<u>\$ 14,204,658</u>
All other Governmental Funds					
Restricted	\$ 45,500	\$ 13,988,744	\$ 11,826,016	\$ 464,309	\$ 906,759
Assigned					
Special revenue funds	508,481	388,981	3,506	3,507	263,798
Capital projects funds	1,604,073	1,670,196	5,398,245	3,727,482	1,151,011
Unassigned			(114,279)	(421,599)	
Total all other governmental funds	<u>\$ 2,158,054</u>	<u>\$ 16,047,921</u>	<u>\$ 17,113,488</u>	<u>\$ 3,773,699</u>	<u>\$ 2,321,568</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund					
Nonspendable	\$ 2,102,739	\$ 1,839,603	\$ 1,895,720	\$ 1,843,212	\$ 2,042,845
Restricted	87,342	180,748	174,211	378,350	315,517
Committed					
Assigned	494,163	369,653	456,392	512,716	520,089
Unassigned	13,892,476	13,653,372	15,786,046	19,549,914	21,965,231
Total general fund	<u>\$ 16,576,720</u>	<u>\$ 16,043,376</u>	<u>\$ 18,312,369</u>	<u>\$ 22,284,192</u>	<u>\$ 24,843,682</u>
All other Governmental Funds					
Restricted	\$ 1,331,574	\$ 1,022,545	\$ 1,749,419	\$ 1,697,294	\$ 2,584,036
Assigned					
Special revenue funds	252,000	6,915,128	2,744	196,202	260,233
Capital projects funds	1,010,681	2,581,131	7,010,036	7,596,133	6,674,868
Unassigned		(2,946)	(84,357)		
Total all other governmental funds	<u>\$ 2,594,255</u>	<u>\$ 10,515,858</u>	<u>\$ 8,677,842</u>	<u>\$ 9,489,629</u>	<u>\$ 9,519,137</u>

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

	Fiscal Year				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues:					
Taxes	\$ 16,109,173	\$ 17,118,361	\$ 19,111,506	\$ 20,366,831	\$ 21,127,770
Licenses and Permits	1,235,782	997,656	1,222,594	1,522,913	1,320,361
Intergovernmental	1,765,836	2,417,809	2,679,389	2,910,395	3,857,230
Charges for services	2,364,013	2,321,298	2,200,860	2,399,174	2,169,814
Fines and forfeitures	91,534	124,395	100,140	100,188	197,343
Investment earnings	103,353	126,926	376,227	811,915	502,335
Miscellaneous	191,250	157,063	412,513	510,688	160,147
Total revenues	<u>21,860,941</u>	<u>23,263,508</u>	<u>26,103,229</u>	<u>28,622,104</u>	<u>29,335,000</u>
Expenditures:					
General government	2,876,521	2,970,223	3,059,623	3,275,570	3,265,210
Public safety	9,129,947	9,166,060	9,669,361	10,350,598	10,418,956
Public works	4,266,749	4,882,159	5,313,834	5,255,606	5,300,077
Community development	1,351,061	1,190,759	1,429,764	1,532,428	1,382,443
Leisure services	2,448,164	2,591,866	2,613,664	2,664,689	2,305,309
Capital outlay	1,209,249	2,123,742	5,507,617	15,487,329	5,094,135
Debt service					
Principal payments			680,000	882,777	934,496
Interest paid on debt			613,101	488,786	502,193
Total expenditures	<u>21,281,691</u>	<u>22,924,809</u>	<u>28,886,964</u>	<u>39,937,783</u>	<u>29,202,819</u>
Excess of revenues over (under) expenditures	579,250	338,699	(2,783,735)	(11,315,679)	132,181
Other financing sources (uses)					
Transfers in	1,503,750	1,503,750	4,963,307	407,000	844,475
Transfers out	(1,503,750)	(1,503,750)	(4,963,307)	(407,000)	(844,475)
Financing contracts				343,299	1,009,529
Proceeds from debt issuance		15,000,000			
Insurance proceeds					
Total other financing sources (uses)		<u>15,000,000</u>		<u>343,299</u>	<u>1,009,529</u>
Net change in fund balances	<u>\$ 579,250</u>	<u>\$ 15,338,699</u>	<u>\$ (2,783,735)</u>	<u>\$ (10,972,380)</u>	<u>\$ 1,141,710</u>
Debt service as a percentage of noncapital expenditures	-	-	-	5.53%	5.70%

