



THE VILLAGE OF PALM SPRINGS, FLORIDA



Annual Comprehensive Financial Report

Fiscal Year Ended
September 30, 2021

The cover photo this year is capturing our newly renovated Lakewood Garden Park. This park was originally a Palm Beach County Park, then when the Village annexed this neighborhood and park, we began the process to refresh and expand the facilities to give it that “Palm Springs” neighborhood feel. The park renovations included the new playground equipment, shade structures, playground surface, resurfaced and renovated basketball courts, new picnic shelter pavilion, picnic tables, grills, benches, and landscaping.

These improvements were funded by the Village and the Florida Department of Environmental Protection, land and water conservation grant program.

This picture was taken by Lisa Turner, Administrative Assistant for the Parks & Recreation Department. I was fortunate to hire Lisa almost 30 years ago to serve as a customer service representative in our utility office. Her dedication to the Village as an employee and resident were obvious and she was quickly recruited to serve in her current position. Lisa has been the friendly voice on our phone system and often at the counter in Parks and Recreation helping parents and kids enroll in our recreation activities. Thank you, Lisa, for capturing a great picture of this newest addition to our parks.

Rebecca L. Morse
Chief Financial Officer

The seal of The Village of Palm Springs, Florida, is a circular emblem. It features a central shield with a palm tree and a sun. The shield is surrounded by a blue ring containing the text "THE VILLAGE OF PALM SPRINGS" at the top and "FLORIDA" at the bottom. The text "Palm Springs" and "Palm Beach County" is faintly visible in the background of the seal.

**THE VILLAGE OF
PALM SPRINGS, FLORIDA**

Annual Comprehensive
Financial Report

**Fiscal Year Ended
September 30, 2021**

**Prepared by:
Finance Department**

**Rebecca L. Morse, CGFO, CPFO
Chief Financial Officer**

VILLAGE OF PALM SPRINGS, FLORIDA

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INTRODUCTORY SECTION

VILLAGE OF PALM SPRINGS

FINANCE DEPARTMENT



March 30, 2022

*The Honorable Mayor, Members of
the Village Council and Residents
of the Village of Palm Springs*

The Finance Department is pleased to present the Village's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021, which also includes the Independent Auditors' Report. The ACFR has been prepared in accordance with the Village Charter, Florida State Statutes and U.S. generally accepted accounting principles (GAAP) for governments. All disclosures necessary to enable the reader to gain an understanding of the Village's financial condition and activities have been included.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. The Village's financial operations are designed with a comprehensive system of internal controls established to safeguard assets from loss, theft, or misuse. The Village's internal control system is designed to provide reasonable, reliable financial records for use in preparing financial statements in accordance with U.S. generally accepted accounting principles. To the best of our knowledge and belief the presented data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the Village as measured by the financial activity of its various funds and the Village as a whole.

Florida Statutes require an annual audit by independent certified public accountants. Marcum LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Village of Palm Springs' financial statements for the fiscal year ended September 30, 2021. The independent auditor's report on the basic financial statements and combining fund financial statements and debt schedules is located at page 1 in the financial section of this report.

Report Format

This report has been prepared and organized to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. By following the guidelines of this program, the report's format facilitates understanding by the residents as well as providing information needed by financial professionals.

The report is presented in four sections: Introductory, Financial, Statistical and Compliance. The Management's Discussion and Analysis (MD&A) located in the Financial Section following the independent auditors' report, together with this transmittal letter contain valuable information for the user of the financial statements and should be read in conjunction with them.

Village profile

The Village of Palm Springs was incorporated in 1957 and is centrally located in Palm Beach County. As part of South Florida's Gold Coast, Palm Beach County is well recognized for its unique lifestyle with a comfortable average year-around temperature of 76 degrees, 45 miles of beaches, 160 challenging golf courses and many cultural attractions. These elements and many more combine to create an unequaled quality of life that has attracted a diverse population from retirees to young professionals.

Palm Springs is an attractive, affordable community offering a mix of single-family homes, townhomes and condominiums combined with all the services working families and retirees look for. As a full-service municipality, the Village strives to meet the needs and desires of the entire spectrum of residents by providing law enforcement, a public library, parks and recreation facilities and activities, sanitation and recycling services, water and sewer services, road and street maintenance and beautification as well as general government support services.

The Village's enterprise operation consists of two water treatment plants. The first plant, located within the Village, is a 6-million-gallon treatment facility. The second plant, dedicated to former Public Service Director Robert L. Pratt, is in unincorporated Palm Beach County and is a 3-million-gallon treatment facility with expansion capabilities to 4 million gallons.

The Village's sewer treatment is handled through two connections to the East Central Regional Wastewater Treatment Facilities. The Village has agreements with Palm Beach County for one connection and with the City of Lake Worth for the second. As of September 30, 2021, our utility system had 20,413 water customers and 19,332 sewer customers. Approximately 60% of total connections serve our residents; the other 40% of our connections are in the unincorporated area.

The Village operates under a Council-Manager form of government. Four Council members are elected at large each representing a district in which they must reside. The Mayor is elected at large and may reside in any of the four districts. The Mayor and four council members are elected to serve four year overlapping terms. Day to day operation of the Village is under the direction of the Village Manager who is appointed by the Village Council.

Economic outlook and financial planning

The Village's population has increased 19%, from 19,769 in 2012 to the current estimate of 23,560. Over the same ten-year period the Village's assessed taxable value grew from \$599,341,649 in 2012 to a new high of over \$1.4 billion this year an increase of \$838,854,105 or 240%. The taxable values increased by \$113 million or 8.5% over fiscal year 2020. We believe the taxable values are back on the rise as the economy recovers to pre-COVID status. The State of Florida has led the way in economic recovery from the pandemic and it is reflected in our revenues this year.

The Village successfully created two community redevelopment districts (CRA) one for Lake Worth Road area and the second for Congress Avenue north of Forest Hill Boulevard. This fiscal year was the first year the tax increment financing (TIF) became active. The Village expects to spur re-development and new developments in these areas using tax increment financing. The Village CRA Board and the Village Council adopted a budget for the two districts. The CRA ended the year with \$73,728 combined fund balance which will be appropriated to fund CRA projects in fiscal year 2022. The budget to actual statement for the CRA is available on page 111 of this report.

As of September 30, 2021, the General Fund had a total fund balance of \$21,377,493. The components of fund balance, in accordance with GASB 54, are detailed as follows:

Total fund balance	\$21,377,493
Nonspendable – Inventory	91,665
Restricted for sales tax infrastructure capital projects	5,819,242
Assigned to:	
Disaster recovery	3,000,000
Future capital projects	1,500,000
Subsequent year’s budget	<u>1,443,578</u>
Unassigned fund balance	<u>\$ 9,523,008</u>

Fortunately, the Village has been very conservatively managed; the Village has assigned \$3.0 million for disaster recovery and together with the \$1.5 million assigned for large capital acquisitions or replacements prudently providing for the on-going operations of the Village and preparing for potential disasters or economic downturn.

The General Fund's unassigned fund balance represents 34.5% of the General Fund budget for fiscal year 2022. Our goal is to maintain this unassigned fund balance in the 20-25% range. The Village’s purpose for building our fund balance to this level is to have adequate resources during the “rainy days.” The Village will always seek to balance the budget with current resources, but we have prudently provided funds for the potential economic fluctuations and provide a financial hedge of protection for our community.

The Village’s 5-Year Capital Improvement Budget includes updates for the proposed years through FY 2025 and new capital items were added for FY 2026.

The Village evaluates one third of our roads and streets annually using a pavement rating system, based on this evaluation the Village budgets funds to maintain the roads and street network with at least 80% of the system rated at a good or better condition based on the pavement rating system. A schedule showing the annual expenditures for the last ten years to maintain this network is located on page 96 of this report.

The Village Council legally adopts a formal budget for the General Fund. The Village maintains budgetary control at the department level of expenditure. All expenditures more than \$5,000 or more require the Village Manager's authorization, and expenditures over \$25,000 require approval by the Village Council and/or competitive bid. Budget transfers within a department are handled administratively. The Village Council must approve budget transfers between departments or budget amendments, which increase or decrease the total fund.

A schedule comparing the original budget, revised budget and actual revenues and expenditures is located on pages 90-93 of this report.

Major initiatives

In December, the police department held its 10th annual “Stuff-A-Cruiser” toy drive and fund raiser. To successfully have the event this year, the department had to find a creative way to hold the drive in a COVID safe manor, so they partnered with several external organizations and wrapped a police cruiser and drove it to various business locations throughout the community to collect as many toys as possible. Several members represented the department including individuals from the Community Policing Unit, the Criminal Investigation Division, the Support Services Division, and Reserve Officers all participated. More

than \$11,300 was raised to donate to the Salvation Army and Adopt-A-Family organizations. In addition, several hundred toys were donated and given to the Salvation Army and Adopt-A-Family for needy families. Despite the limitations on the event with COVID this was the departments most successful year. The generosity of our community shines through opportunities like this.

Parks and Recreation renovated Lakewood Garden Park (previously owned by Palm Beach County) installing new playground equipment, shade structures, basketball courts and picnic tables. A picture of the newly renovated park is on the cover of this report. The Village continues to expand our Pathway Connector Park linking a popular walking pathway to numerous Village parks and including amenities such as benches and water fountains for walkers and their furry friends.

The library has replaced its south door entrance with a new hurricane impact rated automatic sliding door. We also completed our AC project which allowed us to replace all our old and broken existing units with brand new ones. The library replaced and updated some of its landscape, painted inside of library during the shutdown from Covid-19. We installed two new TVs in our Teen area and updated some lighting inside and outside of the library. All our patron computers received a new Office 2019 suite update with more options for our patrons to use for their personal use. We also started new services for our patrons with Hoopla.com which is a new platform for e-books, e-magazines, music and streaming of movies and shows. Also, we now offer Tutor.com for our patrons' helping students of all ages with schoolwork, career help, Citizen and Immigration help as well.

The library was awarded by the National Science Foundation, the Space Science Institute's National Center for Interactive learning, the American Library Association, Twin Cities PBS, Institute for learning Innovation and Education Development Center a grant in the amount of \$15,000 to be used within the next four years. With these funds the library will be able to target our Hispanic community, focusing on young Hispanic girls learning innovation and promote the interest in science, technology, engineering, and mathematics to our younger future engineers.

Our Public Works department continued to be our COVID safety heroes. They sanitized Village facilities on a regular basis, made sure all Village staff had masks, hand sanitizer and other personal protective equipment as needed. When our lawn maintenance contractor resigned this department stepped in to maintain all Village facilities including parks, medians, traffic islands, and common grounds at all our buildings. Public Works also coordinated the milling and resurfacing of six roads this year and manages all the logistics for Village events.

To promote economic development, the Village continued its popular Property Improvement Grant Program. This is a matching grant of up to 50% (up to \$5,000) for improvements to residential and commercial property structures. The improvement project must include construction/renovation of the street facing façade of the building or driveway. Now in its seventh year, the Village granted 16 awards totaling \$202,736 in improvements and \$74,690 was distributed as the Village match.

The Village Council was successful in creating a Community Redevelopment Agency (CRA) in 2020. To administer the activities and programs that can be offered within community redevelopment areas pursuant to Chapter 163, Part III, Florida Statutes, the Village adopted Finding of Necessity reports for two proposed CRA districts on March 28, 2019. On September 16, 2019, the Palm Beach County Board of County Commissioners delegated redevelopment powers conferred by these statutes to the Palm Springs Village Council, with conditions that are outlined in an interlocal agreement. On November 14, 2019, the Village Council created a CRA with two districts (Congress Avenue and Lake Worth Road) via Ordinance 2019-19. This fiscal year is the first operating year for the CRA. The CRA received \$136,888 total in TIF (tax increment revenues) including the Village's contribution of \$68,581.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palm Springs for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The Village of Palm Springs has received a Certificate of Achievement for the last thirty-three consecutive years (fiscal years ended 1988-2020). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

As this year enters the history books, we cannot ignore the impact COVID has had on our lives for a second year, but now as we can see the light of recovery and gradually begin to return our lives, Village services and businesses to pre-pandemic activity, we need to cherish what we have learned from this experience.

As public servants we have a commitment to be prepared for the unexpected, to do our best to be equipped when the next unexpected event occurs and enable our employees, residents, and businesses to recover and build a stronger foundation.

I am blessed to be supported by the strongest of foundations – my finance staff. Mariana Ortega, Assistant Finance Director, Accountants Nataly Cintron and Sylvia Ward and Accounting Technicians Pisurki Rodriguez and Mayra Ramirez. Every day they give their best to every situation, they bring their skills, their dedication, and integrity to provide the highest quality results. I am better for all they contribute to making us a great Finance team. Thank you!

Respectfully submitted,

A handwritten signature in cursive script that reads "Rebecca L. Morse". The signature is written in black ink and is positioned below the text "Respectfully submitted,".

Rebecca L. Morse, CGFO, CPFO
Chief Financial Officer

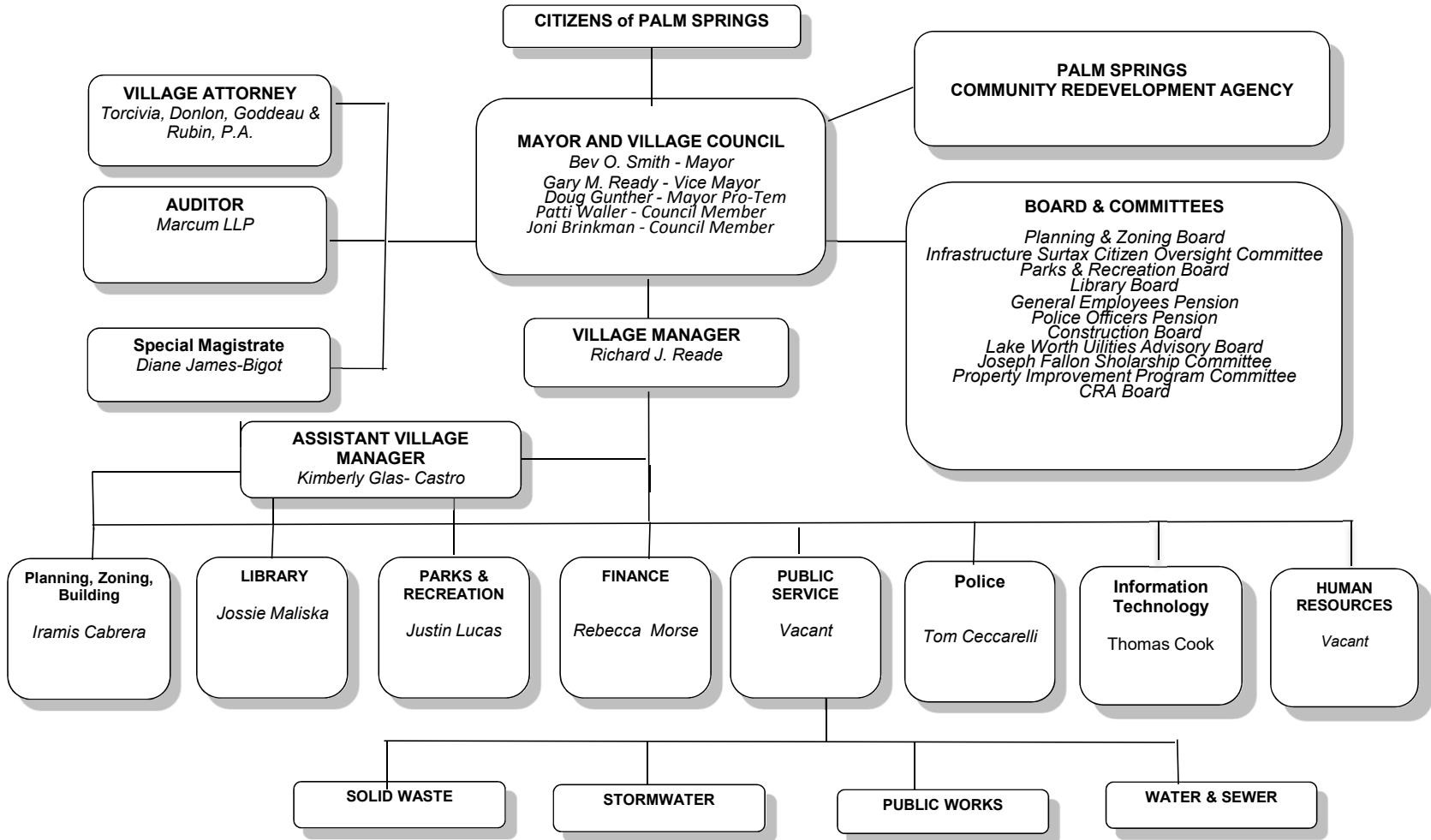
VILLAGE OF PALM SPRINGS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2021

<u>Title</u>	<u>Name</u>
Mayor	Bev O. Smith
Vice Mayor	Gary M. Ready
Mayor Pro-Tem	Doug Gunther
Council Member	Patti Waller
Council Member	Joni Brinkman
Village Manager	Richard J. Reade
Assistant Village Manager	Kim Glas-Castro
Chief Financial Officer	Rebecca L. Morse
Public Services Director	Vacant
Public Safety Director	Tom Ceccarelli
Village Clerk	Kimberly Wynn
Library Director	Jossie Maliska
Parks & Recreation Director	Justin Lucas
Planning, Zoning and Building Director	Iramis Cabrera
Village Attorney	Glen J. Torcivia
Human Resource Director	Vacant

**VILLAGE OF PALM SPRINGS, FLORIDA
ORGANIZATIONAL CHART**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Palm Springs
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Village Council, and Village Manager
Village of Palm Springs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Palm Springs, Florida (the "Village"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-17, the budgetary comparison information on pages 90-95, the condition rating of the Village's street system on page 96, the schedule of changes in the net pension liability (assets) and related ratios for the general employees pension fund and police officer pension fund on pages 97-100, the schedule of the Village contributions on page 101-102, the schedule of the Village's proportionate share of the net pension liability and schedule of the Village's contributions for the Florida retirement system pension plan and retiree health insurance subsidy program on pages 103-106, the schedule of investment returns on page 107, and the schedule of changes in the total OPEB liability and related ratios on page 108 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining fund financial statements and debt schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and debt schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and debt schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2022 on our consideration of the Village'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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, Florida
March 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

As management of the Village of Palm Springs, we are presenting this discussion and analysis (MD&A) to provide a narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2021. Please read it in conjunction with the accompanying transmittal letter beginning on page i and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The Village's total net position at September 30, 2021 is \$106.4 million. Of this amount, \$37.5 million (unrestricted net position) may be used to meet the Village's ongoing obligations to residents and creditors.
- Governmental net position is \$30.8 million, an increase of \$6.4 million from 2020 operations.
- Business-type net position was \$75.5 million, an increase of \$5.3 million from 2020 operations.
- The total revenues from all sources were \$43.4 million, an increase of \$2.4 million.
- The total cost of all Village programs was \$31.6 million, a decrease of \$1.5 million.
- For 2021, the Village's governmental funds revenues and other financing sources exceeded expenditures by \$3,421,502.
- Revenues and other financing sources in the General Fund exceeded total expenditures by \$3,356,393.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,523,008, or 49.7% of total General Fund expenditures.
- The Village's total noncurrent liabilities decreased by \$9.4 million during the current fiscal year. The Village governmental activities long term liabilities decreased by \$6.8 million, and the business activities long term liabilities decreased by \$2.6 million. The decreases are primarily attributable to pension liabilities.
- The total OPEB liability increased \$47,353 to \$625,812 at September 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements including four components which are:

1. Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Village as a whole.
2. Fund financial statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.
3. Notes to the financial statements.
4. Other information.