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 21,805,910	\$ 22,349,999	\$ 24,962,269	\$ 27,417,278	\$ 31,111,213
1,574,639	1,764,430	1,707,690	2,171,127	1,881,173
3,189,191	10,155,774	3,839,043	4,172,395	4,223,777
1,726,853	1,968,268	2,090,941	2,423,911	2,607,055
154,410	169,045	244,487	241,367	550,665
81,338	(248,726)	1,394,071	2,070,430	1,709,495
296,245	364,911	354,359	289,355	309,374
<u>28,828,586</u>	<u>36,523,701</u>	<u>34,592,860</u>	<u>38,785,863</u>	<u>42,392,752</u>
3,507,052	3,612,174	3,674,104	4,203,715	4,673,134
10,853,605	11,602,110	13,065,414	14,064,260	16,141,263
5,117,986	4,988,651	5,453,097	5,395,273	5,923,096
1,292,216	1,437,597	1,462,865	1,993,644	2,120,129
1,695,054	2,431,335	3,852,206	3,462,501	4,154,506
3,528,772	4,145,090	3,555,836	2,988,854	4,541,514
1,106,148	1,278,543	1,422,411	1,496,211	1,544,239
491,022	476,504	453,154	398,106	348,412
<u>27,591,855</u>	<u>29,972,004</u>	<u>32,939,087</u>	<u>34,002,564</u>	<u>39,446,293</u>
1,236,731	6,551,697	1,653,773	4,783,299	2,946,459
625,280	2,913,315	7,271,384	1,425,194	2,365,000
(899,280)	(3,291,865)	(8,553,934)	(1,875,194)	(2,815,000)
1,682,018	1,215,112			
		59,754	972,932	92,539
<u>1,408,018</u>	<u>836,562</u>	<u>(1,222,796)</u>	<u>522,932</u>	<u>(357,461)</u>
<u>\$ 2,644,749</u>	<u>\$ 7,388,259</u>	<u>\$ 430,977</u>	<u>\$ 5,306,231</u>	<u>\$ 2,588,998</u>
5.90%	6.79%	6.39%	6.17%	5.41%

VILLAGE OF NORTH PALM BEACH
NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30,	Tax Roll Year	Real Property			Total Net Market - Assessed Value	Total Direct Tax Rate
		Residential Property	Commercial Property	Personal Property		
2016	2015	1,453,735,176	232,020,936	36,939,006	1,722,695,118	7.3300
2017	2016	1,545,192,840	259,097,141	40,181,846	1,844,471,827	7.3300
2018	2017	1,804,338,668	279,488,569	35,855,827	2,119,683,064	7.3300
2019	2018	1,897,471,175	297,293,001	38,440,924	2,233,205,100	7.5000
2020	2019	1,991,785,138	315,226,821	37,569,787	2,344,581,746	7.5000
2021	2020	2,063,558,234	330,847,141	38,837,770	2,433,243,145	7.5000
2022	2021	2,244,316,264	336,972,923	42,155,674	2,623,444,861	7.0500
2023	2022	2,532,118,244	373,406,169	47,484,879	2,953,009,292	7.0000
2024	2023	2,885,512,258	429,541,064	53,327,253	3,368,380,575	6.9000
2025	2024	3,127,722,111	452,274,605	58,367,483	3,638,364,199	7.4000

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

Property in the Village is reassessed each year. Property is assessed at actual value, therefore the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Source: Palm Beach County Property Appraiser