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

Government-wide Financial Statements

A frequently asked question regarding the Village's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Village's net position and changes therein. Net Position is the result of assets plus deferred outflows of resources minus liabilities and deferred inflows of resources. Net Position is one way to measure the Village's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether the financial health is improving or deteriorating. The Statement of Net Position and the Statement of Activities present information about the following:

- **Governmental activities** - All of the Village's basic services are considered to be governmental activities, including the Village Council, Village Manager, Village Clerk, Finance, Planning, Zoning & Building, Police, Sanitation and Recycling, Public Works (road and street maintenance), Library and Parks and Recreation Services. The Village's general obligation debt is also included in the governmental activities. Effective October 1, 2020, the Village's new Community Redevelopment Area (CRA) and the new American Rescue Plan fund are included within the governmental activities.
- **Business type activities/Enterprise Fund activities** - The Village charges a fee to customers to cover all the cost of the services provided. The Village's Water and Sewer Utility and Stormwater Utility are reported in this category.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the Village as a whole. Some funds are required to be established by State law. However, management establishes other funds, which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants and other money. The Village's three kinds 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 the governmental funds. Governmental funds focus on how resources flow in and out, with the balances remaining at year-end that are available for spending. 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 readily converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general governmental 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 of Palm Springs has six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the new American Rescue Plan Fund. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 109-110 of this report. The basic governmental fund financial statements can be found on pages 21-24 of this report.

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

- **Proprietary funds** - The Village has two enterprise funds: the Water and Sewer Utility Fund and the Stormwater Utility Fund. The Water and Sewer Utility Fund and the Stormwater Utility Fund account for the operations of the water and wastewater utility and stormwater utility, respectively, and charge customers for the services it provides. Enterprise funds are reported on the full accrual basis of accounting in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The basic proprietary fund financial statements can be found on pages 25-28 of this report.
- **Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The Village maintains two fiduciary funds; the General Employees' Pension Trust Fund and the Police Employees' Pension Trust Fund. 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 29-30 of this report. Individual fund data for each of the pension funds is provided in the form of combining statements on pages 112-113 of this report.

Notes to the Financial Statements

The notes to the financial statements are provided to communicate additional information that is essential to obtaining a comprehensive understanding of the data contained in the government-wide and fund financial statements. The notes to the financial statements are located on pages 31-89 of this report.

Other Information

In addition to the basic financial statements and notes, this annual report also presents certain required supplementary information which includes a budgetary comparison schedule for the General Fund together with notes pertaining to the budget schedule. The Village also presents information concerning the condition rating of its streets and progress in funding its obligation to provide pension benefits to its employees in this section. Required supplementary information can be found on pages 90-108.

The combining fund financial statements of the nonmajor governmental funds and the combining fund financial statements of the fiduciary funds are presented on pages 109-113 of this report. Immediately following the combining fund financial statements, the Village includes schedules of long-term debt. These schedules detail the principal and interest payments due by issue and fiscal year through maturity. These schedules are located on pages 114-116 of this report.

The statistical section located on pages 117-146 of this report presents schedules providing details about the financial trends, revenue capacity, debt capacity, demographic, economic and operating information to assist the user in understanding the Village's financial statements and overall financial health.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities and deferred inflows of resources by \$106.4 million, approximately \$11.7 million more than fiscal year 2020. The net assets of the Village at September 30, 2021 and 2020 are summarized as follows:

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

Village of Palm Springs
Net Position Summary

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 28,958,837	\$ 19,450,289	\$ 41,588,300	\$ 37,387,891	\$ 70,547,137	\$ 56,838,180
Net Pension Asset	7,721,467	1,512,005	2,341,869	351,125	10,063,336	1,863,130
Capital assets	19,177,741	18,578,673	46,990,662	47,639,022	66,168,403	66,217,695
Total assets	55,858,045	39,540,967	90,920,831	85,378,038	146,778,876	124,919,005
Deferred Outflows of Resources						
Deferred amount related to pension	2,500,689	3,529,065	658,116	877,034	3,158,805	4,406,099
Deferred amount related to OPEB	58,455	58,455	24,589	24,589	83,044	83,044
Total Deferred Outflows of Resources	2,559,144	3,587,520	682,705	901,623	3,241,849	4,489,143
Liabilities:						
Long-term debt outstanding	8,944,532	15,791,987	10,631,825	13,181,023	19,576,357	28,973,010
Other liabilities	7,221,243	1,134,954	2,388,407	2,175,982	9,609,650	3,310,936
Total liabilities	16,165,775	16,926,941	13,020,232	15,357,005	29,186,007	32,283,946
Deferred Inflow of Resources						
Deferred amount on refunding	--	--	82,357	89,466	82,357	89,466
Deferred amounts related to pensions	11,397,455	1,790,226	2,999,015	607,756	14,396,470	2,397,982
Deferred amount related to OPEB	2,066	2,066	869	869	2,935	2,935
Total Deferred Inflows of Resources	11,399,521	1,792,292	3,082,241	698,091	14,481,762	2,490,383
Net Position:						
Net investment in capital assets	15,376,403	14,490,482	37,241,000	37,408,106	52,617,403	51,898,588
Restricted for net pension asset	7,721,467	--	2,341,869	--	10,063,336	--
Restricted for law enforcement	44,670	54,669	--	--	44,670	54,669
Restricted for debt service	250,842	249,462	--	--	250,842	249,462
Restricted for sales tax capital projects	5,819,242	4,172,367	--	--	5,819,242	4,172,367
Restricted for Lake Worth Rd CRA	10,471	--	--	--	10,471	--
Restricted for Congress Ave CRA	63,257	--	--	--	63,257	--
Unrestricted	1,565,541	5,442,274	35,918,194	32,816,459	37,483,735	38,258,733
Total net position	\$ 30,851,893	\$ 24,409,254	\$ 75,501,063	\$ 70,224,565	\$ 106,352,956	\$ 94,633,819

The largest portion of the Village's net position (49.5%) reflects its investment in capital assets (land, buildings, machinery and equipment), net of related debt and any deferred inflows/outflows used to acquire these assets. The Village uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (\$16.3 million or 15.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$37.5 million or 35.2%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the Village has positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

Village of Palm Springs
Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 4,023,198	\$ 3,244,219	\$ 22,088,804	\$ 21,614,837	\$ 26,112,002	\$ 24,859,056
Operating grants and contributions	224,748	240,254	70,941	6,902	295,689	247,156
Capital grants and contributions	462,112	1,019,323	663,691	134,188	1,125,803	1,153,511
General revenues:						
Property taxes	5,282,944	4,905,214	--	--	5,282,944	4,905,214
Utility service taxes	2,900,695	2,790,188	--	--	2,900,695	2,790,188
Franchise fees	1,564,478	1,505,749	--	--	1,564,478	1,505,749
Sales and use taxes	4,375,231	3,792,719	--	--	4,375,231	3,792,719
Business taxes	408,662	394,669	--	--	408,662	394,669
Intergovernmental, unrestricted	1,015,662	851,029	--	--	1,015,662	851,029
Investment earnings	14,685	110,534	68,545	186,550	83,230	297,084
Impact fees	24,559	--	--	--	24,559	--
Miscellaneous	97,508	144,641	78,243	52,003	175,751	196,644
Total revenues	20,394,482	18,998,539	22,970,224	21,994,480	43,364,706	40,993,019
Expenses:						
Program expenses:						
General government	2,999,956	2,879,926	--	--	2,999,956	2,879,926
Public Safety	8,375,773	9,446,884	--	--	8,375,773	9,446,884
Sanitation and Recycling	1,317,299	1,173,626	--	--	1,317,299	1,173,626
Transportation	2,126,730	2,201,178	--	--	2,126,730	2,201,178
Economic Environment	63,160	--	--	--	63,160	--
Culture/Recreation	1,602,340	1,644,442	--	--	1,602,340	1,644,442
Interest on long-term debt	115,737	124,680	--	--	115,737	124,680
Water and Sewer Utility	--	--	15,044,454	15,595,379	15,044,454	15,595,379
Stormwater Utility	--	--	120	12,885	120	12,885
Total Expenses	16,600,995	17,470,736	15,044,574	15,608,264	31,645,569	33,079,000
Change in net position before transfers	3,793,487	1,527,803	7,925,650	6,386,216	11,719,137	7,914,019
Transfers	2,649,152	2,490,099	(2,649,152)	(2,490,099)	--	--
Increase in net position	6,442,639	4,017,902	5,276,498	3,896,117	11,719,137	7,914,019
Net Position - October 1	24,409,254	20,391,352	70,224,565	66,328,448	94,633,819	86,719,800
Net Position - September 30	\$ 30,851,893	\$ 24,409,254	\$ 75,501,063	\$ 70,224,565	\$ 106,352,956	\$ 94,633,819

Governmental Activities

Revenues: Governmental activities increased the Village’s net position by \$3,793,487. Charges for Services contributed with an increase of \$778,979 over fiscal year 2020. The largest increases were in the Public Safety activities \$533,659 which was generated by increased building permit fees from one new large development and a complete renovation of a credit union and as well as increased demand for police detail officers back at businesses as they began returning to pre-COVID operations. Charges for Services within General Government increased \$199,941 from increased fees for violations of the Village code of ordinances. Physical Environment increased \$10,635 due to annexed properties paying for Sanitation services. Culture Recreation increased slightly \$29,744 with increased participation in the Village’s camp programs as compared to fiscal year 2020 as programs were opening up after the COVID reduced activities.

Operating grants and contributions decreased \$15,506 compared to 2020 due primarily to the FEMA funds that we received in 2020 but did not receive in 2021.

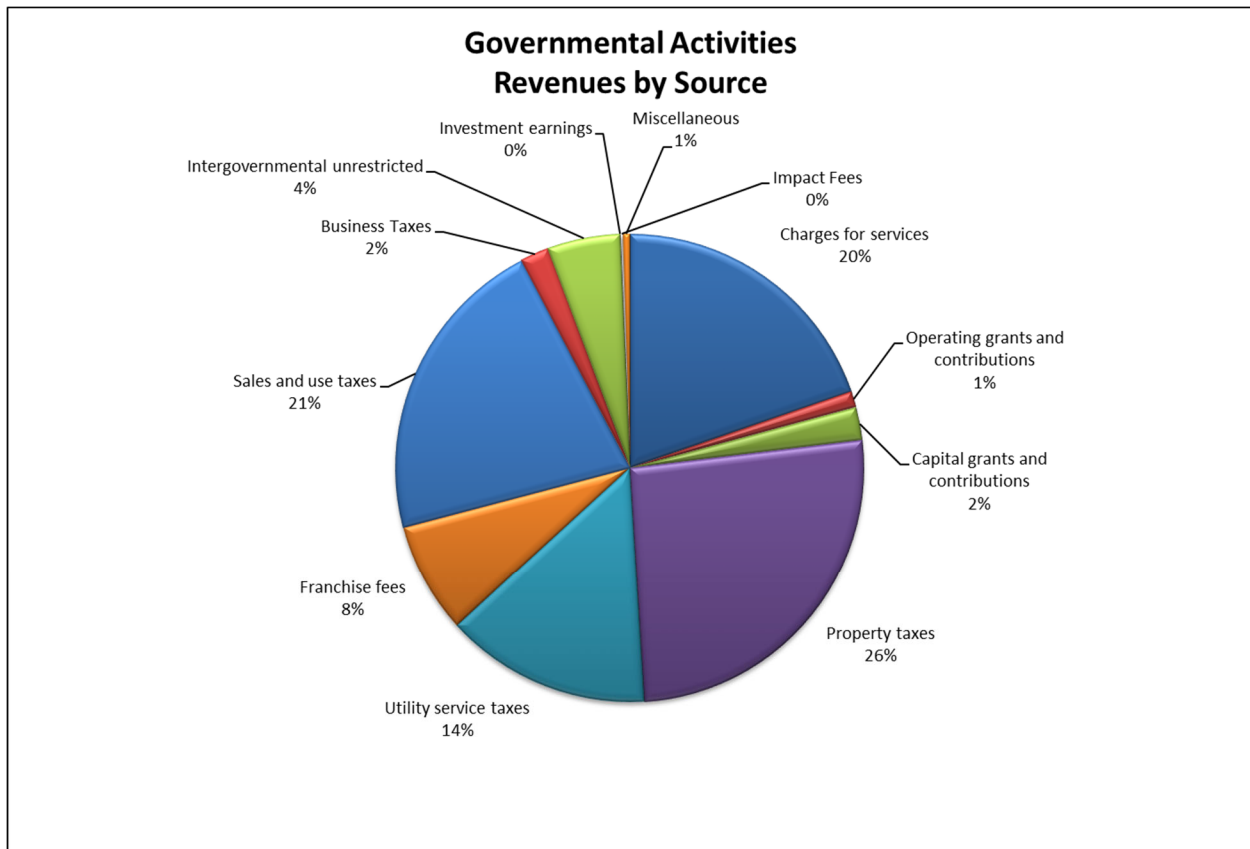
VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

Capital grants and contributions totaled \$462,112 in fiscal year 2021, a decrease of \$557,211 compared to fiscal year 2020. In 2020 the Village received \$450,908 more in Community Development Block Grant (CDBG) funds compared to 2021. This year is the first year of operations for the Community Redevelopment Agency and we received \$68,307 from Palm Beach County as their portion of the tax increment financing (TIF).

Property taxes increased by \$377,730 or 7.7% over fiscal year 2020, the Village's taxable value increased by \$113,379,880 or 8.6% over fiscal year 2020. Other taxes (utility, franchise, sales and use and business taxes) increased \$765,741 or 9% primarily due to the economy coming out of COVID decline.

The Village's governmental activities revenues by source are summarized as follows:



Ad valorem taxes represented 26% of total governmental activity revenues this fiscal year which is the same as fiscal year 2020. Utility service taxes decreased its share of the pie by 1% compared to 2020, sales and use taxes gained that 1% and franchise fees remained the same as 2020. Revenues derived from capital grants decreased by 3% compared to 2020 and charges for services increased by that same 3%. Operating grants and contributions remained the same (1%) as 2020.

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

Expenses: The Village’s programs include General Government, Public Safety, Sanitation and Recycling, Transportation, Economic Environment and Culture/Recreation. General Government includes the legislative, executive, financial, informational technology and other general operations of the Village. Public Safety includes police, and planning, zoning, building, licensing and code enforcement operations. Transportation includes our street maintenance and public works operations. Economic Environment is new this fiscal year and represents the operations of our Community Redevelopment Agency (CRA). Culture/Recreation includes our library, parks and recreation and special events.

General Government expenses increased \$120,030 this reflects the changes in staffing levels, costs of upgrading our phone system hardware and services to VOIP (voice over internet protocol) phone services to reduce future communication expenses and upgrading our security access and monitoring systems.

Public Safety expenses decreased \$1,071,111. Planning, Zoning and Building experienced small increase of \$65,228 due to increased contractual services fees using a company to serve as the Village’s Building Official, and a \$25,736 increase in awards of the Property Improvement Grant. This program will reimburse residents for 50% of certain property improvements up to \$5,000 for improvements such as new roofs and new windows that are expected to improve the properties external appearance as well as property value. Pension expenses decreased significantly related to both the Village Pension Plans (General and Hazardous Employee/Police Officers) and the FRS (Florida Retirement System).

Transportation expenses decreased \$74,448 for fiscal year 2021 compared to fiscal year 2020, this reflects the reduction in pension expenses in the Village’s General Employee pension plan and the FRS (Florida Retirement System).

Culture and recreation experienced a decrease in expenses of \$42,102 for fiscal year 2021 compared to fiscal year 2020, as with Public Safety, and Transportation the decrease is primarily due to the reduction in pension expenses related to both the Village Pension Plans (General Employees) and the FRS (Florida Retirement System).

Below is a schedule presenting the net cost of each program (total cost, less revenues generated by the activities). The net cost shows the extent to which the Village’s general revenues support each of the Village’s programs.

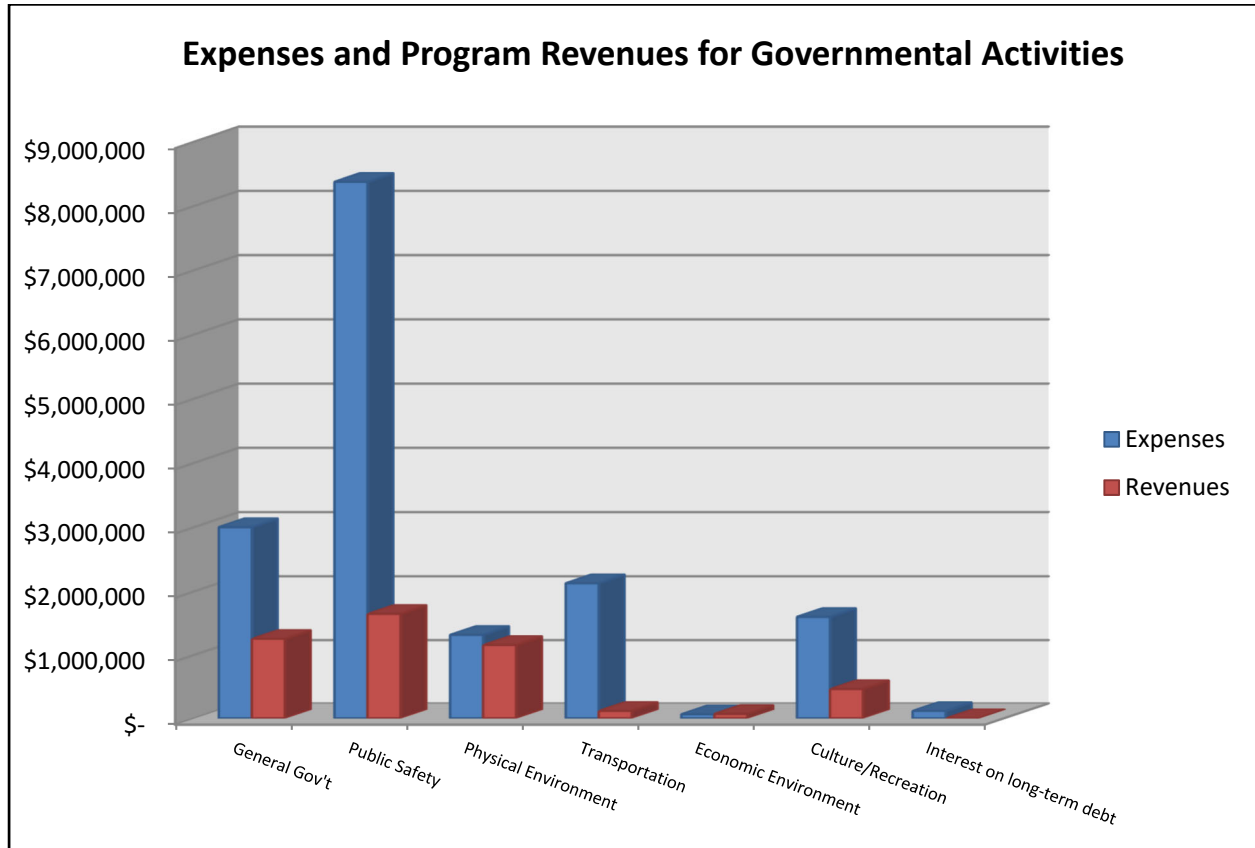
Village of Palm Springs Governmental Activities Net Cost of Services

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2021	2020	2021	2020	2021	2020
General Government	\$ 2,999,956	\$ 2,879,926	\$ (1,255,581)	\$ (1,024,636)	\$ 1,744,375	\$ 1,855,290
Public Safety	8,375,773	9,446,884	(1,648,804)	(1,130,318)	6,726,969	8,316,566
Sanitation and Recycling	1,317,299	1,173,626	(1,157,652)	(1,147,478)	159,647	26,148
Transportation	2,126,730	2,201,178	(117,939)	(198,607)	2,008,791	2,002,571
Economic Environ.	63,160	--	(68,307)	--	(5,147)	--
Culture/Recreation	1,602,340	1,644,442	(461,775)	(1,002,757)	1,140,565	641,685
Interest on long-term debt	115,737	124,680	--	--	115,737	124,680
Totals	\$ 16,600,995	\$ 17,470,736	\$ (4,710,058)	\$ (4,503,796)	\$ 11,890,937	\$ 12,966,940

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

The total cost of all governmental activities this year was \$16.6 million, representing a decrease of \$869,741 or 5.0%. The schedule above shows that \$4.7 million of the cost of services was paid by those who directly benefited from the programs and \$11.9 million was financed through general revenues.