VILLAGE OF NORTH PALM BEACH
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Roll Year	Village of N. Palm Beach	Overlapping Rates (1)			Total Direct and Overlapping Rates
			Palm Beach County School District	Palm Beach County	Special Districts	
2016	2015	7.3300	7.5120	4.9277	2.0974	21.8671
2017	2016	7.3300	7.0700	4.9142	1.9453	21.2595
2018	2017	7.3300	6.7690	4.9023	1.7818	20.7831
2019	2018	7.5000	4.8980	6.5720	1.6920	20.6620
2020	2019	7.5000	7.1640	4.8580	1.6873	21.2093
2021	2020	7.5000	7.0100	4.8124	1.6753	20.9977
2022	2021	7.0500	6.8750	4.8149	1.6386	20.3785
2023	2022	7.0000	6.5190	4.7439	1.5390	19.8019
2024	2023	6.9000	6.4570	4.5188	1.4258	19.3016
2025	2024	7.4000	6.3140	4.5396	1.4058	19.6594

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
2025 & 2016 Presented**

<u>Taxpayers</u>	<u>2025</u>			<u>2016</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Village Net Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Village Net Taxable Assessed Value</u>
Olen Residential Realty	\$ 46,370,930	1	1.38%	\$ 26,726,613	1	1.55%
Sanctuary Bay Trust Corporation	36,879,906	2	1.09%	21,147,513	2	1.23%
SHM Old Port Cove LLC	37,343,003	3	1.11%			
Crystal Cove Commons LLC	30,501,738	5	0.91%			
Florida Power & Light	34,687,415	4	1.03%	20,281,649	3	1.18%
Shoppes at City Centre LLC	29,040,903	6	0.86%			
New Country Motor Cars of PB LLC	20,289,511	7	0.60%	13,809,719	5	0.80%
Chouest Gary	14,072,765	9	0.42%	10,447,665	9	
NP Devland Holdings LLC	15,577,326	8	0.46%			
SHM North Palm Beach LLC	13,786,396	10	0.41%			
Old Port Cove Equities, INC				14,300,000	7	0.83%
Crystal Tree Property Owners				12,000,000	8	0.70%
Old Port Cove Holdings, INC				9,990,711	10	0.58%
Domani Development LLC				13,360,002	6	0.78%
JB Shoppes				15,236,084	4	0.88%
Total	\$ 278,549,893		8.27%	\$ 157,299,956		8.53%

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
2016	2015	11,761,226	12,197,736	103.71%	57,133	12,254,869	104.20%
2017	2016	12,627,355	13,051,272	103.36%	41,267	13,092,539	103.68%
2018	2017	13,519,978	14,999,572	110.94%	3,390	15,002,962	110.97%
2019	2018	15,537,277	16,176,654	104.12%	6,223	16,182,877	104.16%
2020	2019	16,749,038	16,980,948	101.38%	7,965	16,988,913	101.43%
2021	2020	17,584,371	17,608,184	100.14%	21,233	17,629,417	100.26%
2022	2021	18,249,331	17,832,252	97.71%	1,406	17,833,658	97.72%
2023	2022	18,495,286	19,955,906	107.90%	31,899	19,987,805	108.07%
2024	2023	20,671,065	22,472,458	108.71%	3,150	22,475,608	108.73%
2025	2024	23,241,826	26,025,966	111.98%	4,314	26,030,280	112.00%

Source: Palm Beach Country Property Appraiser

VILLAGE OF NORTH PALM BEACH
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended Sept 30.	Governmental Activities		Business-type Activities		Total	Percent of Median Personal Income (1)	Per Capita
	Loans Payable	Financing Contracts	Loans Payable	Leases/ Financing Contracts			
2016	-	-	2,684,913	-	2,684,913	0.35%	212.20
2017	15,000,000	-	2,247,088	-	17,247,088	1.85%	1,292.69
2018	14,320,000	-	1,939,366	-	16,259,366	1.79%	1,229.26
2019	13,515,000	265,522	1,618,633	-	15,399,155	1.74%	1,161.32
2020	12,680,000	1,175,555	1,284,668	-	15,140,223	1.70%	1,135.63
2021	11,815,000	2,616,425	936,310	-	15,367,735	1.55%	1,173.47
2022	10,915,000	3,452,994	573,333	367,387	15,308,714	1.55%	1,160.54
2023	9,980,000	2,965,583	195,112	207,158	13,347,853	1.10%	1,064.42
2024	9,010,000	2,439,372	-	166,344	11,615,716	0.87%	856.11
2025	8,005,000	1,900,133	-	-	9,905,133	0.70%	712.55

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

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

VILLAGE OF NORTH PALM BEACH
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2025
Unaudited

<u>Government Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to the Village of North Palm Beach (1)</u>	<u>Amount Applicable to the Village of North Palm Beach</u>
Debt repaid with property taxes:			
Palm Beach County	\$ 95,609	1.15%	\$ 1,100
Palm Beach County School Board	2,701	1.03%	28
Other debt:			
Palm Beach County	715,694	1.15%	8,230
Palm Beach County School Board		1.03%	_____
Subtotal, overlapping debt			9,358
Village of North Palm Beach Direct Debt			_____ 9,905,133
Total direct and overlapping debt			\$ _____ 9,914,491

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

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

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

VILLAGE OF NORTH PALM BEACH
Pledged - Revenue Coverage
Country Club Bonds
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue</u>	<u>Required Debt Service</u>	<u>Coverage (3)</u>
2016	3,766,196	3,333,395	432,801	394,900	1.10
2017	2,956,706	2,472,812	483,894	394,900	1.23
2018	2,268,512	2,227,913	40,599	394,900	0.10
2019	1,407,367	2,443,701	(1,036,334)	394,900	-2.62
2020	3,769,907	3,504,881	265,026	394,900	0.67
2021	5,903,220	4,964,502	938,718	394,900	2.38
2022	6,848,425	5,476,786	1,371,639	394,900	3.47
2023	7,448,289	5,809,672	1,638,617	394,900	4.15
2024	7,663,341	6,214,487	1,448,854	199,111	7.28
2025	8,807,434	6,618,478	2,188,956	-	(4)

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.
- (4) The debt was fully paid off in 2024.

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
2016 (estimate)	12,817	61,653	45,110	2.10
2017 (estimate)	13,342	69,718	46,160	2.70
2018 (estimate)	13,227	68,833	46,160	1.79
2019 (estimate)	13,260	66,898	48,240	1.24
2020 (estimate)	13,332	66,898	48,240	1.15
2021 (estimate)	13,096	75,510	52,970	4.38
2022 (estimate)	13,191	74,666	52,970	0.77
2023 (estimate)	12,540	96,464	52,970	0.63
2024 (estimate)	13,568	98,806	52,970	1.09
2025 (estimate)	13,901	102,268	52,970	1.45

Sources: Business Development Board
US Census Bureau

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

VILLAGE OF NORTH PALM BEACH
PRINCIPAL EMPLOYERS
2025 & 2016 Presented

<u>Employer</u>	<u>2025</u>		<u>2016</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Palm Beach Country School District	22,801	2.92%	21,200	2.98%
State Government	10,525	1.35%	1,618	0.23%
Federal Government	7,027	0.90%	6,265	0.88%
Florida Atlantic University	6,365	0.81%	2,761	0.39%
Palm Beach County Government	6,130	0.78%	5,928	0.83%
Tenet Coastal Division PBC	5,734	0.73%	6,136	0.86%
NextEra Energy (Florida Power & Light)	6,139	0.79%	4,021	0.57%
Baptist Health South Florida Hospital (2)	6,773	0.87%	2,200	0.31%
Veterans Health Administration	2,948	0.38%	2,468	0.35%
Hospital Corporation of America (HCA) (1)	2,850	0.36%	3,550	0.50%
Jupiter Medical Center	2,495	0.32%	1,907	0.27%
The Breakers Hotel	2,400	0.31%	2,000	0.28%
Office Depot	2,000	0.26%	2,034	0.29%
Florida Crystal Corp.	2,000	0.26%	2,000	0.28%
Pratt & Whitney	2,000	0.26%		0.00%
City of Boca Raton	1,857	0.24%	1,499	0.21%
City of West Palm Beach	1,605	0.21%	1,420	0.20%
	<u>91,649</u>	<u>11.75%</u>	<u>67,007</u>	<u>9.43%</u>