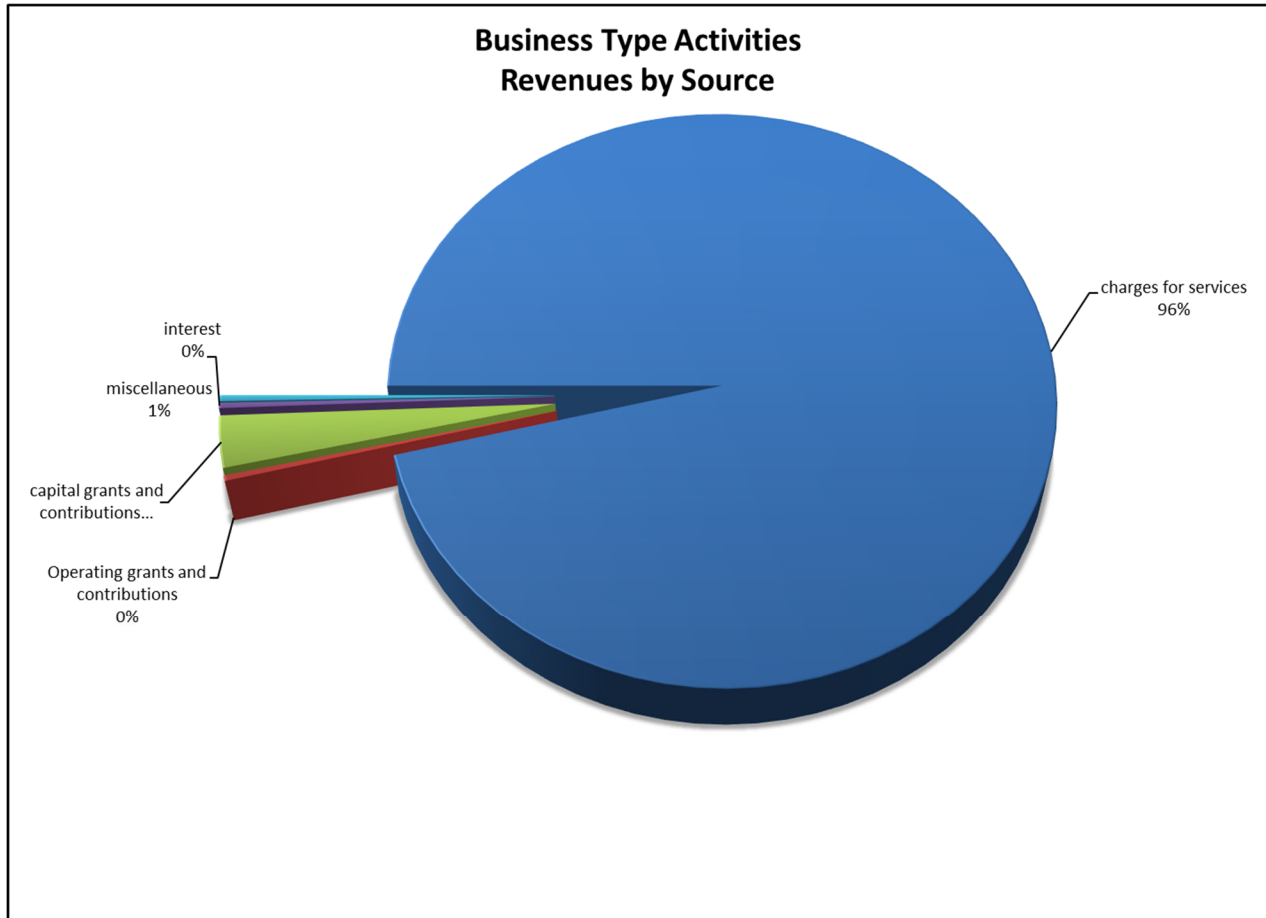
Business-type Activities

The net position of the proprietary funds (Water and Sewer Utility and Stormwater Utility) on September 30, 2021 was \$75.5 million. The cost of providing proprietary (business-type) activities this year was \$15.0 million, as shown in the Statement of Activities, this is a decrease of \$563,690 compared to fiscal year 2020, this reflects the reduction in pension expenses related to both the Village General Employee Pension Plan and the FRS (Florida Retirement System).

The Village Stormwater Utility was established in 2017 and ended the current year with a net position of \$1.9 million or \$596,277 over fiscal year 2020. This increase reflects the stormwater fees collected via non-ad valorem assessment of \$525,456 and \$70,941 in Hazardous Mitigation grant funding for the Stormwater Improvements made to the drainage system on Miller Road less net operating expenses of \$120 (representing depreciation).

Net position increased by \$5,276,498 for the two enterprise funds combined. The following graph shows the source of revenues for the Water and Sewer Utility and Stormwater Utility for the current fiscal year. Revenues derived from charges for services that increased by \$473,967 or 2.2%, which reflects the increase in water and sewer rates implemented in November for services used in October. Capital Grants and Contributions increased \$529,503 reflecting an increase in new service connections and the grant funds received this fiscal year for Stormwater improvements. Interest income decreased by \$118,005 as interest rates declined.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS



FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The governmental funds report on the same functions as the governmental activities in the government-wide statements but the focus of the governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources available at fiscal year-end. This information is useful in evaluating the Village's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$21,746,733 an increase of \$3,421,502, in comparison with the prior year. Revenues increased \$1,453,726. Tax revenue increased \$629,267 due to the increased taxable value, and additional franchise and utility taxes generated by the economy beginning its recovery from the COVID decline. Building permit revenues increased by \$191,367 as the economy is beginning to return to pre-COVID level of business activity and this also includes \$24,559 in impact fees. Intergovernmental revenues increased \$69,240 as a net result of increased revenue from the One-Cent Sales Tax, State Revenue Sharing and Half-Cent Sales Tax, less decreased grant funding including Community Development Block Grant (CDBG), Palm Beach County Recreation grant and Solid Waste Authority (SWA) beautification grant. Charges for services increased by \$453,524 primarily

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

due to the increased business activity as the construction industry and businesses begin to return to pre-Covid service levels.

In fiscal year 2021 expenditures for the governmental funds decreased by \$580,617 compared to fiscal year 2020. General Government expenditures increased \$481,919 or 18.6%, this is primarily due to staffing changes and additional costs for the acquisition and transition to new communications and security systems. Public Safety increased by a minimal amount of \$59,929 or 0.7% which is net personnel salary increases offset by vacancies and reduced pension costs and capital expenditures. Physical Environment costs increased \$143,663 which is increased contractual services for our private garbage hauler. Expenditures for Transportation increased \$115,411 compared to fiscal year 2020 due to professional engineering services to evaluate the Lake Worth Road drainage and operating at full staff levels. Culture/Recreation experienced a decrease in expenditures of \$17,209 from a reduction in Library staffing and personnel changes. The largest change is reflected in capital assets; in 2020 our capitalization threshold was \$1,000 and this threshold was increased to \$5,000 in fiscal year 2021. Also in fiscal year 2020, the Village expended \$516,874 more in Parks and Recreation for park development, \$67,069 for Library renovations, \$409,367 to improve Canal 11 Road and \$447,010 more in police equipment to improve the status of our police fleet.

The governmental funds had a total fund balance of \$21,746,733 comprised of non-spendable fund balance of \$91,665 for inventory; restricted fund balance of \$6,188,482 (\$44,670 for law enforcement, \$250,842 for debt service, \$5,819,242 for infrastructure capital projects financed by the one-cent sales tax and \$73,728 for the new CRA); assigned fund balances of \$3,000,000 for disaster recovery; \$1,500,000 assigned for future capital projects and, \$1,443,578 for the 2021/2022 budget. The balance of \$9,523,008 is unassigned.

The primary operating fund for the Village is the General Fund. At the end of the current fiscal year, in accordance with GASB statement 54 the unassigned fund balance of the General Fund was \$9,523,008, while the total fund balance was \$21,377,493. The unassigned fund balance in General Fund represents 34.5% of the fiscal year 2022 budgeted expenditures. The unassigned fund balance at fiscal year-end 2020 represented 31.9% of the 2021 final budget. The Village's target balance range for unassigned fund balance is 20-25%.

Proprietary Funds

The Village has two proprietary funds, which are both enterprise funds. Enterprise funds present the same functions presented as business-type activities in the government-wide financial statements, but in more detail. The Village of Palm Springs uses an enterprise fund to account for its Water and Sewer Utility operations and its Stormwater Utility operations.

Unrestricted net position for the Water and Sewer Enterprise Fund was \$35.1 million at fiscal year-end, an increase of \$2,968,659 compared to the prior fiscal year. Charges for services revenues increased \$467,776 reflecting increased consumption as businesses and residents moved towards pre-Covid activity levels.

Revenues from capital contributions increased \$529,503 which also reflects the resumption of the building/construction industry recovering from the slowdown/shutdown experienced during the peak of COVID. Operating expenses decreased \$550,925 primarily due to the reduction in pension expense related to both the Village General Employee Pension Plan and the FRS (Florida Retirement System). Total net position for the Water and Sewer Enterprise Fund was \$73.6 million at fiscal year-end, an increase of \$4,680,221 from the prior fiscal year. The increase in net position from operations was \$6,793,770 (operating income).

The Stormwater Utility now in its fourth year of operations had operating revenues of \$525,456 and operating expenses of \$120 for 2021. The Stormwater Utility net position increased by \$596,277 and ended the fiscal year at \$1,918,037.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no differences between total original budget and final budget of \$25,368,987 for the current fiscal year, however there were changes in various revenues and departmental expenditures as follows:

General fund revenues exceeded the budget by \$1,558,173. Revenues from taxes exceeded the budget by \$200,307 with increased property tax revenues from rising property values, new development, and annexations, franchise and utility taxes also increased from new development and annexations. Permits generated \$2,119 less than anticipated as projects did not progress at the anticipated pace as supplies and workforce was in tight supply. Intergovernmental revenues exceeded expected revenues by \$1,105,837 due to significant increases in State Revenue Sharing, Half-cent Sales tax and Local Option Gas Taxes, the budget for these was conservative as the we were not sure what the pace of the recovery would be; fortunately, the State of Florida is recovering faster than forecast. Charges for services came in slightly over budget by \$150,996, the largest increase was in outside police detail that exceeded the budget by \$106,671; this is due to conservative budgeting not anticipating such a quick rebound in demand for these services. Fines and forfeitures exceeded the budget by \$76,218 both court fines and code enforcement violations generated more revenue than anticipated.

General Fund expenditures were \$6,160,395 less than the budget for fiscal year 2021. General government departments in total expended \$1,263,390 less than budgeted due to staffing vacancies, and unexpended capital outlay. Public Safety (Police department and the Planning, Zoning and Building Department) expended \$3,615,588 less than expected due to staffing vacancies and unexpended capital outlay. In the police department we budgeted \$1,206,250 for the building expansion and only expended \$17,160 in architect fees. Expenditures in Transportation were \$667,438 less than anticipated with savings in operating costs and unexpended capital outlay. Culture and Recreation expenditures were \$613,898 less than budgeted primarily due staffing changes in the Library and capital projects that were not completed.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Village of Palm Springs' investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$66,168,403 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, library books, software, roads, sidewalks, bridges, drainage and intangible assets. The governmental activities investment in capital assets increased by \$599,068 or 3.2% compared to fiscal year 2020. The net change includes an increase in assets of \$1,475,314 less an increase of \$876,246 in accumulated depreciation.

Buildings increased \$13,849 for the replacement of the automatic sliding door at the south entrance of the library building.

Improvements other than buildings increased \$737,455 for the Village ballfield renovations, and for playground replacements at Village Center and Royal Palm Park.

Machinery and equipment increased \$588,598 less disposals for a net increase of \$71,511, including \$304,770 in police vehicles, \$ 19,207 in repairs to the Public Safety A/C unit, \$14,025 in two new A/C compressors for Village Hall, \$27,636 in a vehicle for IT, \$47,905 in miscellaneous IT equipment, \$144,674 in Public Works vehicles and equipment, \$9,700 for a water drinking fountain, \$20,681 for a Parks and Recreation vehicle.

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

Construction in progress increased \$656,028 including buildings, park improvements and software system implementation that were all in progress at fiscal year-end. A total of 8 projects were in progress at fiscal year end.

The Village uses the modified approach for infrastructure reporting of its street system. The Village’s policy is to maintain at least 80% of its street system in *good* or *better* condition using the Asphalt Pavement Rating categories of the Asphalt Institute. The rating completed through the most recent year continues to meet or exceed Village policy. For 2022 the estimated maintenance costs were \$350,000 and the actual were \$220,442. More information on the Village’s Street System and condition rating can be found on page 96 of this report.

Business-type activities net investment in capital assets decreased by \$648,360 or 1.4% from fiscal year 2020. Assets increased by \$2,164,415 net an increase in accumulated depreciation of \$2,812,775. Construction in progress increased in the Water and Sewer Enterprise fund by \$1,656,983 representing 27 projects underway at the end of fiscal year 2021. The Stormwater Enterprise fund had an increase of \$76,368 in construction in progress at fiscal year end representing 4 projects.

Additional detailed information regarding capital assets can be found in Note 4. Capital assets at September 30, 2021 and 2020 are summarized as follows:

**Village of Palm Springs
Capital Assets Net of Depreciation**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 729,641	\$ 729,641	\$ 379,987	\$ 379,987	\$ 1,109,628	\$ 1,109,628
Buildings	9,537,396	9,523,547	3,548,668	3,540,154	13,086,064	13,063,701
Improvements other than buildings	5,143,436	4,405,981	91,702,311	91,652,005	96,845,747	96,057,986
Machinery & Equipment	7,197,118	7,125,607	6,258,805	6,273,515	13,455,923	13,399,122
Software & Library Materials	687,308	690,837	34,188	34,188	721,496	725,025
Infrastructure	5,532,268	5,532,268	940,646	553,693	6,472,914	6,085,961
Intangible Assets	--	--	7,174,063	7,174,063	7,174,063	7,174,063
Construction in Progress	1,735,739	1,079,711	2,677,922	944,570	4,413,661	2,024,281
Total Assets	30,562,906	29,087,592	112,716,590	110,552,175	143,279,496	139,639,767
Less Accumulated Depreciation	(11,385,165)	(10,508,919)	(65,725,928)	(62,913,153)	(77,111,093)	(73,422,072)
Total	\$ 19,177,741	\$ 18,578,673	\$ 46,990,662	\$ 47,639,022	\$ 66,168,403	\$ 66,217,695

Debt: At fiscal year end, the Village had a total long-term debt outstanding of \$14,487,955 (excluding other postemployment benefits of \$625,812 and net pension liability of \$4,462,590), a decrease of \$904,014, or 5.9% as compared to fiscal year 2020. Detailed information on the Village’s long-term liabilities is presented in Notes 6, 9 and 10 to the financial statements. Long-term liabilities at September 30, 2021 and 2020 are summarized as follows:

**Village of Palm Springs
Long-Term Liabilities**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General Obligation Bank Note	\$ 3,775,350	\$ 4,088,191	\$ --	\$ --	\$ 3,775,350	\$ 4,088,191
Note Payable	--	--	9,489,094	10,141,450	9,489,094	10,141,450
Compensated Absences	972,168	901,978	251,343	260,350	1,223,511	1,162,328
Other postemployment benefits	431,784	398,452	194,028	180,007	625,812	578,459
Net Pension Liability	3,765,230	10,403,366	697,360	2,599,216	4,462,590	13,002,582
Total	\$ 8,944,532	\$ 15,791,987	\$ 10,631,825	\$ 13,181,023	\$ 19,576,357	\$ 28,973,010

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

The water and sewer 2003 revenue bonds were refinanced in April 2013 with a 20-year bank loan that also provided additional funds of \$5 million for expansion of our wastewater lines. The interest rates on the 2003 revenue bonds ranged from 4.5% to 5.25% compared to the 2013 bank loan interest rate of 2.905%. Additional information on the Village's noncurrent liabilities can be found in Note 5, beginning on page 56 of this report.

In accordance with GASB Statement No. 68 the Village reported a net pension liability of \$4,462,590 of which \$3,765,230 is related to governmental activities and \$697,360 is for business-type activities. For additional information on the Village's pension plans see Note 9, beginning on page 62 of this report.

The liability for other postemployment benefits (OPEB) increased \$47,353 in 2021 to a total of \$625,812 and represents the implicit rate subsidy in retiree health insurance rates. The increase reflects the latest actuarial valuation dated October 1, 2019 performed in accordance with GASB Statement No. 75. Additional information on other postemployment benefits can be found in Note 10, beginning on page 83 of this report.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The Village's assessed taxable value increased for the eighth consecutive year since the fiscal year 2008 recession. This fiscal year our taxable value increased \$113,379,880 or 8.6% over fiscal year 2020 for a total assessed value of \$1,438,195,754. We expect this trend to continue but at a slower rate. Now that the Village has an operating CRA (Community Redevelopment Agency) the property taxes generated in the two defined districts (Congress Avenue and Lake Worth Road) will not be available to the General Fund. This fiscal year that impact was only \$68,581 as the CRA grows so will the impact to the General Fund.

The Village Council maintained the 2020 operating millage rate of 3.50 mills for 2021 and lowered the debt service millage rate by 8.0%. Property tax collections increased \$377,730 or 7.7% over fiscal year 2020, while the taxable value increased 8.6%.

For 2021, property taxes remained 26% of total revenues, sales and use taxes gained 1%, reflecting the recovery in the Florida economy as visitors began returning while utility taxes lost a 1% share of total revenues. Charges for services grew to 20% of total revenues, from 17% in 2020, this is due to the increased activities and participation rates as COVID is on the decline. Capital grants and contributions declined by 3% as the Village received reduced CDBG (Community Development Block Grant) funds in 2021 compared to 2020. This year we happily experienced a greater than anticipated rebound from the COVID impact we experienced in fiscal year 2020.

The Village was awarded \$12,629,526 in American Rescue Plan funds and the Village received \$6,314,763 the first of two distributions in September 2021. The Village is making plans to utilize these funds for stormwater improvements, IT infrastructure improvements and air infiltration improvements to various Village facilities. This funding will enable us to complete numerous stormwater projects ahead of schedule now that the funds will be available and to enhance our IT infrastructure to improve security for our water treatments plants.

Effective October 1, 2009 (fiscal year 2010) the Village transferred fire rescue services to Palm Beach County Fire Rescue. Palm Beach County Fire Rescue MSTU (municipal services taxing unit) now taxes Village property owners \$3.4581 mills per \$1,000 of taxable value. This millage rate is deducted from the Village's legal millage rate limit of 10 mills, limiting our millage rate to \$6.5419.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

The General Fund's unassigned fund balance of \$9,523,008 at September 30, 2021 represents 34.5% of the 2022 adopted budget of \$27,581,106, which is above our target range of 20-25%. The Village Council has prudently assigned \$3.0 million dollars of the General Fund's fund balance for disaster recovery and \$1.5 million for future capital needs.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

Village of Palm Springs
Finance Department
226 Cypress Lane
Palm Springs, FL 33461
561-584-8200 x 8440
www.vpsfl.org

BASIC FINANCIAL STATEMENTS

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 27,766,040	\$ 37,933,341	\$ 65,699,381
Receivables:			
Accounts, net of allowance	96,441	3,241,365	3,337,806
Utility taxes	235,350	--	235,350
Franchise fees	352,984	--	352,984
Intergovernmental	415,404	--	415,404
Grants	953	--	953
Inventory	91,665	413,594	505,259
Net pension asset	7,721,467	2,341,869	10,063,336
Capital assets:			
Capital assets, not being depreciated	7,997,648	3,998,555	11,996,203
Capital assets being depreciated	22,565,258	108,718,035	131,283,293
Accumulated depreciation	(11,385,165)	(65,725,928)	(77,111,093)
Total Assets	55,858,045	90,920,831	146,778,876
Deferred Outflows of Resources			
Deferred amount related to pensions	2,500,689	658,116	3,158,805
Deferred amount related to OPEB	58,455	24,589	83,044
Total Deferred Outflows of Resources	2,559,144	682,705	3,241,849
Liabilities			
Accounts payable and accrued liabilities	542,061	560,443	1,102,504
Contract retainage payable	16,849	63,363	80,212
Accrued interest payable	9,139	114,848	123,987
Deposits	102,580	1,649,753	1,752,333
Unearned revenue	6,550,614	--	6,550,614
Noncurrent liabilities			
Due within one year:			
Notes payable	320,362	671,442	991,804
Compensated absences	92,341	14,762	107,103
Due in more than one year:			
Notes payable	3,454,988	8,817,652	12,272,640
Compensated absences	879,827	236,581	1,116,408
Total OPEB liability	431,784	194,028	625,812
Net pension liability	3,765,230	697,360	4,462,590
Total Liabilities	16,165,775	13,020,232	29,186,007
Deferred Inflows of Resources			
Deferred amount related to debt refunding	--	82,357	82,357
Deferred amount related to pensions	11,397,455	2,999,015	14,396,470
Deferred amount related to OPEB	2,066	869	2,935
Total Deferred Inflows of Resources	11,399,521	3,082,241	14,481,762
Net Position			
Net investment in capital assets	15,376,403	37,241,000	52,617,403
Restricted for:			
Net pension asset	7,721,467	2,341,869	10,063,336
Law enforcement	44,670	--	44,670
Debt service	250,842	--	250,842
Sales tax capital projects	5,819,242	--	5,819,242
Lake Worth Road CRA	10,471	--	10,471
Congress Ave CRA	63,257	--	63,257
Unrestricted	1,565,541	35,918,194	37,483,735
Total Net Position	\$ 30,851,893	\$ 75,501,063	\$ 106,352,956

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 2,999,956	\$ 1,138,393	\$ 57,459	\$ 59,729
Public safety	8,375,773	1,589,620	32,822	26,362
Physical environment	1,317,299	1,157,652	--	--
Transportation	2,126,730	--	117,939	--
Culture/recreation	1,602,340	137,533	16,528	307,714
Economic environment	63,160	--	--	68,307
Interest on long-term debt	115,737	--	--	--
Total Governmental Activities	16,600,995	4,023,198	224,748	462,112
Business-type Activities				
Water and sewer utility	15,044,454	21,563,348	--	663,691
Stormwater utility	120	525,456	70,941	--
Total Business-type Activities	15,044,574	22,088,804	70,941	663,691
Total	\$ 31,645,569	\$ 26,112,002	\$ 295,689	\$ 1,125,803

General Revenues

Taxes:

Property taxes

Utility services taxes

Franchise fees

Sales and use taxes

Business taxes

Intergovernmental, unrestricted

Investment income

Impact Fees

Miscellaneous

Transfers

Total General Revenues

and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

Governmental Activities	Business-Type Activities	Total
\$ (1,744,375)	\$ --	\$ (1,744,375)
(6,726,969)	--	(6,726,969)
(159,647)	--	(159,647)
(2,008,791)	--	(2,008,791)
(1,140,565)	--	(1,140,565)
5,147	--	5,147
(115,737)	--	(115,737)
(11,890,937)	--	(11,890,937)
--	7,182,585	7,182,585
--	596,277	596,277
--	7,778,862	7,778,862
(11,890,937)	7,778,862	(4,112,075)
5,282,944	--	5,282,944
2,900,695	--	2,900,695
1,564,478	--	1,564,478
4,375,231	--	4,375,231
408,662	--	408,662
1,015,662	--	1,015,662
14,685	68,545	83,230
24,559	--	24,559
97,508	78,243	175,751
2,649,152	(2,649,152)	--
18,333,576	(2,502,364)	15,831,212
6,442,639	5,276,498	11,719,137
24,409,254	70,224,565	94,633,819
\$ 30,851,893	\$ 75,501,063	\$ 106,352,956

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 21,082,037	\$ 6,314,763	\$ 369,240	\$ 27,766,040
Receivables:				
Accounts, net of allowance	96,441	--	--	96,441
Utility taxes	235,350	--	--	235,350
Franchise fees	352,984	--	--	352,984
Intergovernmental	415,404	--	--	415,404
Grants	953	--	--	953
Inventory	91,665	--	--	91,665
Total Assets	\$ 22,274,834	\$ 6,314,763	\$ 369,240	\$ 28,958,837
Liabilities				
Accounts payable and accrued liabilities	\$ 542,061	\$ --	\$ --	\$ 542,061
Contract retainage payable	16,849	--	--	16,849
Deposits	102,580	--	--	102,580
Unearned revenue	--	6,314,763	--	6,314,763
Total Liabilities	661,490	6,314,763	--	6,976,253
Deferred Inflows of Resources				
Unavailable revenues	235,851	--	--	235,851
Fund Balances				
Nonspendable:				
Inventory	91,665	--	--	91,665
Restricted for:				
Law enforcement	--	--	44,670	44,670
Debt service	--	--	250,842	250,842
Sales tax capital projects	5,819,242	--	--	5,819,242
Lake Worth Road CRA	--	--	10,471	10,471
Congress Ave CRA	--	--	63,257	63,257
Assigned to:				
Disaster recovery	3,000,000	--	--	3,000,000
Capital projects	1,500,000	--	--	1,500,000
Subsequent year's budget	1,443,578	--	--	1,443,578
Unassigned:				
General fund	9,523,008	--	--	9,523,008
Total Fund Balances	21,377,493	--	369,240	21,746,733
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,274,834	\$ 6,314,763	\$ 369,240	\$ 28,958,837

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total Governmental Fund Balances (page 21) \$ 21,746,733

Amounts reported for governmental activities in the statement of net position are different as a result of:

Net pension assets of defined benefit pension plans are not available, spendable resources and therefore are not reported in governmental funds. 7,721,467

Capital assets used in governmental activities are not available, spendable resources and therefore are not reported in governmental funds:

Cost of assets	\$ 30,562,906	
Accumulated depreciation	<u>(11,385,165)</u>	19,177,741

Deferred outflows/inflows of resources related to defined benefit pension and OPEB plans are reported in the statement of net position but are not reported in the governmental funds:

Deferred outflows of resources related to pensions	2,500,689	
Deferred inflows of resources related to pensions	(11,397,455)	
Deferred outflows of resources related to OPEB	58,455	
Deferred inflows of resources related to OPEB	<u>(2,066)</u>	(8,840,377)

Long-term liabilities, including notes 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:

Note payable	(3,775,350)	
Accrued interest payable on long-term debt	(9,139)	
Compensated absences payable	(972,168)	
Other postemployment benefits liability	(431,784)	
Net pension liability	<u>(3,765,230)</u>	(8,953,671)

Total Net Position (page 18) **\$ 30,851,893**

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 9,726,065	\$ --	\$ 499,022	\$ 10,225,087
Permits and fees	808,381	--	--	808,381
Intergovernmental	5,987,404	--	--	5,987,404
Charges for services	2,596,331	--	--	2,596,331
Fines and forfeitures	327,518	--	--	327,518
Contributions and donations	28,164	--	--	28,164
Investment income	14,685	--	--	14,685
Facility rental	265,865	--	--	265,865
Miscellaneous	141,047	--	--	141,047
Total Revenues	19,895,460	--	499,022	20,394,482
Expenditures				
Current:				
General government	3,074,577	--	--	3,074,577
Public safety	9,042,445	--	9,999	9,052,444
Physical environment	1,317,299	--	--	1,317,299
Transportation	2,170,808	--	--	2,170,808
Culture/recreation	1,476,280	--	--	1,476,280
Economic environment	--	--	63,160	63,160
Capital outlay	2,058,602	--	--	2,058,602
Debt service:				
Principal	--	--	312,841	312,841
Interest and other fiscal charges	--	--	116,494	116,494
Total Expenditures	19,140,011	--	502,494	19,642,505
Excess of revenues over (under) expenditures	755,449	--	(3,472)	751,977
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	20,373	--	--	20,373
Transfers in	2,649,152	--	68,581	2,717,733
Transfers out	(68,581)	--	--	(68,581)
Total Other Financing Sources (Uses)	2,600,944	--	68,581	2,669,525
Change in Fund Balances	3,356,393	--	65,109	3,421,502
Fund Balances - Beginning of Year	18,021,100	--	304,131	18,325,231
Fund Balances - End of Year	\$ 21,377,493	\$ --	\$ 369,240	\$ 21,746,733

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Change in Fund Balances - Total Governmental Funds (page 23) \$ 3,421,502

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 those assets is depreciated over their estimated useful lives:

Expenditures for capital assets	\$ 2,058,602	
Less current year depreciation expense	<u>(1,435,350)</u>	623,252

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds the proceeds from the sale increases financial resources. The change in net position differs from the change in fund balance by the net book value of the assets retired. (24,184)

Some expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources:

Compensated absences	(70,190)	
Other postemployment benefits	(33,332)	
Pension expense	<u>2,211,993</u>	2,108,471

Net effect of accrued interest on long-term debt (difference between amount accrued in prior year and current year accrual) 757

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Principal payments on long-term debt		312,841
--------------------------------------	--	---------

Change in Net Position of Governmental Activities (page 20) **\$ 6,442,639**

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
SEPTEMBER 30, 2021

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Assets			
Current Assets			
Cash and cash equivalents	\$ 37,072,450	\$ 860,891	\$ 37,933,341
Accounts receivable, net of allowance	3,238,658	2,707	3,241,365
Inventory	413,594	--	413,594
Total Current Assets	40,724,702	863,598	41,588,300
Noncurrent Assets			
Net pension asset	2,341,869	--	2,341,869
Capital assets:			
Capital assets not being depreciated	2,909,724	1,088,831	3,998,555
Capital assets being depreciated	108,716,370	1,665	108,718,035
Accumulated depreciation	(65,725,808)	(120)	(65,725,928)
Total Noncurrent Assets	48,242,155	1,090,376	49,332,531
Total Assets	88,966,857	1,953,974	90,920,831
Deferred Outflows of Resources			
Deferred amount related to pensions	658,116	--	658,116
Deferred amount related to OPEB	24,589	--	24,589
Total Deferred Outflows of Resources	682,705	--	682,705
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	524,506	35,937	560,443
Contract retainage payable	63,363	--	63,363
Accrued interest on note payable	114,848	--	114,848
Current portion of note payable	671,442	--	671,442
Current portion of compensated absences payable	14,762	--	14,762
Total Current Liabilities	1,388,921	35,937	1,424,858
Noncurrent Liabilities			
Customer deposits	1,649,753	--	1,649,753
Note payable	8,817,652	--	8,817,652
Compensated absences payable	236,581	--	236,581
Total OPEB liability	194,028	--	194,028
Net pension liability	697,360	--	697,360
Total Noncurrent Liabilities	11,595,374	--	11,595,374
Total Liabilities	12,984,295	35,937	13,020,232
Deferred Inflows of Resources			
Deferred amount on refunding	82,357	--	82,357
Deferred amount related to pensions	2,999,015	--	2,999,015
Deferred amount related to OPEB	869	--	869
Total Deferred Inflows of Resources	3,082,241	--	3,082,241
Net Position			
Net investment in capital assets	36,150,624	1,090,376	37,241,000
Restricted:			
Net pension asset	2,341,869	--	2,341,869
Unrestricted	35,090,533	827,661	35,918,194
Total Net Position	\$ 73,583,026	\$ 1,918,037	\$ 75,501,063

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Operating Revenues			
Water revenues	\$ 8,861,640	\$ --	\$ 8,861,640
Wastewater revenues	11,791,304	--	11,791,304
Stormwater revenues	--	525,456	525,456
Other operating revenues	910,404	--	910,404
Total Operating Revenues	21,563,348	525,456	22,088,804
Operating Expenses			
Personal services	3,797,447	--	3,797,447
Operating expenses	7,930,199	--	7,930,199
Depreciation	3,041,932	120	3,042,052
Total Operating Expenses	14,769,578	120	14,769,698
Operating Income	6,793,770	525,336	7,319,106
Non-Operating Revenues (Expenses)			
Investment income	68,545	--	68,545
Miscellaneous revenues	58,251	--	58,251
Gain on disposal of capital assets	19,992	--	19,992
Operating grants and contributions	--	70,941	70,941
Interest expense and fiscal charges	(274,876)	--	(274,876)
Total Non-Operating Revenues (Expenses)	(128,088)	70,941	(57,147)
Income Before Contributions and Transfers	6,665,682	596,277	7,261,959
Capital contributions	663,691	--	663,691
Transfers out	(2,649,152)	--	(2,649,152)
Change in Net Position	4,680,221	596,277	5,276,498
Net Position - Beginning of Year	68,902,805	1,321,760	70,224,565
Net Position - End of Year	\$ 73,583,026	\$ 1,918,037	\$ 75,501,063

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Cash Flows from Operating Activities			
Cash received from customers	\$ 21,792,748	\$ 525,920	\$ 22,318,668
Cash paid to suppliers for goods and services	(7,751,259)	--	(7,751,259)
Cash paid to employees for services	(5,074,856)	--	(5,074,856)
Other receipts	58,251	--	58,251
Net Cash Provided by Operating Activities	9,024,884	525,920	9,550,804
Cash Flows from Noncapital Financing Activities			
Operating grants and contributions	--	70,941	70,941
Transfers out	(2,649,152)	--	(2,649,152)
Net Cash Provided (Used) by Noncapital Financing Activities	(2,649,152)	70,941	(2,578,211)
Cash Flows from Capital and Related Financing Activities			
Principal paid on loan	(652,356)	--	(652,356)
Interest paid on long-term debt	(289,881)	--	(289,881)
Acquisition and construction of capital assets	(1,867,008)	(427,384)	(2,294,392)
Proceeds from sale of capital assets	19,992	--	19,992
Capital contributions from customers	663,691	--	663,691
Net Cash Used by Capital and Related Financing Activities	(2,125,562)	(427,384)	(2,552,946)
Cash Flows from Investing Activities			
Investment income	68,545	--	68,545
Net Cash Provided by Investing Activities	68,545	--	68,545
Net Increase in Cash and Cash Equivalents	4,318,715	169,477	4,488,192
Cash and Cash Equivalents - Beginning of Year	32,753,735	691,414	33,445,149
Cash and Cash Equivalents - End of Year	\$ 37,072,450	\$ 860,891	\$ 37,933,341

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Cash Flows from Operating Activities			
Operating income	\$ 6,793,770	\$ 525,336	\$ 7,319,106
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	3,041,932	120	3,042,052
Provision for uncollectible accounts	(1,200)	--	(1,200)
Miscellaneous revenues	58,251	--	58,251
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	176,984	464	177,448
Inventory	111,535	--	111,535
Net pension asset	(1,990,744)	--	(1,990,744)
Deferred outflows related to pensions	218,918	--	218,918
(Decrease) increase in:			
Accounts payable and accrued liabilities	67,405	--	67,405
Compensated absences payable	(9,007)	--	(9,007)
Customer deposits	53,616	--	53,616
Total OPEB liability	14,021	--	14,021
Net pension liability	(1,901,856)	--	(1,901,856)
Deferred inflows related to pensions	2,391,259	--	2,391,259
Total adjustments	2,231,114	584	2,231,698
Net Cash Provided by Operating Activities	\$ 9,024,884	\$ 525,920	\$ 9,550,804

**Supplemental Disclosure of Noncash Capital
and Related Financing Activities**

Amortization of deferred amount on refunding	\$ 7,109	\$ --	\$ 7,109
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The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	Employee Pension Funds
	<hr/>
Assets	
Cash and cash equivalents	\$ 3,602,500
Receivables:	
Accounts receivable	2,135
Interest and dividends	57,797
Investments:	
U.S. Treasury securities	4,516,939
Mortgage and asset-backed securities	8,587,037
Domestic corporate bonds	1,150,941
International fixed income mutual fund	2,725,516
Domestic equity securities and mutual fund	41,643,625
Foreign equity securities and mutual fund	8,146,914
Real estate investment account	6,278,666
<hr/> Total investments	<hr/> 73,049,638
Total Assets	<hr/> 76,712,070
Liabilities	
Accounts payable	63,481
<hr/> Total Liabilities	<hr/> 63,481
Net Position	
<hr/> Net position restricted for pension benefits	<hr/> \$ 76,648,589

The accompanying notes are an integral part of these financial statements.

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Employee Pension Funds
Additions	
Contributions	
Employer	\$ 1,559,591
Plan members	160,508
State of Florida	163,222
Total Contributions	1,883,321
Investment Income	
Interest	311,163
Dividends	1,676,709
Net appreciation in fair value of investments	10,930,347
Total Investment Income	12,918,219
Less: Investment expenses	(93,728)
Net Investment Income	12,824,491
Total Additions	14,707,812
Deductions	
Administration expenses	200,845
Benefits paid	2,157,699
Total Deductions	2,358,544
Change in Net Position	12,349,268
Net Position Restricted for Pension Benefits	
Beginning of Year	64,299,321
End of Year	\$ 76,648,589

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Palm Springs, Florida (the “Village”), was incorporated in 1957 pursuant to Chapter 57-1698, Laws of Florida and is located in central Palm Beach County, Florida. The Village operates under the Council-Manager form of government and provides a wide range of community services including public safety, planning and zoning, water, wastewater and stormwater systems, sanitation, streets and roads, parks, recreation, and library. The Village Council (the “Council”) is responsible for legislative and fiscal control of the Village.

The basic financial statements of the Village have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The significant Village accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

As required by U.S. generally accepted accounting principles, the basic financial statements present the primary government and its component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village’s financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization’s governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization’s governing board.

The Village has one dependent special district, created pursuant to Florida Statutes, that is considered a component unit.

The *Palm Springs Community Redevelopment Agency* (the “CRA”) is a dependent special district established by the Village under authority granted by Florida Statutes Chapter 163, Section III. The CRA is a legally separate entity established by Ordinance No. 2019-19 of the Palm Springs Village Council on November 14, 2019. The purpose of the CRA is to promote and guide the physical and economic redevelopment of approximately 512 acres in two districts within the Village. The CRA is governed by a seven member Governing Board that includes the five members of the Village Council and two additional members appointed by the Village Council representing the two CRA districts. The Mayor of the Village serves as the Chair of the CRA Governing Board. The Village Council approves the CRA’s annual budget and all debt obligations of the CRA. Accordingly, the CRA is considered a blended component unit of the Village. This is the first year of the CRA’s operations.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 of the non-fiduciary activities of the Village. *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 user fees and charges for support.

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 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, enterprise funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major governmental fund and the major 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 are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund and fiduciary fund financial statements. 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 grantor are 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 60 days of the end of the current fiscal year. Franchise

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

taxes, utility service taxes, business taxes, and interest revenues associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Village, except for grant revenue, which is recorded when the related expenditures/ expenses are incurred and the time and purpose restrictions have been met.