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

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

Notes:

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Number of Employees:										
General Government										
Village Manager										
Full-Time	2	4	4	4	4	4	3	3	3	4
Part-Time	0	1	1	1	1	0	0	1	0	0
Information Technology										
Full-Time	3	3	3	3	3	3	4	4	5	5
Part-Time	0	0	0	0	1	1	0	0	0	0
Human Resources										
Full-Time	2	2	2	2	2	2	2	3	3	4
Part-Time	2	2	2	2	2	2	2	1	0	0
Village Clerk										
Full-Time	3	3	3	3	3	3	3	2	2	2
Part-Time	0	0	0	0	0	0	0	0	0	1
Finance										
Full-time	7	5	6	6	6	6	6	6	5	6
Part-Time	0	1	0	0	0	0	0	0	0	0
Public Works										
Full-time	34	36	37	37	37	36	32	32	32	33
Part-Time	0	0	0	2	2	2	2	3	3	1
Public Safety										
Police										
Full-time	36	36	38	38	38	38	40	42	42	43
Part-Time	13	13	15	15	15	15	15	15	15	2
Fire Rescue										
Full-time	24	24	24	24	24	24	24	25	26	29
Part-Time	0	0	0	0	0	1	1	0	0	0
Community Development and Planning										
Full-time	12	13	14	15	15	14	14	15	12	12
Part-Time	0	1	1	1	0	2	2	2	7	5
Leisure Services										
Library										
Full-time	7	7	7	7	7	7	7	7	7	7
Part-Time	9	9	7	7	9	9	9	9	9	5
Recreation										
Full-time	6	6	6	6	5	5	5	5	5	9
Part-Time	43	43	42	42	16	17	16	18	27	20
Other Government - Country Club **										
Full-time	8	5	5	6	7	9	10	12	12	12
Part-Time	65	27	27	27	28	26	62	59	62	67
Total Number of Employees Budgeted FY Ending	276	241	244	248	225	226	259	264	277	267

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

** Includes Golf/Pool/Tennis

Source: Village of North Palm Beach Budget Report

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

FUNCTION/PROGRAM	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
PUBLIC WORKS										
Sanitation (Tons of Refuse Collected)	12,556	12,980	12,624	12,330	12,059	12,398	10,683	11,274	11,948	11,206
No. of collection units for solid waste (residential)	7,614	7,614	7,632	7,632	7,627	7,627	7,715	7,715	7,715	7,713
Number of vehicles maintained	92	85	89	88	89	90	97	103	109	124
Number of repair overlays completed (miles)	-	-	-	-	-	-	6.86	2.80	9.00	-
POLICE										
Number of arrests by police officers	247	233	192	134	150	150	161	171	163	147
Number of traffic citations issued	2,494	1,974	2,014	1,184	853	2,038	2,617	2,454	2,150	2,286
FIRE RESCUE										
EMS average response times (minutes)	5.26	5.21	5.37	4.50	5.42	5.44	5.40	5.55	5.20	5.43
Number of EMS calls	1,601	1,746	1,550	1,577	1,452	1,620	1,724	1,705	1,728	1,756
COMMUNITY DEVELOPMENT & PLANNING										
Bldg Dept - Number of Permits, Subpermits and certificates	4,242	4,665	2,173	2,737	4,832	5,103	2,989	4,781	2,696	3,184
Number of code enforcement violations/cases	680	**516/357	**726/317	885	941	327	**217/20	423	470	119
Number of code violations brought to board/magistrate (Calendar Yr End)	42	98	246	263	183***	173	97	47	19	18
RECREATION										
Number of community events presented	48	40	38	24	8	19	23	24	23	25
Number of registrants in athletic programs	1,174	1,109	1,174	1,077	120***	275	435	863	1014	1118
LIBRARY										
Library - Number of Volumes	*57,935	41,161	43,992	45,446	39,886	33,315	30,357	31,015	27,618	28,536
OTHER GOVERNMENT										
Country Club										
Number of Golf Members	265	271	178	198	278	263	208	227	243	218
Number of Tennis/Pool Members	183	183	159	182	241	786	569	308	475	534