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, are recorded only when payment is due.

For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Village's defined benefit pension plans and Florida Retirement System ("FRS") and the additions to/deductions from the fiduciary net position, have been determined on the same basis as they are reported by the Village's defined benefit pension plans and FRS. For purposes of measuring the total Other Post Employment Benefit ("OPEB") liability, deferred inflows/outflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as reported by the Village. For this purpose, pension and OPEB benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

The Village reports two major governmental funds as follows:

The *General Fund* is the primary operating fund of the Village. All general revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

The *American Rescue Plan Fund* is used to account for the funds provided by the American Rescue Plan Act of 2021, which were released by the U.S. Department of the Treasury.

The Village reports one major enterprise fund as follows:

The *Water and Sewer Utility Fund* is used to account for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Water and Sewer Utility Fund is used to account for water and sewer services provided by the Village to residents and other users.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Additionally, the Village reports the following fund types:

Nonmajor Governmental Funds

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The special revenue funds used by the Village are:

The *Law Enforcement Fund* which accounts for proceeds from law enforcement forfeitures. Expenditures from this fund are legally restricted for law enforcement.

The *Lake Worth Road CRA* accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The *Congress Ave CRA* accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The Village has one *Debt Service Fund* used to account for assets held for the repayment of principal and interest on general obligation debt.

Nonmajor Enterprise Fund

The Village has one nonmajor enterprise fund, the *Stormwater Fund*, that is used to account for stormwater fees and related expenses for stormwater management.

Fiduciary Funds

Pension Trust Funds are used to account for assets held in a trustee capacity for retirement pensions. Pension trust funds are fiduciary funds. The Village has two defined benefit pension funds; one for General Employees and one for Police Officers.

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 Village's utility functions 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise funds' principal ongoing operations. The principal operating revenues of the Village's Water and Sewer and Stormwater Utility Funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES

1. Pooled Cash, Cash Equivalents and Investments

Pooled cash, cash equivalents and investments consist of cash on hand, interest-bearing cash accounts and investments with Florida PRIME, a local government investment pool administered by the Florida State Board of Administration ("SBA"). Cash balances and the requirements of all funds are considered in determining the amount to be invested.

Investments are reported at fair value, which is determined by using various third party pricing sources. The Florida PRIME investment pool is operated as a "2a-7 like" pool and the fair value of this investment is considered to be the same as the Village's account balance (amortized cost) in the pool. The SBA administers the Florida PRIME investments pursuant to Chapter 19-7 of the Florida Administrative Code which provides guidance and establishes the general operating procedures for the administration of Florida PRIME.

Cash and cash equivalents, for purposes of the statement of cash flows, include pooled cash and investments which are defined as short-term, highly liquid investments with original maturities of three months or less.

2. Inventory

Inventory consists of materials and supplies which are carried at cost in the governmental funds and at the lower of cost (first-in, first-out) or market in the enterprise fund. The Village uses the consumption method, wherein all inventories are maintained by perpetual records, expensed when used, and adjusted by an annual physical count.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

3. Unbilled Service Receivables

The Water and Sewer Utility Fund recognizes revenue on the basis of monthly cycle billings to customers for services provided. As a result of this cycle billing method, there are unbilled receivables at the end of each fiscal year with respect to services provided but not billed at such date. It is the policy of the Village to accrue these amounts at year end.

4. Concentration of Credit Risk

The Village requires customer deposits for water and sewer service and maintains an allowance for uncollectible accounts at a level which management believes is sufficient to cover potential credit losses.

5. Capital Assets

Capital assets, which include property, plant, and equipment, intangible assets and infrastructure assets (e.g., roads, bridges, sidewalks, drainage, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of \$5,000 or more and an estimated life in excess of one year.

Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the date of acquisition. General governmental infrastructure assets acquired or constructed since incorporation in 1957 have been capitalized.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are the assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. The street network was valued based on current construction costs discounted by consumer price indices for highway construction.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

5. Capital Assets (continued)

Capital assets of the enterprise fund are capitalized in the fund and in the government-wide statement of net position. The valuation basis for enterprise fund capital assets is the same as that used for general capital assets. Interest cost was capitalized on enterprise fund capital assets during the construction period prior to adoption of GASB Statement No. 89 in 2018. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the government-wide financial statements and in the enterprise fund financial statements, the cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position.

Capital assets of the Village are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30-50
Improvements	10-50
Intangible assets	22-40
Software / library materials	3-5
Equipment and vehicles	3-20

The street network (pavement, drainage, sidewalks, and curbs) is not depreciated. The Village has elected to use the modified approach in accounting for its streets. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized. The Village uses a pavement rating system to rate street condition and quantify the results of maintenance efforts. The condition rating of the Village's street system may be found on page 96.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

6. Unearned / Unavailable Revenue

Unearned revenue in the Governmental Activities and unavailable revenue in the Governmental Funds includes amounts received in advance by the Village for business taxes applicable to the following fiscal year and grant funds received which are to be expended in future years. Unavailable revenue in the Governmental Funds also includes amounts due in future years that were not available to pay current period expenditures under the modified accrual basis of accounting.

7. Compensated Absences

The Village's employees earn personal leave time based on their years of continuous service as follows: 160 hours after 1 year; 200 hours after 6 years; 240 hours after 11 years; and 280 hours after 21 years. Personal leave may be used for vacation, illness and other time off as approved by the employee's supervisor. Employees may accumulate personal leave time up to a maximum number of hours based on years of service, but never more than 600 hours. Employees are also required to use a minimum number of hours of personal leave time annually based upon years of service, or forfeit the unused hours up to the minimum required to be used, however, employees may be compensated for unused personal leave, up to a maximum of 80 hours annually, if their unscheduled leave does not exceed certain limits each year. Upon termination, employees are compensated for accumulated personal leave at their rate of pay at termination, up to the maximum of 600 hours. A liability for compensated absences is accrued when incurred in the government-wide and enterprise fund financial statements. In the governmental funds, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and retirements, and the amount, if any, is reported with accounts payable and accrued liabilities in the governmental funds' balance sheet.

8. Noncurrent Obligations

In the government-wide financial statements and enterprise fund financial statements, long-term debt and other noncurrent obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund statement of net position. Long-term debt is reported net of applicable premium or discount. Debt discount, premium and deferred amount on debt refunding in the government-wide financial statements and enterprise fund are amortized using the straight-line method, which approximates the effective interest method, and are charged against operations over the term of the related debt issues. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

8. Noncurrent Obligations (continued)

In the fund financial statements, governmental fund types recognize debt premiums and discounts 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 are reported as debt service expenditures.

9. Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the government-wide and Enterprise Fund Statements of Net Position and the governmental funds Balance Sheet report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Village's deferred outflows of resources are related to its pension and other postemployment benefits liabilities.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Village's deferred inflows are related to its pension obligations, OPEB liabilities and a deferred amount on debt refunding, which are reported as deferred inflows of resources on the government-wide Statement of Net Position. The deferred amount on debt refunding was a gain resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, the Village has another item, unavailable revenues, which arises only under the modified accrual basis of accounting and is reported as a deferred inflow of resources on the governmental funds Balance Sheet. The unavailable revenues result from business taxes received by the Village in advance of the year for which they were levied. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

10. Fund Balances

Nature and Purpose of Fund Equity Classifications: In the fund financial statements, governmental funds report fund equity classifications that comprise a hierarchy based primarily on the extent to which the Village is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

- **Nonspendable** - Nonspendable fund balances include amounts that cannot be spent because they are either 1) not in spendable form; or, 2) legally or contractually required to be maintained intact.
- **Restricted** - Restricted fund balances include amounts that are restricted to specific purposes either by 1) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or, 2) imposed by law through constitutional provisions or enabling legislation.
- **Committed** - Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by the Village Council through an Ordinance. The Village had no committed fund balances.
- **Assigned** - Assigned fund balances include amounts that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance are made by Village management based upon a Resolution adopted by the Village Council or in the Village's annual budget.
- **Unassigned** - Unassigned fund balance includes the General Fund amount that is spendable and has not been restricted, committed, or assigned to specific purposes.

The Village considers restricted fund balances to be spent when an expenditure is incurred for the restricted purpose. The Village considers committed, assigned or unassigned fund balances to be spent when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

Minimum Fund Balance Policy: The Village Council has not adopted a formal minimum fund balance policy. Generally, the Village strives to maintain sufficient General Fund balance to provide liquidity in the event of a budget shortfall or natural disaster.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

11. Interfund Transactions

During the course of normal operations, it is necessary for the Village to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from it that are properly applicable to another fund.
- Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources or uses.
- Outstanding balances between funds, including noncurrent advances, are reported as “due to/from other funds”. Any such balances outstanding between governmental activities and business-type activities in the government-wide financial statements are classified as “internal balances” and are subject to elimination in the government-wide financial statements.

12. 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 County Tax Collector, respectively. 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 roll meets the appropriate requirements of State law. The assessed value of property within the corporate limits of the Village at January 1, 2020, upon which the 2020/2021 levy was based, was approximately \$1.438 billion. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills (1 mill equals \$1.00 for each \$1,000 of assessed value). Effective October 1, 2009 (fiscal year 2010), the Village transferred fire rescue services to Palm Beach County and the Palm Beach County Fire Rescue MSTU (municipal services taxing unit) taxes Village property owners 3.4581 mills. This millage rate is deducted from the Village’s legal millage rate limit of 10 mills, thereby limiting the 2020/2021 Village millage rate to 6.5419.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

12. Property Taxes (continued)

The tax levy of the Village is established by the Village Council prior to October 1 of each year during the budget process. 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 operating millage rate assessed by the Village for the year ended September 30, 2021, was 3.5000 and the debt service millage was 0.3104, for a total millage of 3.8104. Taxes may be paid less a 4% discount in November or at a discount declining 1% each month through 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 1 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. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. 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. All property taxes are collected by Palm Beach County and remitted to the Village. Property tax revenue is recognized at the time monies are received from Palm Beach County.

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. For the fiscal year ending September 30, 2021, the maximum tax levy allowed by a majority vote of the governing body is generally based on a percentage change applied to the prior year (2019/2020) property tax revenue. The percentage change is calculated based on the compound annual growth rate in the per capita property taxes levied for five preceding fiscal years. The State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the adjusted current year roll back millage rate plus 10%; or, 3) any millage rate approved by unanimous vote or referendum. For the fiscal year ending September 30, 2021, the Village adopted an operating millage rate of 3.5000, resulting in a total tax levy of \$5,480,928 for 2021, and increase of approximately 7.8% from the operating property tax levy for 2020.

Future legislation could have a significant impact on the future tax revenues of the Village and the current services provided to Village residents.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

13. On-behalf Payments

The Village received on-behalf payments of \$163,222 from the State of Florida for the Police Officers Pension Plan for the year ended September 30, 2021. The on-behalf payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the government-wide and General Fund financial statements.

14. Use of Estimates

The financial statements and related disclosures are prepared in conformity with GAAP. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows/outflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses/expenditures during the period reported. These estimates include assessing the collectability of receivables, the fair value of investments, and useful lives and possible impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

15. Implementation of GASB Statements

The Governmental Accounting Standards Board has issued new Statements effective in future years that may apply to the Village. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the Village:

- GASB Statement No. 84, *Fiduciary Activities*, establishes guidance regarding what constitutes fiduciary activities for accounting and financial reporting purposes, the recognition of liabilities to beneficiaries, and how fiduciary activities should be reported. The requirements of this Statement are effective for the Village for the fiscal year ending September 30, 2021; however, there was no impact to the Village.
- GASB Statement No. 87, *Leases*, addresses accounting and financial reporting for leases by governments. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement will be effective for the Village for the fiscal year ending September 30, 2022.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

15. Implementation of GASB Statements (continued)

- GASB Statement No. 90, *Majority Equity Interests, an amendment of GASB Statement No. 14 and No. 61*, establishes guidance regarding the reporting of a government's majority equity interest in a legally separate organization and the disclosure of financial statement information for certain component units. This Statement became effective for the Village for the fiscal year ending September 30, 2021; however, there was no impact to the Village.
- GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement will be effective for the Village for the fiscal year ending September 30, 2023.
- GASB Statement No. 92, *Omnibus 2020*, addresses certain practice issues identified during implementation and application of certain GASB Statements, including 1) the effective date of GASB Statement No. 87 and Implementation Guide 2019-3 related to *Leases* for interim reports; 2) reporting of intra-entity transfers between a primary government employer and component unit defined benefit pension plan; 3) the applicability of GASB Statement No. 73 to reporting assets accumulated for OPEB; 4) applicability of GASB Statement No. 84 to postemployment benefit arrangements; 5) measurement of assets and liabilities related to asset retirement obligations; 6) reporting for amounts recoverable by public entity risk pools from reinsurers or excess insurers; and 7) certain terminology references. The requirements of this Statement related to items 1) and 7) are effective for the fiscal year ending September 30, 2021 and the remaining requirements will be effective for the Village for the fiscal year ending September 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, addresses the replacement of an Interbank Offered Rate (IBOR) with other reference interest rates and modifies the existing provisions for hedge accounting termination and lease modifications. This Statement will be effective for the Village for the fiscal year ending September 30, 2022.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES, AND NET POSITION / FUND BALANCES (CONTINUED)

15. Implementation of GASB Statements (continued)

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnerships (PPP) and provides guidance for accounting and financial reporting for availability payment arrangements (APA). The Statement provides specific guidance on the accounting and financial reporting for PPP and APA transactions. This Statement will be effective for the Village for the fiscal year ending September 30, 2023.
- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This Statement was implemented by the Village for the fiscal year ending September 30, 2021.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This Statement will be effective for the Village for the fiscal year ending September 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, addresses the reporting of fiduciary component units without a governing board, requires that the financial burden criteria of Statement No. 84 apply only to defined benefit plans and requires Statement No. 84 to be applied to all Section 457 plans to determine whether those plans should be reported as fiduciary activities. The requirements of this Statement will be effective for the Village for the fiscal year ending September 30, 2022.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in GAAP for state and local governments. This Statement was implemented by the Village for the fiscal year ending September 30, 2021.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS

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

	Cash and Cash		
	Equivalents	Investments	Total
Governmental activities	\$ 27,766,040	\$ --	\$ 27,766,040
Business-type activities	37,933,341	--	37,933,341
Total Statement of Net Position	65,699,381	--	65,699,381
Fiduciary Funds	3,602,500	73,049,638	76,652,138
Total Deposits and Investments	\$ 69,301,881	\$ 73,049,638	\$ 142,351,519

DEPOSITS

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 as qualified public depositories. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit eligible collateral with the State Treasurer or another banking institution. In the event of failure of a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories participating in the collateral pool. Accordingly, the Village's deposits at year end are considered to be fully insured or collateralized.

INVESTMENTS

The Village has adopted an investment policy to establish guidelines for the efficient management of its cash reserves. Section VI of the investment policy identifies permitted instruments as follows:

- a. The State Board of Administration Florida PRIME Fund;
- b. U.S. Government obligations and U.S. Government Agency obligations;

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

- c. Securities of, or other interests in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations, and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian;
- d. Certificates of deposit and savings accounts in state-certified qualified public depositories; and,
- e. Repurchase agreements.

Investments of the General Employees Pension Fund and the Police Officers Pension Fund are limited to:

- a. Money Market - Money market mutual funds or short-term investment funds (“STIF”) provided by the Plan’s custodian must have a minimum rating of Standard & Poor’s A1 or Moody’s P1.
- b. Equities - Equities must be traded on a national exchange or electronic network; and not more than 5% of the Plans’ assets, at the time of purchase, can be invested in the common stock, capital stock or convertible stock of any one issuing company, nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company (this restriction does not apply to any single holding within a diversified pooled fund).
- c. Fixed Income - Fixed income investments shall have a minimum rating of investment grade or higher as reported by any Nationally Recognized Statistical Rating Organization (NRSRO) at the time of purchase; and the value of bonds issued by any single corporation cannot exceed 10% of the total fund (excluding issues from the U.S. government, or agency thereof; and this restriction does not apply to any single holding within a diversified pooled fund).
- d. Pooled Funds - Pooled funds may include mutual funds, commingled funds, and exchange-traded funds.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS

The reported value of the Village's cash and cash equivalents at September 30, 2021 are as follows:

Investment Type	Unrestricted	Pension
Cash and Cash Equivalents		
Petty cash	\$ 3,871	\$ --
Deposits with financial institutions	46,806,412	664,472
Investments in State Board of Administration		
Florida PRIME Fund	18,889,098	--
Money market mutual funds	--	2,938,028
Total Cash and Cash Equivalents	\$ 65,699,381	\$ 3,602,500

The Village follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Village has the ability to access at the measurement date.

Level 2

Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Village's perceived risk of that investment.

Valuation Methodologies: The following valuation methods and assumptions were used by the Village in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72.

Domestic and foreign equity securities: Valued at the closing price reported on the active exchange on which the individual securities are traded.

International fixed income mutual fund and equity mutual funds: Valued at the closing net asset value reported on the active exchange on which the investment fund is actively traded.

U.S. Treasury, U.S. Government Agency, mortgage and asset-backed securities, and corporate bonds: Valued at the closing price reported on the active exchange on which the individual securities are actively traded (Level 1). Securities that are not actively traded are valued by the independent investment custodian using a matrix-pricing technique based on the securities' relationship to quoted benchmark prices (Level 2).

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

Investment measured at net asset value (“NAV”): The real estate investment account consists of units in the U.S. Property Separate Account (the “Account”) sponsored by the Principal Life Insurance Company and managed by Principal Real Estate Investors. The account is an open end, commingled real estate account valued at the unadjusted NAV per unit at September 30, 2021, based on the fair value of the underlying account investments as determined by the Account manager. Real estate values are generally based upon periodic independent appraisals performed for assets held by the account. The fair value of real estate is the price that would be received if the asset was sold to a market participant assuming the highest and best use of each asset at the measurement date. At September 30, 2021, the real estate investment account had no future funding commitments or lock-up periods and was redeemable with 90 days’ notice, subject to approval of the fund manager and fund liquidity.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Village believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the year ended September 30, 2021.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

The financial assets measured at fair value on a recurring basis include the Village's pension funds' investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2021. The fair value of the Village's investments at September 30, 2021 is summarized as follows:

	Level 1	Level 2	Level 3	Total
Equity Investments				
Domestic equity securities and mutual fund	\$ 41,643,626	\$ --	\$ --	\$ 41,643,626
Foreign equity securities and mutual fund	8,146,914	--	--	8,146,914
Total Equity Securities	49,790,540	--	--	49,790,540
Fixed Income Investments				
U.S. Treasury	--	4,516,937	--	4,516,937
Mortgage and asset-backed	--	8,587,037	--	8,587,037
Corporate bonds	--	1,150,941	--	1,150,941
International fixed income mutual funds	2,725,516	--	--	2,725,516
Total Fixed Income Securities	2,725,516	14,254,915	--	16,980,431
Total Investments by Level	\$ 52,516,056	\$ 14,254,915	\$ --	66,770,971
Investment Measured at NAV				
Real estate investment account				6,278,667
Total Fair Value				\$ 73,049,638

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

Credit Risk: Credit risk is the risk that a debt issuer will not fulfill its obligations. The Village investment policy requires that pension investments in fixed income securities must be rated as investment grade (BBB or better) by a Nationally Recognized Statistical Rating Organization (NRSRO). The money market mutual funds and fixed income mutual fund are not rated. The Village utilizes ratings from Standard and Poor's and Moody's Investor Services for its investments. The NRSRO ratings for the Village's investments at September 30, 2021 are summarized as follows:

Investment Type	NRSRO Rating	Reported Value
State Board of Administration Florida PRIME Fund	AAAm	\$ 18,889,098
Pension Fund Investments		
U.S. Treasury	AAA	4,516,937
U.S. Treasury Bills	Not Rated	944,961
Mortgage and asset-backed securities	Not Rated	8,587,037
Domestic corporate bonds	A	1,150,942
Total		\$ 34,088,975

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Village does not have a formal policy that limits the maturities of its investments. The Village pension funds' investment in mortgage and asset-backed securities consist of mortgage pass-through securities based on pools of residential home mortgage loans which are subject to prepayments and therefore highly sensitive to changes in interest rates. The table below summarizes the scheduled maturities of fixed income investment securities at September 30, 2021.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

	Fair Value of Investment Maturities				
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years	Total
Pension Fund Investments					
U.S. Treasury	\$ --	\$ 2,820,936	\$ 1,696,001	\$ --	\$ 4,516,937
Mortgage and asset-backed securities	--	39	--	8,586,998	8,587,037
Corporate bonds	--	--	1,150,941	--	1,150,941
Total	\$ --	\$ 2,820,975	\$ 2,846,942	\$ 8,586,998	\$ 14,254,915

The SBA Florida PRIME Fund had a weighted average maturity of 49 days at September 30, 2021. The fair value and weighted average maturity of the international fixed income mutual funds were \$2,725,516 and 2.93 years, respectively, at September 30, 2021.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Village may not recover cash and investments held by another party in the event of a financial failure. The Village investment policy requires cash and investments to be fully insured or collateralized, or held in independent custodial safekeeping accounts in the name of the Village. At September 30, 2021, all investments were held by an independent custodian in the name of the Village, except the State Board of Administration Florida Prime Fund and money market mutual funds which are considered *unclassified* pursuant to GASB Statement No. 3.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. For investments other than the Village pension funds, there is no specific policy for concentration of credit risk. In the Village pension funds, securities of a single issuer are limited to no more than 5% of the Plan's net position invested in common stocks and debt securities. At September 30, 2021, four mutual fund investments of the Police Officers Pension Fund represented approximately 28.43%, 14.19%, 14.16% and 9.89% of that Plan's net position and four mutual fund investments of the General Employees Pension Fund represented approximately 27.28%, 9.71%, 7.09% and 6.14% of that Plan's net position. Securities of a single issuer owned by each mutual fund are less than 5% of each Plan's net position.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

Market Risk: The value, liquidity, and related income of certain investments in real estate and securities with contractual cash flows, such as mortgage and asset-backed securities, collateralized mortgage obligations and mutual funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates and financial markets.