Source: Village of North Palm Beach

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

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

*** Variances due to COVID-19

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

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

Function/Program:	<u>2016*</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Government										
No. of General Government Buildings	23	23	23	23	23	23	23	23	23	23
Public Works										
Square Miles	5.18	5.18	5.18	5.18	5.18	5.40	5.40	5.40	5.40	5.40
Miles of Streets	32.30**	32.30	32.30	32.30	32.30	32.30	32.30	32.00	32.30	32.30
Number of Street Lights (within corp surroundings)	513	628****	628	628	628	628	628	628	628	628
Public Safety										
Fire:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Firemen& Officers	0	0	0	0	0	0	0	0	0	0
Number of Firemen/Paramedics/EMTs	23	24	21	23	18	17	18	19	19	22
Number of Fire Captains	0	0	0	0	3	3	3	3	3	3
Police/EMS Protection:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Policemen & Officers	28	28	30	28	30	24	31	31	33	39
Number of Police Captains	2.5	2.5	2.5	2.5	2.5	1	2	2	2	2
Leisure Services										
Recreation/Tennis/Pool										
Number of Parks	4	4	4	4	4	4	4	4	4	4
Public Tennis Courts	2	2	2	2	2	2	2	2	2	2
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Number of Marinas	1	1	1	1	1	1	1	1	1	1
Library										
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Number of Volumes (Printed items only)	48,913	33,502	36,009	37,429	33,672	28,575	26,031	27,068	23,684	24,922
Other Government										
Country Club										
Golf Course	1	1	1	1	1	1	1	1	1	1
Driving Range	1	1	1	1	1	1	1	1	1	1
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Restaurant	1	1***	1***	1	1	1	1	1	1	1
Snack Bar	1	1***	1***	1	1	1	1	1	1	1

Source: Village of North Palm Beach

* Preliminary 2016 information is presented

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

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

**** 173 Village owned/455 FPL owned

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Palm Beach, Florida, as of and for the year ended September 30, 2025, 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, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of North Palm Beach, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nowlen, Holt & Mimes, P.A.

West Palm Beach, Florida
March 11, 2026



NOWLEN, HOLT & MINER, P.A.

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

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

Report on the Financial Statements

We have audited the financial statements of the Village of North Palm Beach, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 11, 2026.

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, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village of North Palm Beach, Florida met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Village of North Palm Beach, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2025.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Village of North Palm Beach, Florida. It is management's responsibility to monitor the Village of North Palm Beach, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

Property Assessed Clean Energy (PACE) Programs

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

Special District Component Units

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

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

Additional Matters

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

Single Audits

The Village expended less than \$1,000,000 of federal awards and less than \$750,000 of state financial assistance for the fiscal year ended September 30, 2025, and was not required to have a federal single audit or a state single audit.

Purpose of this Letter

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

Nowlen, Holt & Miner, P.A.

March 11, 2026
West Palm Beach, Florida



NOWLEN, HOLT & MINER, P.A.

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

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WILLIAM C. KISKER, CPA
NANCY V. SALIB, CPA

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

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We have examined the Village of North Palm Beach, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2025. Management of the Village of North Palm Beach, Florida is responsible for the Village of North Palm Beach, Florida’s compliance with the specified requirements. Our responsibility is to express an opinion on the Village of North Palm Beach, Florida’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village of North Palm Beach, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village of North Palm Beach, Florida complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Village of North Palm Beach, Florida’s compliance with the specified requirements.

In our opinion, the Village of North Palm Beach, Florida complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2025.

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, 2026