Due to the foregoing risks associated with investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the accompanying financial statements.

NOTE 3 – RECEIVABLES

Receivables at September 30, 2021 are summarized as follows:

	Governmental Activities	Business-type Activities	Total
Receivables			
Accounts and other receivables	\$ 684,775	\$ 3,333,062	\$ 4,017,837
Intergovernmental and grants	416,357	--	416,357
Gross Receivables	1,101,132	3,333,062	4,434,194
Less: allowance for uncollectible accounts	--	(91,697)	(91,697)
Net Receivables	\$ 1,101,132	\$ 3,241,365	\$ 4,342,497

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2021 was as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 729,641	\$ --	\$ --	\$ 729,641
Infrastructure	5,532,268	--	--	5,532,268
Construction in progress	1,079,711	1,201,970	(545,942)	1,735,739
Total Capital Assets Not Being Depreciated	7,341,620	1,201,970	(545,942)	7,997,648
Capital Assets Being Depreciated				
Buildings	9,523,547	13,849	--	9,537,396
Improvements other than Buildings	4,405,981	737,455	--	5,143,436
Machinery and equipment	7,125,607	588,598	(517,087)	7,197,118
Library materials and software	690,837	62,672	(66,201)	687,308
Total Capital Assets Being Depreciated	21,745,972	1,402,574	(583,288)	22,565,258
Less: Accumulated Depreciation for				
Buildings	(3,979,060)	(253,420)	--	(4,232,480)
Improvements other than Buildings	(1,876,266)	(251,251)	--	(2,127,517)
Machinery and equipment	(4,268,493)	(841,167)	492,903	(4,616,757)
Library materials and software	(385,100)	(89,512)	66,201	(408,411)
Total Accumulated Depreciation	(10,508,919)	(1,435,350)	559,104	(11,385,165)
Governmental Activities Capital Assets, Net	\$ 18,578,673	\$ 1,169,194	\$ (570,126)	\$ 19,177,741

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Beginning Balances	Additions	Deletions	Ending Balances
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	\$ 379,987	\$ --	\$ --	\$ 379,987
Infrastructure	553,693	386,953	--	940,646
Construction in progress	944,570	1,789,982	(56,630)	2,677,922
Total Capital Assets Not Being Depreciated	1,878,250	2,176,935	(56,630)	3,998,555
Capital Assets Being Depreciated				
Buildings	3,540,154	8,514	--	3,548,668
Improvements other than Buildings	91,652,005	50,922	(616)	91,702,311
Intangible assets	7,174,063	--	--	7,174,063
Equipment and software	6,307,703	236,488	(251,198)	6,292,993
Total Capital Assets Being Depreciated	108,673,925	295,924	(251,814)	108,718,035
Less: Accumulated Depreciation for				
Buildings	(2,590,783)	(59,030)	--	(2,649,813)
Improvements other than Buildings	(49,424,087)	(2,554,181)	--	(51,978,268)
Intangible assets	(6,968,642)	--	--	(6,968,642)
Equipment and software	(3,929,641)	(428,841)	229,277	(4,129,205)
Total Accumulated Depreciation	(62,913,153)	(3,042,052)	229,277	(65,725,928)
Business-type Activities Capital Assets, Net	\$ 47,639,022	\$ (569,193)	\$ (79,167)	\$ 46,990,662

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended September 30, 2021 was charged to functions as follows:

Governmental Activities	
General government	\$ 227,502
Public safety	677,608
Transportation	143,122
Culture/recreation	387,118
Total Depreciation Expense - Governmental Activities	\$ 1,435,350
Business-type Activities	
Water & sewer	\$ 3,041,932
Stormwater utility	120
Total Depreciation Expense - Business-type Activities	\$ 3,042,052

NOTE 5 – LONG-TERM DEBT

CHANGES IN LONG-TERM DEBT

Changes in long-term debt for the year ended September 30, 2021 are summarized as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due Within One Year
Governmental Activities					
General obligation note	\$ 4,088,191	\$ --	\$ (312,841)	\$ 3,775,350	\$ 320,362
Compensated absences	901,978	1,049,787	(979,597)	972,168	92,341
Total Governmental Activities	4,990,169	1,049,787	(1,292,438)	4,747,518	412,703
Business-type Activities					
Promissory note	10,141,450	--	(652,356)	9,489,094	671,442
Compensated absences	260,350	254,393	(263,400)	251,343	14,762
Total Business-type Activities	10,401,800	254,393	(915,756)	9,740,437	686,204
Totals	\$ 15,391,969	\$ 1,304,180	\$ (2,208,194)	\$ 14,487,955	\$ 1,098,907

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

GOVERNMENTAL ACTIVITIES

The governmental activities long-term debt consisted of the following at September 30, 2021:

\$6,477,462 General Obligation Note, Series 2012

The Series 2012 G.O. Note is a general obligation Promissory Note dated February 24, 2012, for an original principal amount of \$6,477,462. From February 24, 2012 to December 31, 2017, the outstanding principal amount bears interest at 2.39%, and from January 1, 2018 to February 1, 2032, the outstanding principal amount bears interest at 2.905%. Payments are due in variable semi-annual installments, including interest, on each February 1st and August 1st. The Series 2012 G.O. Note is secured by the full faith, credit and taxing power of the Village. The proceeds of the Series 2012 G.O. Note were used to refund outstanding general obligation bonds of the Village. There was no gain or loss on the refunding. The refunding reduced the Village's debt service payments by approximately \$2.2 million and resulted in an economic gain of approximately \$100,000.

The 2012 G.O. Note includes a provision that in the event of a default under the Loan Agreement or Note, which includes any default in the due and punctual payment of an obligation in an amount in excess of \$100,000 to any other obligee, the bank may declare all obligations of the Village under the Loan Agreement and Note to be immediately due and payable.

Annual debt service requirements on the Note are as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30			
2022	\$ 320,362	\$ 107,352	\$ 427,714
2023	328,065	97,991	426,056
2024	335,953	88,405	424,358
2025	344,030	78,588	422,618
2026	352,301	68,535	420,836
2027-2031	1,892,706	183,211	2,075,917
2032	201,933	2,933	204,866
Total	\$ 3,775,350	\$ 627,015	\$ 4,402,365

General obligation debt is generally liquidated by the Debt Service Fund. Compensated absences, pension liabilities, and other postemployment benefit liabilities are generally liquidated by the General Fund.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

BUSINESS-TYPE ACTIVITIES

The business-type activities long-term debt is secured by a pledge of and lien on the net revenues derived from the operations of the water and sewer system and consisted of the following for the year ended September 30, 2021:

\$14,352,351 Promissory Note, Series 2013

The Series 2013 Note was issued April 15, 2013 for an original principal amount of \$14,352,351. Semi-annual installments of \$471,118, including interest at 2.905% are payable on each May 1st and November 1st through maturity on May 1, 2033. Principal and interest are payable from and secured solely by a pledge of and lien upon the net revenues of the water and sewer utility system of the Village. The proceeds of the Series 2013 Note were used for the advance refunding of the outstanding Series 2003A Revenue Bonds and provided approximately \$5,000,000 for capital improvements to the water and sewer system. The advance refunding resulted in an economic gain of approximately \$142,000.

The Series 2013 Note includes a provision that in the event of a default under the Loan Agreement or Note, which includes any default in the due and punctual payment of an obligation in an amount in excess of \$100,000 to any other obligee, the bank may declare all obligations of the Village under the Loan Agreement and Note to be immediately due and payable.

Annual debt service requirements on the Note are as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30			
2022	\$ 671,442	\$ 270,794	\$ 942,236
2023	691,088	251,149	942,237
2024	711,308	230,929	942,237
2025	732,120	210,117	942,237
2026	753,541	188,696	942,237
2027-2031	4,111,604	599,581	4,711,185
2032-2033	1,817,991	66,487	1,884,478
Total	\$ 9,489,094	\$ 1,817,753	\$11,306,847

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 5 – LONG-TERM DEBT (CONTINUED)

BUSINESS-TYPE ACTIVITIES (CONTINUED)

The provisions of the Series 2013 Note generally provide for:

1. Establishment of utility rates that provide net revenues which are equal to at least 125% of the principal and interest scheduled to come due in each fiscal year.
2. Prompt payment of principal and interest when due.
3. Issuance of additional debt payable from pledged revenues only if pledged revenues for the two immediately preceding fiscal years equal at least 1.25 times the largest amount of principal and interest scheduled to come due on the outstanding debt and additional debt.
4. Maintenance of the utility system in good working order.
5. Maintenance of a depository account with the lender.

At September 30, 2021 the Village was in compliance with the debt covenants.

UTILITY PLEDGED REVENUES

The Village has pledged the future net revenues (generally all revenues and capital contributions, less expenses, excluding depreciation and amortization) of the water and sewer utility to repay the Series 2013 Note. The Series 2013 Note is payable solely from the utility net revenues and is payable through 2033. Annual principal and interest payments on the Series 2013 Note are expected to require approximately 10 percent of utility net revenues. Total principal and interest remaining to be paid on the Series 2013 Note is \$11,306,847 at September 30, 2021. Utility net revenues available for debt service (as defined by the Series 2013 Note debt resolution) were \$10,626,189.

INTEREST EXPENSE AND ARBITRAGE

Total interest costs incurred and paid on all Village debt for the year ended September 30, 2021 were \$115,737 and \$116,494, respectively, for governmental activities and \$274,876 and \$289,881, respectively, for business-type activities. The Village is subject to the arbitrage restrictions imposed by the federal government for its outstanding debt issues. No events have occurred that would cause the outstanding debt to be subject to arbitrage within the meaning of Section 148 of the Internal Revenue Code.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 6 – OBLIGATION UNDER UTILITY AGREEMENTS AND INTANGIBLE RIGHTS

In February 1994, the City of Lake Worth (the “City”) issued \$15,680,000 Sewer System Refunding Revenue Bonds, Series 1994, part of which was used to refund both the Series E and Series R Loans. As a result of this refunding issue, the Village amended its contracts with the City and the combined outstanding obligation and intangible rights increased \$353,610 and the maturity date was extended to October 31, 2006. The amendment required the Village to pay 120% (previously 133% and 125% for the Series E and Series R Loans, respectively) of its pro rata share of the debt service (20% of which was to fund renewal and replacement). The additional intangible rights were amortized over 22 years (the remaining term of the amended contract). All outstanding obligations under the utility agreements were paid at maturity on October 31, 2006. During 2015, the Village sold a portion of its wastewater usage rights and the intangible rights were reduced by \$214,891. During 2018, the Village paid \$205,421 to Palm Beach County to purchase an additional service area, which was recorded as an indefinite life intangible asset and will not be amortized. At September 30, 2021, the intangible rights had a net book value of \$205,421 and were recorded with capital assets.

NOTE 7 – INTERFUND TRANSACTION

Interfund transfers for the year ended September 30, 2021 were as follows:

Fund	Transfers	Transfers
	In	Out
General Fund	\$ 2,649,152	\$ 68,581
Lake Worth Road CRA	31,000	--
Congress Ave CRA	37,581	--
Water and Sewer Utility Fund	--	2,649,152
Total	\$ 2,717,733	\$ 2,717,733

Transfers consist of payments in lieu of taxes of \$2,649,152 and tax increment financing of \$68,581 that are not payments for services.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 8 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Village carries commercial insurance. Specifically, the Village purchases commercial insurance for property, medical benefits, worker’s compensation, general liability, automobile liability, errors and omissions, and directors and officers liability. The Village is also 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 and \$300,000 in the aggregate. There were no significant reductions in insurance coverage from the prior year. There were no settlements in excess of coverage in the years ended September 30, 2021, 2020, and 2019.

NOTE 9 – EMPLOYEE RETIREMENT PLANS

The Village administers two single-employer, defined benefit pension plans, the Village of Palm Springs General Employees Pension Plan and the Village of Palm Springs Police Officers Pension Plan. The Village also participates in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Trust Fund, both of which are multiple-employer, cost-sharing, defined benefit, public employee retirement plans administered by the State of Florida. The net pension liability (asset), deferred outflows and inflows of resources and pension expense related to these retirement plans at September 30, 2021 are summarized as follows:

	General Employees Pension Plan	Police Officers Pension Plan	FRS Pension Plan	HIS Pension Plan	Total
Net Pension Asset	\$ 5,000,212	\$ 5,063,124	\$ --	\$ --	\$ 10,063,336
Net Pension Liability	--	--	1,760,243	2,702,347	4,462,590
Deferred outflows of resources	369,047	171,932	2,011,158	606,668	3,158,805
Deferred inflows of resources	3,280,566	4,511,837	6,491,592	112,475	14,396,470
Pension Expense (Income)	(2,418,812)	(401,255)	(841,962)	167,613	(3,494,416)

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS

The Village sponsored two separate single-employer defined benefit plans for 2021: the Village of Palm Springs General Employees Pension Plan, covering substantially all other full-time Village employees hired prior to July 1, 2010; and, the Village of Palm Springs Police Officers Pension Plan covering all Village police officers hired prior to July 1, 2010. During 2010, the Village adopted ordinances closing both Plans to new members effective June 30, 2010. Participants in the Plans were given the option to remain in their respective Plan or to join the Florida Retirement System (FRS) effective July 1, 2010. Both closed Plans are reported as pension trust funds included in the Village's reporting entity. Employees hired after June 30, 2010 are required to participate in FRS.

Each Plan has its own Board of Trustees which acts as plan administrator and trustee. The Board of the General Employees Pension Plan consists of five members, two of which are elected by Village employees (excluding police officers) for a four year term, one member of the Village Council, the Village Manager and one resident chosen by a majority of the other four trustees and appointed by the Village Council. The Board of the Police Officers Pension Plan consists of five members, two of which are elected by police officers, two of which are residents of the Village appointed by the Village Council and one member chosen by a majority of the other four trustees and appointed by the Village Council. Each Trustee serves a two year term with no term limits.

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 paid by the pension fund. Plan provisions are established by and may be amended by the Village Council. Village contribution requirements are determined by each Plan's actuary and are paid by the General Fund and Water and Sewer Utility Fund. Employee contribution requirements are established by and may be amended by the Village Council. There are no legal or contractual maximum contribution rates. 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

The following summary of the significant provisions of each Plan was obtained from the respective actuarial reports for the Village’s pension plans. Relevant information is as follows:

	General Employees	Police Officers		
Actuarial Valuation Date	10/1/2021	10/1/2020		
Accounting Policies and Plan Assets				
Authority	Village Ordinance	Village Ordinance/State Statute		
Basis of accounting	Accrual	Accrual		
Asset valuation:				
Reporting	Fair Value	Fair Value		
Actuarial valuation	5-year smoothed market	4-year smoothed market		
Plan reserves	None	None		
Long-term receivables	None	None		
Membership and Plan Provisions				
Members:				
Active participants	31	12		
Retirees and beneficiaries	54	31		
Terminated vested	40	9		
Normal Retirement Benefits				
		Option 1	Option 2	Option 3
Retirement age	62	50	55	Any
Years of service (minimum)	5	15	10	20
Accrual	2.5%	3.0%	3.0%	3.0%
Maximum	62.5%	None	None	None
Years to vest	10	10	10	10

The actuarial required contribution amounts for both plans are determined based on the October 1, 2019 actuarial valuation date. Relevant information is as follows:

Actuarial Contributions (as a Percentage of Covered Payroll)

Village	55.2%	32.2%
State	N/A	10.5%
Participants	3.0%	6.6%
Required contributions	\$ 928,740	\$ 458,891
Contributions made	\$ 1,057,688	\$ 665,125

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies

The financial statements of each Plan are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are managed by third party money managers.

The Village's independent custodians and money managers determine the fair value of securities, which is generally based upon the mean of the most recent bid and ask prices of each instrument using various third party pricing sources. The net appreciation (depreciation) in fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments. Investment earnings are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms.

Investments

Investment Policy: The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of each pension plan. It is the policy of each pension plan Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of each pension plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. There were no changes in the investment policy of either pension plan for the year ended September 30, 2021. The asset allocation policy adopted by each pension plans' Board at September 30, 2021 was as follows:

Asset Class	General Employees	Police Officers
Domestic equity	50%	55%
International equity	10	10
Domestic fixed income	25	20
International fixed income	5	5
Real estate	10	10
Total	100%	100%

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies

Concentrations: At September 30, 2021, four mutual fund investments of the General Employees Pension Fund represented 27.28%, 9.71%, 7.09% and 6.14% of that Plan's net position and four mutual fund investments of the Police Officers Pension Fund represented approximately 28.43%, 14.19%, 14.16% and 9.89% of that Plan's net position.

Rate of Return: For the year ended September 30, 2021, the annual money-weighted rate return on each pension plans' investments, net of investment expenses, was 5.86% and 6.10% for the General Employees Pension Plan and Police Officers Pension Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The Police Officers Pension Plan members are eligible to participate in DROP upon attainment of normal retirement date. DROP allows Plan members to retire while continuing employment for up to 60 months and the member's retirement benefits accumulate in the Plan. The amount held in DROP at September 30, 2021 was \$989,416. The General Employees Pension Plan has no DROP.

Net Pension Liability (Asset)

The components of the net pension liability (asset) for the General Employees and Police Officers Pension Plans for the most recent valuation as of October 1, 2021 and October 1, 2020, respectively, were as follows:

	General Employees	Police Officers
Total pension liability	\$ 29,347,683	\$ 37,235,423
Plan fiduciary net position*	(34,347,895)	(42,298,547)
Net Pension Liability (Asset)	\$ (5,000,212)	\$ (5,063,124)
Plan fiduciary net position as a percentage of the total pension liability	117.0%	113.6%

* Plan fiduciary net position noted above for the General Employees Pension Plan for 2021 excludes \$2,135 related to account receivable balances.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Net Pension Liability (continued)

Actuarial Assumptions: The total pension liabilities for the General Employees and Police Officers Pension Plans were determined by actuarial valuations as of October 1, 2021 and October 1, 2020, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

	General Employees	Police Officers
Actuarial Valuation		
Frequency	Annual	Annual
Latest valuation	10/1/2021	10/1/2020
Measurement date	9/30/2021	9/30/2021
Cost method	Entry age normal	Entry age normal
Assumptions		
Investment earnings (with inflation, net of expenses)	6.25% / year	6.75% / year
Salary increases (with inflation)	4.6% - 8.3% / year	4.0% - 5.25% / year
Inflation	2.5% / year	2.75% / year
Cost of living adjustments	3.0%	3.0%
Mortality rates	PUB-2010 base table with Scale MP-2018	PUB-2010 base table with Scale MP-2018
Amortization		
Method	Level dollar	Level percent of payroll
Period	5 years	15 years for gains (losses) 15 years for assumption, plan and method changes
Open/Closed	Closed	Closed

The long-term expected rate of return on investments of the pension plans 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

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Net Pension Liability (continued)

asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target allocation as of September 30, 2021 (see the discussion of each pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	General Employees	Police Officers
Domestic equity	7.5%	7.5%
International equity	8.5	8.5
Domestic fixed income	2.5	2.5
International fixed income	3.5	3.5
Real estate	4.5	4.5

Discount Rate: The discount rate used to measure the total pension liability of the General Employees Pension Plan was 6.00% (6.25% in 2020) and the Police Officers Pension Plan was 6.75% (6.75% in 2020). The discount rates were based on the expected rate of return on investments of each plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that Village 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 positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of the pension plans was applied to all periods of projected benefit payments to determine the projected total pension liability.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Village’s General Employees Pension Plan were as follows for the year ended September 30, 2021:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
General Employees Pension Plan			
Balances at October 1, 2020	\$ 28,334,906	\$ 29,082,300	\$ (747,394)
Changes for the current year:			
Service cost	366,283	--	366,283
Interest	1,761,821	--	1,761,821
Difference between expected and actual experience	(916,750)	--	(916,750)
Change of assumptions	896,257	--	896,257
Contributions - Village	--	1,057,688	(1,057,688)
Contributions - employee	--	57,475	(57,475)
Net investment income	--	5,373,468	(5,373,468)
Benefit payments, including refunds of employee contributions	(1,094,834)	(1,094,834)	--
Administration expenses	--	(128,202)	128,202
Net Changes	1,012,777	5,265,595	(4,252,818)
Balances at September 30, 2021	\$ 29,347,683	\$ 34,347,895	\$ (5,000,212)

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) (continued)

The changes in the net pension liability (asset) of the Village’s Police Officers Pension Plan were as follows for the year ended September 30, 2021:

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
			(Asset)
Police Officers Pension Plan			
Balances at October 1, 2020	\$34,101,285	\$35,217,021	\$ (1,115,736)
Changes for the current year:			
Service cost	500,477	--	500,477
Interest	2,409,210	--	2,409,210
Difference between expected and actual experience	(603,931)	--	(603,931)
Change of assumptions	1,891,247	--	1,891,247
Contributions - Village	--	501,903	(501,903)
Contributions - State of Florida	--	163,222	(163,222)
Contributions - employee	--	103,033	(103,033)
Net investment income	--	7,436,354	(7,436,354)
Benefit payments, including refunds of employee contributions	(1,062,865)	(1,062,865)	--
Administration expenses	--	(60,121)	60,121
Net Changes	3,134,138	7,081,526	(3,947,388)
Balances at September 30, 2021	\$37,235,423	\$42,298,547	\$ (5,063,124)

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following table presents the net pension liability (asset) of the General Employees Pension Plan and the Police Officers Pension Plan at September 30, 2021, calculated using the current discount rates of 6.00% and 6.75%, respectively, as well as what the net pension liability (asset) 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:

	1.0% Decrease	Current Discount Rate	1.0% Increase
General Employees Pension Plan	\$ (939,696)	\$ (5,000,212)	\$ (8,346,288)
Police Officers Pension Plan	\$ (128,612)	\$ (5,063,124)	\$ (9,103,199)

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

General Employees Pension Plan: For the year ended September 30, 2021, the Village recognized pension expense (income) of \$(2,418,812). At September 30, 2021, the Village reported deferred inflows/outflows of resources related to General Employees pensions from the following sources:

<u>General Employees Pension Plan</u>	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ --	\$ 377,485
Net difference between projected and actual investment earnings on pension plans	369,047	--
Change of assumptions	--	2,903,081
Balances at September 30, 2021	\$ 369,047	\$ 3,280,566

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions (continued)

Police Officers Pension Plan: For the year ended September 30, 2021, the Village recognized pension expense (income) of \$(401,255). At September 30, 2021, the Village reported deferred inflows/outflows of resources related to Police Officers pensions from the following sources:

Police Officers Pension Plan	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ --	\$ 54,903
Net difference between projected and actual investment earnings on pension plans	--	4,456,934
Change of assumptions	171,932	--
Balances at September 30, 2021	\$ 171,932	\$ 4,511,837

The amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

	General Employees	Police Officers
Fiscal Year Ending September 30		
2022	\$ (762,794)	\$ (1,062,598)
2023	(626,570)	(1,060,075)
2024	(810,315)	(1,202,996)
2025	(711,840)	(1,014,236)
Total	\$ (2,911,519)	\$ (4,339,905)

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Financial Statements

The General Employees Pension Plan and the Police Officers Pension Plan do not issue stand-alone GAAP financial reports. Financial statements for the General Employees Pension Plan and the Police Officers Pension Plan as of and for the year ended September 30, 2021, are as follows:

Statement of Fiduciary Net Position

	General Employees	Police Officers
Assets		
Cash and cash equivalents	\$ 2,361,451	\$ 1,241,049
Receivables:		
Accounts receivable	27,536	32,396
Investments:		
U.S. Treasury securities	2,003,082	2,513,857
Mortgage and asset-backed securities	3,932,685	4,654,352
Domestic corporate bonds	525,834	625,107
International fixed income mutual fund	1,024,659	1,700,857
Domestic equity securities and mutual fund	17,625,813	24,017,812
Foreign equity securities and mutual fund	3,964,193	4,182,721
Real estate investment account	2,928,903	3,349,763
Total investments	32,005,169	41,044,469
Total Assets	34,394,156	42,317,914
Liabilities		
Accounts payable	44,121	19,360
Total Liabilities	44,121	19,360
Net Position Restricted for Pension Benefits	\$ 34,350,035	\$ 42,298,554

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Financial Statements (continued)

Statement of Changes in Fiduciary Net Position		
	General Employees	Police Officers
Additions		
Contributions:		
Employer	\$ 1,057,688	\$ 501,903
Plan members	57,475	103,033
State contributions	--	163,222
Total Contributions	1,115,163	768,158
Investment income:		
Interest	151,975	159,188
Dividends	703,679	973,030
Net appreciation in fair value of investments	4,584,471	6,345,876
Total Investment Income:	5,440,125	7,478,094
Less: Investment expenses	(58,191)	(35,537)
Net Investment Income	5,381,934	7,442,557
Total Additions	6,497,097	8,210,715
Deductions		
Administration	134,528	66,317
Benefits	1,094,834	1,062,865
Total Deductions	1,229,362	1,129,182
Change In Plan Net Position	5,267,735	7,081,533
Net Position Restricted for Pension Benefits		
at October 1, 2020	29,082,300	35,217,021
Net Position Restricted for Pension Benefits		
at September 30, 2021	\$34,350,035	\$42,298,554

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS

All regular, full-time employees of the Village, including police officers, hired after June 30, 2010 are required to participate in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Trust Fund administered by the Florida Department of Management Services, Division of Retirement. FRS and HIS are cost-sharing, multiple-employer defined benefit pension plans with approximately 1,000 participating employers. FRS and HIS were established and are administered in accordance with Chapter 121 and Section 112.363, Florida Statutes, respectively.

FRS includes a Deferred Retirement Option Program (DROP) available for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation is optional for cities, municipalities, special districts, charter schools and metropolitan planning organizations.

HIS membership is optional and available to all retirees under a state-administered retirement system, provided the retiree provides proof of health insurance coverage, which can include Medicare. Participation is compulsory for cities, municipalities, special districts, charter schools and metropolitan planning organizations that participate in FRS.

Benefits Provided: FRS provides retirement, survivor and disability benefits to plan members and beneficiaries. Pension benefits of FRS are established by Florida Statutes, Chapter 121, and may be amended by the Florida Legislature. Retirement benefits are computed on the basis of age and/or years of service, average final compensation and service credit. Members initially enrolled prior to July 1, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. HIS provides retirees and beneficiaries a monthly benefit equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The monthly benefit payment is established by Section 112.363, Florida Statutes and is at least \$30, but not more than \$150.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

Village Contributions: FRS members are required to contribute 3.0% and no contribution is required for HIS members. Participating governments, including the Village, contribute to FRS at actuarially determined rates for various classes of employees, which are presently 10.00% of annual covered payroll for employees covered in the regular class, 27.29% for senior management class, 24.45% for special risk class (police officers), 49.18% for elected officials and 16.98% for employees covered in the FRS DROP program. Participating governments, including the Village, contribute to HIS based on a percentage of gross compensation for all active FRS members, which is presently 1.66%. The Village's contributions to FRS and HIS for the year ended September 30, 2021 were \$1,064,794, which was equal to 100% of the required contributions for the year.

Funding Policy: FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. HIS uses a pay-as-you-go funding policy based on monthly employer contributions at a flat percentage of gross compensation for all active FRS members. Employer and employee contribution rates are established by State law as a level percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature.

Publicly Available Financial Report: The State of Florida issues a publicly available financial report for FRS and HIS that includes financial statements and required supplementary information. The complete financial report is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com or by writing to the Research and Education Section at P.O. Box 9000, Tallahassee, Florida, 32315-9000 or by calling toll free 877-377-1737 or 850-488-5706.

Summary of Significant Accounting Policies: The financial statements of FRS and HIS are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Employee contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized in the period in which employee services are performed. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the terms of FRS and HIS. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are managed by external investment managers. The independent investment

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

custodian for FRS and HIS determines the fair value of securities using various third party pricing sources. For private market investments, where no readily ascertainable market value exists, fair values are based on net asset value (capital account balance) provided by investment managers at the closest available reporting period and adjusted for subsequent contributions and distributions. The net appreciation (depreciation) in fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments. Investment earnings are net of investment related expenses, such as management fees, portfolio evaluation and custodial services. For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of FRS and HIS and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by FRS and HIS.

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions

At September 30, 2021, the Village reported a liability of \$1,760,243 and \$2,702,347 for its proportionate share of the net pension liability of FRS and HIS, respectively. The net pension liability of each plan was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 for FRS and July 1, 2020 for HIS. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, as actuarially determined. At June 30, 2021, the Village's FRS proportion was .023302557 percent, which was a decrease of .000589083 percent from its proportion measured as of June 30, 2020. The HIS proportion was .022030298 percent at June 30, 2021, which was an increase of .000346198 percent from its proportion measured as of June 30, 2020.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions (continued)

For the year ended September 30, 2021, the Village recognized pension expense (income) of \$(674,349) for FRS and HIS. At September 30, 2021, the Village reported deferred outflows and inflows of resources related to FRS pensions from the following sources:

FRS	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 301,709	\$ --
Assumption changes	1,204,445	--
Net difference between projected and actual earnings on pension plan investments	--	6,141,046
Change in proportion and differences between Village contributions and proportionate share of contributions	252,931	350,546
Village contributions subsequent to the measurement date	252,073	--
Balances at September 30, 2021	\$ 2,011,158	\$ 6,491,592

At September 30, 2021 the Village reported deferred outflows and inflows of resources related to HIS pensions from the following sources:

HIS	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 90,427	\$ 1,131
Assumption changes	212,344	111,344
Net difference between projected and actual earnings on pension plan investments	2,817	--
Change in proportion and differences between Village contributions and proportionate share of contributions	267,881	--
Village contributions subsequent to the measurement date	33,199	--
Balances at September 30, 2021	\$ 606,668	\$ 112,475

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions (continued)

Deferred outflows of resources related to FRS and HIS pensions of \$285,272 resulting from Village contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

	FRS	HIS
Fiscal Year Ending September 30		
2022	\$ (785,316)	\$ 142,400
2023	(968,959)	82,664
2024	(1,292,059)	82,714
2025	(1,673,571)	86,849
2026	(12,602)	55,129
Thereafter	--	11,238
Total	\$ (4,732,507)	\$ 460,994

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions (continued)

Actuarial Assumptions: The total pension liability for FRS and HIS in the most recent actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
Valuation date	July 1, 2021	July 1, 2020
Measurement date	June 30, 2021	June 30, 2021
Actuarial cost method	Individual Entry	Individual Entry
Amortization method	Age Level percent of pay, closed	Age Level percent of pay, closed
Equivalent single amortization period	30 years	30 years
Asset valuation method	5-year smoothed	Market value
Discount rate	6.8%	2.16%
Inflation	2.4%	2.4%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of of investment expenses	6.8%	N/A
Municipal bond rate	N/A	2.21%
Payroll growth	3.25%	3.25%
Cost of living adjustments	3.0% pre-July 2011; 0% thereafter	N/A
Mortality rates	Mortality rates PUB-2010 base table with Scale MP-2018	Mortality rates PUB-2010 base table with Scale MP-2018

The actuarial assumptions used in the July 1, 2021 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions (continued)

Changes in Actuarial Assumptions: The initial amortization period for assumption, method and plan changes was reduced from 25 years to 20 years effective July 1, 2021. The assumed investment rate of return increased to 7.00% in 2021 from 6.80% in 2020. The discount rate for HIS changed from 2.21% for 2020 to 2.16% for 2021.

Long-term Expected Rate of Return: The long-term expected rate of return on FRS 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 annual arithmetic real rates of return for each major asset class are as follows:

Asset Class	Long-Term Expected Real Rate of Return
Cash equivalents	2.1%
Fixed income	3.8
Global equity	8.2
Private equity	11.7
Real estate	7.1
Strategic investments	5.7

Discount Rate: The discount rate used to measure the total pension liability of FRS at June 30, 2021 was 6.80% for FRS and 2.16% for HIS. The FRS discount rate was based on the expected rate of return on FRS investments. The HIS discount rate was based on the municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the fiduciary net position of FRS was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments of FRS was applied to all periods of projected benefit payments to determine the projected total pension liability. Because HIS uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension liability.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions (continued)

Sensitivity of the Village’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following table presents the Village’s proportionate share of the net pension liability (asset) of FRS and HIS at September 30, 2021, calculated using the current discount rate, as well as what the Village’s proportionate share of the net pension liability (asset) 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:

FRS			HIS		
Current			Current		
1.0% Decrease (5.80%)	Discount Rate (6.80%)	1.0% Increase (7.80%)	1.0% Decrease (1.16%)	Discount Rate (2.16%)	1.0% Increase (3.16%)
\$ 7,871,926	\$ 1,760,243	\$ (3,348,438)	\$ 3,124,175	\$ 2,702,347	\$ 2,356,754

Pension Plan Fiduciary Net Position: Detailed information about the fiduciary net position of FRS and HIS is available in a separately issued financial report, which is available on the Publications page of the Division of Retirement’s website at www.frs.myflorida.com or by writing to the Research and Education Section at P.O. Box 9000, Tallahassee, Florida, 32315-9000 or by calling toll free 877-377-1737 or 850-488-5706.

PAYABLES TO FRS

There were no amounts payable to FRS by the Village at September 30, 2021.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

PLAN DESCRIPTION

The Village administers a single-employer defined benefit health care plan (the “Plan”) that provides health care benefits to eligible retired employees and their beneficiaries. The Village Council has the authority to establish and amend the premiums for and the benefit provisions of the Plan. The Plan is financed on a “pay-as-you-go” basis and is not administered as a formal qualifying trust. The Plan does not issue a publicly available financial report.

FUNDING POLICY

The Village is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of the implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of \$608 to a maximum of \$1,830.

PLAN MEMBERSHIP

Membership in the Plan was comprised of the following at September 30, 2020, (measurement date) the date of the latest census data utilized for the actuarial valuation with an actuarial date of October 1, 2019:

Active employees	167
Retirees and beneficiaries receiving benefits	5
Inactive employees	--
Total Members	172

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

TOTAL OPEB LIABILITY

The Village's total OPEB liability of \$625,812 was reported as of September 30, 2021, and was determined by an actuarial valuation as of October 1, 2019.

Actuarial Methods and Significant Assumptions: The actuarial methods and significant assumptions used to determine the Village's total OPEB liability for the current year are summarized as follows:

Actuarial Valuation

Valuation date	10/1/2019 with 9/30/2020 measurement date
Actuarial cost method	Entry age normal, level percent of pay

Assumptions

Asset valuation method	N/A ⁽¹⁾
Discount Rate	2.14% ⁽²⁾
Post-retirement benefit increases	None
Health care cost trend rate	8.0% per year initially, reduced annually by .5% to an ultimate rate of 5.0%
Inflation rate	3.0%
Projected salary increases	3.0%
Mortality rates	RP-2006 mortality table with MP2019 projection

Amortization

Method	Average of expected future working lifetime of the active group
Remaining amortization period	13 years

(1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of September 30, 2021.

(2) Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the S&P AA Municipal Bond 20-year High Grade Rate Index as of September 30, 2021.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

The changes in the total OPEB liability were as follows for the year ended September 30, 2021:

Total OPEB Liability at October 1, 2020	\$ 578,459
Changes for the Current Year	
Service cost	28,412
Interest	18,941
Difference between expected and actual experience	--
Change in assumptions	--
Benefit payments	--
Net Changes	47,353
Balances at September 30, 2021	\$ 625,812

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability of the Village calculated using the current discount rate of 2.14%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.14%) or one percentage point higher (3.14%) than the current rate:

	1.0%	Current	1.0%
	Decrease	Discount	Increase
	(1.14%)	Rate	(3.14%)
	(1.14%)	(2.14%)	(3.14%)
\$	686,927	\$ 625,812	\$ 564,696

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the total OPEB liability of the Village calculated using the current healthcare cost trend rate of 8.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate:

1.0% Decrease (7.0%)	Current Discount Rate (8.0%)	1.0% Increase (9.0%)
\$ 547,673	\$ 625,812	\$ 719,620

Changes in Actuarial Assumptions: No changes in actuarial assumptions for 2021.

OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB

For the year ended September 30, 2021, the Village recognized OPEB expense of \$47.353. At September 30, 2021, the Village reported deferred inflows/outflows of resources related to OPEB from the following sources:

Description	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 1,807	\$ 2,935
Changes in assumptions	81,237	--
Balances at September 30, 2021	\$ 83,044	\$ 2,935

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

*OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB
(CONTINUED)*

The amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30	Amount
2022	\$ 6,676
2023	6,676
2024	6,676
2025	6,676
2026	6,676
Thereafter	46,729
Total	\$ 80,109

NOTE 11 – COMMITMENTS AND CONTINGENCIES

GRANTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Village for the return of those funds.

CONTINGENCIES

The Village is subject to a variety of lawsuits occurring in the normal course of business, the ultimate outcome of which is not presently determinable. In the opinion of management, after consultation with legal counsel, the resolution of any pending matters is not expected to have a significant impact on the financial condition of the Village.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONTRACT COMMITMENTS

Contract commitments consisted of the following at September 30, 2021:

	Total Project Authorization	Expended through September 30, 2021	Contract Retainage Payable at September 30, 2021	Balance to Complete
Governmental Activities				
Task #254 - Sago Palm Park Improvements	\$ 80,800	\$ 53,971	\$ --	\$ 26,829
Task #255 - Pathway Park Phases I-IV	1,296,283	1,122,755	16,569	156,959
Task #261 - Storage Bldg - Maintenance	233,258	33,322	280	199,656
Task #269 - Police 2nd Story Building	101,850	48,060	--	53,790
Task #286 - Lakewood Garden Park Improvements	376,641	351,349	--	25,292
Task #289 - Village Hall - Flex Space Buildout	32,588	25,588	--	7,000
Task #291 - PZB Software	133,500	45,000	--	88,500
Task #292 - Sabal Palm Improvements	3,745	800	--	2,945
Total Governmental Activities	\$ 2,258,665	\$ 1,680,845	\$ 16,849	\$ 560,971
Business-type Activities				
Water and Sewer Fund				
Task #258 - Material Storage Bays	\$ 76,305	\$ 45,246	\$ 3,755	\$ 27,304
Task #240 - Vacuum Station #1 Building Safety Imp	33,935	25,658	--	8,277
Task #260 - Material Storage Covering at Kirk Rd	244,673	31,699	300	212,674
Task #218 - L/S Rehab	1,111,852	995,454	47,414	68,984
Task #234 - Prairie W&W Line PBC	276,437	211,012	9,444	55,981
Task #226 - SCADA Pratt WTP	93,966	65,490	--	28,476
Task #227 - SCADA Main WTP	959,966	79,387	--	880,579
Task #233 - L/S Rehab	116,954	85,901	--	31,053
Task #238 - MIEX Regan Pratt WTP	248,899	128,256	--	120,643
Task #266 - Fixed Emergency Generator Vac St #1	24,685	17,528	--	7,157
Task #278 - Vac Station #1 Vac Pump Replacement	17,592	13,572	--	4,020

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONTRACT COMMITMENTS (CONTINUED)

	Total Project Authorization	Expended through September 30, 2021	Contract Retainage Payable at September 30, 2021	Balance to Complete
Water and Sewer Fund (continued)				
Task #242 - Water Well #10 Replacement	1,114,084	109,010	2,450	1,002,624
Task #247 - Utility Relocation Kudza Bridge Water	210,048	201,128	--	8,920
Task #262 - Well #9 Replacement	114,860	5,260	--	109,600
Task #264 - Well #15 Fixed Generator	153,375	15,409	--	137,966
Task #265 - Well #11 Fixed Generator	153,700	14,734	--	138,966
Task #267 - L/S #9 Fixed Generator	173,300	14,834	--	158,466
Task #268 - MIEX Regan Sys Upgrade MWTP	234,688	119,886	--	114,802
Task #271 - Replacement Sand Loader MWTP	361,123	25,648	--	335,475
Task #272 - Advanced Metering Infrastructure	212,140	89,911	--	122,229
Task #275 - Disinfection Feed Improvement - Main WTP	14,785	14,400	--	385
Task #276 - Disinfection Feed Improvements - Pratt WTP	14,785	14,195	--	590
Task #284 - SCADA Sys for Sewer Lift Stations	156,407	58,202	--	98,205
Task #290 - Well #17 Rehab	57,788	18,112	--	39,676
Task #294 - Water Main Fl Mango PBC	74,125	44,524	--	29,601
Task #295 - Water Main Fl Mango Phase #2	110,590	17,877	--	92,713
Task #296 - New Generator at Pratt WTP	44,560	4,044	--	40,516
Total Water and Sewer Fund	6,405,622	2,466,377	63,363	3,875,882
Stormwater Fund				
Task #249 - Lakewood Road SW Imp	23,648	15,187	--	8,461
Task #277 - Gulfstream Stormwater	36,800	25,120	--	11,680
Task #291 - DAVIS Rd Stormwater Imp Canal to 10th	126,517	86,213	--	40,304
Task #293 - Lakewood Stormwater W of Kirk	99,940	21,664	--	78,276
Total Stormwater Fund	286,905	148,184	--	138,721
Total Business-type Activities	\$ 6,692,527	\$ 2,614,561	\$ 63,363	\$ 4,014,603

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Ad valorem taxes	\$ 4,838,338	\$ 4,838,338	\$ 4,852,229	\$ 13,891
Franchise fees	1,547,791	1,547,791	1,564,478	16,687
Utility service taxes	2,752,429	2,752,429	2,900,695	148,266
Business taxes	387,200	387,200	408,663	21,463
Total taxes	9,525,758	9,525,758	9,726,065	200,307
Permits				
Building permits	800,000	800,000	775,520	(24,480)
Other permits	10,500	10,500	32,861	22,361
Total permits	810,500	810,500	808,381	(2,119)
Intergovernmental				
State revenue sharing	730,444	730,444	1,015,662	285,218
Alcoholic beverage licenses	7,800	7,800	8,716	916
Municipal fuel tax refund	9,400	9,400	11,229	1,829
Local option gas tax	384,870	384,870	407,800	22,930
County occupational licenses	50,000	50,000	51,485	1,485
Half-cent sales tax	1,618,825	1,618,825	2,059,609	440,784
Local option sales tax	1,479,402	1,479,402	1,887,876	408,474
Grant revenue	550,326	550,326	496,627	(53,699)
Other intergovernmental revenue	50,500	50,500	48,400	(2,100)
Total intergovernmental	4,881,567	4,881,567	5,987,404	1,105,837
Charges for services				
General government	768,914	768,914	915,519	146,605
Public safety	292,742	292,742	405,380	112,638
Physical environment	1,149,087	1,149,087	1,157,652	8,565
Transportation	14,520	14,520	15,660	1,140
Culture/recreation	220,072	220,072	102,120	(117,952)
Total charges for services	2,445,335	2,445,335	2,596,331	150,996
Fines and forfeitures				
Judgements and fines	76,000	76,000	110,449	34,449
Other	175,300	175,300	217,069	41,769
Total fines and forfeitures	251,300	251,300	327,518	76,218
Contributions and donations	24,500	24,500	28,164	3,664

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Miscellaneous				
Investment income	\$ 125,000	\$ 125,000	\$ 14,685	\$ (110,315)
Facility rental	275,900	275,900	265,865	(10,035)
Miscellaneous revenue	17,800	17,800	161,420	143,620
Total miscellaneous	418,700	418,700	441,970	23,270
Total Revenues	\$ 18,357,660	\$ 18,357,660	\$ 19,915,833	\$ 1,558,173
Expenditures				
General government				
Legislative:				
Personal services	\$ 53,050	\$ 53,050	\$ 52,991	\$ 59
Operating	120,223	120,223	91,880	28,343
Capital outlay	--	--	--	--
Nonoperating	356,000	178,880	5,650	173,230
Total legislative	529,273	352,153	150,521	201,632
Executive:				
Personal services	971,285	971,285	927,654	43,631
Operating	70,663	70,663	60,753	9,910
Capital outlay	--	--	--	--
Total executive	1,041,948	1,041,948	988,407	53,541
Financial administration:				
Personal services	733,724	733,724	708,167	25,557
Operating	35,227	38,427	27,805	10,622
Capital outlay	5,000	1,800	--	1,800
Total financial administration	773,951	773,951	735,972	37,979
Legal:				
Operating	200,000	200,000	198,640	1,360
Total legal	200,000	200,000	198,640	1,360
Information technology:				
Personal services	507,082	507,082	448,274	58,808
Operating	406,020	454,220	339,381	114,839
Capital outlay	203,125	154,925	133,905	21,020
Total information technology	1,116,227	1,116,227	921,560	194,667
Other general government:				
Personal services	2,500	24,000	14,907	9,093
Operating	212,906	203,206	198,475	4,731
Capital outlay	811,800	800,000	39,613	760,387
Total other general government	1,027,206	1,027,206	252,995	774,211
Total General Government	\$ 4,688,605	\$ 4,511,485	\$ 3,248,095	\$ 1,263,390

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety				
Planning, zoning and building:				
Personal services	\$ 922,027	\$ 922,027	\$ 550,827	\$ 371,200
Operating	870,522	870,522	290,406	580,116
Capital outlay	102,000	102,000	45,000	57,000
Nonoperating	100,000	100,000	74,690	25,310
Total planning, zoning and building	1,994,549	1,994,549	960,923	1,033,626
Law enforcement:				
Personal services	8,772,858	8,742,858	7,517,284	1,225,574
Operating	687,513	715,397	597,922	117,475
Capital outlay	1,579,250	1,580,050	341,137	1,238,913
Nonoperating	10,000	11,316	11,316	--
Total law enforcement	11,049,621	11,049,621	8,467,659	2,581,962
Total Public Safety	13,044,170	13,044,170	9,428,582	3,615,588
Physical environment				
Sanitation services:				
Operating	1,317,180	1,317,380	1,317,299	81
Total sanitation services	1,317,180	1,317,380	1,317,299	81
Total physical environment	1,317,180	1,317,380	1,317,299	81
Transportation				
Personal services	1,479,118	1,504,118	1,427,267	76,851
Operating	1,003,810	1,079,631	743,541	336,090
Capital outlay	444,500	420,679	166,182	254,497
Total transportation	2,927,428	3,004,428	2,336,990	667,438
Culture/recreation				
Library:				
Personal services	698,780	698,780	479,593	219,187
Operating	100,686	140,704	119,121	21,583
Capital outlay	82,645	42,627	38,157	4,470
Total library	882,111	882,111	636,871	245,240
Parks and recreation:				
Personal services	634,307	575,145	518,678	56,467
Operating	392,164	358,749	315,470	43,279
Capital outlay	1,342,187	1,534,684	1,294,608	240,076
Total parks and recreation	\$ 2,368,658	\$ 2,468,578	\$ 2,128,756	\$ 339,822

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture/recreation (continued)				
Special events:				
Operating	\$ 72,254	\$ 72,254	\$ 43,418	\$ 28,836
Total special events	72,254	72,254	43,418	28,836
Total culture/recreation	3,323,023	3,422,943	2,809,045	613,898
Total Expenditures	25,300,406	25,300,406	19,140,011	6,160,395
Excess (Deficiency) of Revenues				
over Expenditures	(6,942,746)	(6,942,746)	775,822	(4,602,222)
Other Financing Sources (Uses)				
Transfer in	2,649,152	2,649,152	2,649,152	--
Subsequent year appropriation	1,183,000	1,183,000	--	(1,183,000)
Appropriated from restricted for sales tax	2,097,250	2,097,250	--	(2,097,250)
Appropriated from assigned for CIP	1,081,925	1,081,925	--	(1,081,925)
Transfer out	(68,581)	(68,581)	(68,581)	--
Total Other Financing Sources (Uses)	6,942,746	6,942,746	2,580,571	(4,362,175)
Net Change in Fund Balance	\$ --	\$ --	3,356,393	\$ 3,356,393
Fund Balance - Beginning of Year			18,021,100	
Fund Balance - End of Year			\$ 21,377,493	

VILLAGE OF PALM SPRINGS, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – BUDGETARY ACCOUNTING

State of Florida Statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council annually adopts an operating budget and appropriates funds for the General Fund and Palm Springs CRA fund. The procedures for establishing the budget are as follows:

- Prior to September 1, the Village Manager submits to the Council a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The Village advises the County Property Appraiser of the proposed millage rate and the date, time and place of the public hearing for budget acceptance.
- The budget and related millage rate are legally enacted by ordinance.
- Changes or amendments to the budget of the Village or a department must be approved by the Council; however, changes within a department which do not affect the total departmental expenditures may be approved at the administrative level. Accordingly, the legal level of control is at the department level.

The adopted budgets are prepared on the modified accrual basis in accordance with U.S. generally accepted accounting principles. The reported budgetary data represents the final appropriated budget after amendments adopted by the Council. There were no supplemental appropriations adopted for the year ended September 30, 2021. Unexpended appropriations lapse at year end.

NOTE 2 – ENCUMBRANCES

Encumbrance accounting, in which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized by the Village during the year. However, all encumbrances outstanding at year end lapse and, accordingly, there is no fund balance assigned for encumbrances at September 30, 2021.

VILLAGE OF PALM SPRINGS, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 3 – BUDGET AND ACTUAL COMPARISON

The budgetary comparison schedule is prepared on the basis of accounting used in preparing the appropriated budget. For budgetary purposes, proceeds from the sale of capital assets are included in budgeted revenues, but are considered “other financing sources” for GAAP. As a result, the General Fund revenues reported in the budgetary comparison schedule are \$20,373 more than the revenues reported on the basis of GAAP due to \$20,373 of proceeds from the sale of capital assets reported as another financing source under GAAP.

VILLAGE OF PALM SPRINGS, FLORIDA
CONDITION RATING OF THE VILLAGE’S STREET SYSTEM
SEPTEMBER 30, 2021

Percentage of lane miles in good or better condition: 100%

Percentage of lane miles in substandard condition: 0%

Comparison of needed-to-actual maintenance/preservation:

Year Ended September 30,	Needed	Actual	Difference
2012	\$ 42,950	\$ 25,029	\$ 17,921
2013	124,000	122,145	1,855
2014	144,805	141,553	3,252
2015	170,000	151,463	18,537
2016	540,500	523,022	17,478
2017	845,822	611,980	233,842
2018	370,000	99,409	270,591
2019	474,600	308,997	165,603
2020	425,000	257,990	167,010
2021	350,000	220,442	129,558
Total	\$ 3,487,677	\$ 2,462,030	\$ 1,025,647

The condition of street pavement is rated using the Asphalt Pavement Rating Form as developed by the Asphalt Institute. The Asphalt Pavement Rating Form is based on a weighted average of thirteen defects found in pavement services. The form uses a measurement scale that is based on a condition index rating from zero for failed to 100 for pavement in perfect condition. The condition index is used to classify roads in seven categories: excellent (100-85), very good (84-70), good (69-55), fair (54-40), poor (39-25), very poor (24-10), failed (9-0). It is the Village's policy to maintain at least 80% of its street system at a good or better condition. Needed maintenance is calculated based upon inspections and the condition assessment index.

In accordance with GASB Statement No. 34, the Village is required to report at least one complete condition assessment at transition using the modified approach. The condition assessment was completed by the Village in fiscal year 2003 and documented that eligible infrastructure assets are being preserved at or above the condition level established by the Village. We evaluate 1/3 of the network each year. In FY 2021 we are in year 3 of the sixth cycle of assessments and we continue to maintain our network in a condition that meets or exceeds Village policy.

The Village calculates needed maintenance of its street system annually. However, the scheduling of these street projects often crosses fiscal years. Also, many streets are restored as utility work is performed. Therefore, actual maintenance may be less than or greater than the calculated needed maintenance in any fiscal year.

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
GENERAL EMPLOYEES PENSION FUND

September 30, (Measurement Date)	2021	2020	2019
Total Pension Liability			
Service cost	\$ 366,284	\$ 357,165	\$ 379,392
Interest	1,761,821	1,794,729	1,776,251
Differences between expected and actual experience	(916,750)	(877,264)	(561,920)
Changes of assumptions	896,257	(745,073)	913,998
Benefit payments, including refunds	(1,094,834)	(1,097,195)	(1,106,461)
Net Change in Total Pension Liability	1,012,778	(567,638)	1,401,260
Total Pension Liability, Beginning of Fiscal Year	28,334,905	28,902,543	27,501,283
Total Pension Liability, End of Fiscal Year (a)	\$ 29,347,683	\$ 28,334,905	\$ 28,902,543
Plan Fiduciary Net Position			
Contributions			
Employer	\$ 1,057,688	\$ 933,633	\$ 831,216
Plan members	57,475	55,317	53,804
Net investment income (loss)	5,373,469	2,179,210	808,285
Benefit payments, including refunds	(1,094,834)	(1,097,195)	(1,106,461)
Administrative expense	(128,202)	(64,400)	(62,854)
Net Change in Plan Fiduciary Net Position	5,265,596	2,006,565	523,990
Plan Fiduciary Net Position, Beginning of Fiscal Year	29,082,299	27,075,734	26,551,744
Plan Fiduciary Net Position, End of Fiscal Year (b)	\$ 34,347,895	\$ 29,082,299	\$ 27,075,734
Net Pension Liability (Asset), End of Fiscal Year [(a)-(b)]	\$ (5,000,212)	\$ (747,394)	\$ 1,826,809
Plan Fiduciary Net Position as a			
Percentage of Total Pension Liability (Asset)	117.0%	102.6%	93.7%
Covered Payroll	\$ 1,915,795	\$ 1,843,880	\$ 1,793,426
Net Pension Liability (Asset) as a Percentage			
of Covered Payroll	(261.0)%	(40.5)%	101.9%

Notes to Schedule:

Effective June 30, 2010, the General Employees Pension Plan was closed to new members and current employees were given the option to remain in the Plan or join the Florida Retirement System (FRS). A total of 38 active participants of the General Employees Pension Plan elected to join FRS and the remaining participants stayed in the Village plan. New employees hired after June 30, 2010 are required to join FRS.

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a 10-year trend is compiled, information is presented for those years available.

2018	2017	2016	2015	2014
\$ 371,772	\$ 364,562	\$ 339,321	\$ 366,097	\$ 366,898
1,728,787	1,685,440	1,583,402	1,572,611	1,487,114
(205,918)	(325,072)	(429,411)	(930,661)	(498,125)
866,043	777,414	2,358,552	--	1,199,760
(1,004,991)	(950,966)	(877,324)	(811,678)	(708,034)
1,755,693	1,551,378	2,974,540	196,369	1,847,613
25,745,590	24,194,212	21,219,672	21,023,303	19,174,690
\$ 27,501,283	\$ 25,745,590	\$ 24,194,212	\$ 21,219,672	\$ 21,022,303
\$ 862,047	\$ 828,922	\$ 1,088,264	\$ 1,061,229	\$ 1,158,775
59,854	64,047	72,094	80,731	86,400
2,291,631	2,674,644	2,139,230	(110,389)	1,475,932
(1,004,991)	(950,966)	(877,324)	(811,678)	(708,034)
(63,308)	(63,858)	(66,848)	(58,933)	(44,762)
2,145,233	2,552,789	2,355,416	160,960	1,968,311
24,406,511	21,853,722	19,498,306	19,337,346	17,369,035
\$ 26,551,744	\$ 24,406,511	\$ 21,853,722	\$ 19,498,306	\$ 19,337,346
\$ 949,539	\$ 1,339,079	\$ 2,340,490	\$ 1,721,366	\$ 1,684,957
96.5%	94.8%	90.3%	91.9%	92.0%
\$ 1,995,144	\$ 2,134,889	\$ 2,403,161	\$ 2,691,095	\$ 2,880,000
47.6%	62.7%	97.4%	64.0%	58.5%

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
POLICE OFFICERS PENSION FUND

September 30, (Measurement Date)	2021	2020	2019
Total Pension Liability			
Service cost	\$ 500,477	\$ 332,692	\$ 339,484
Interest	2,409,210	2,313,118	2,205,109
Differences between expected and actual experience	(603,931)	852,542	(264,614)
Changes of assumptions	1,891,247	(709,083)	197,669
Benefit payments, including refunds	(1,062,865)	(1,009,708)	(1,020,976)
Net Change in Total Pension Liability	3,134,138	1,779,561	1,456,672
Total Pension Liability, Beginning of Fiscal Year	34,101,285	32,321,724	30,865,052
Total Pension Liability, End of Fiscal Year (a)	\$ 37,235,423	\$ 34,101,285	\$ 32,321,724
Plan Fiduciary Net Position			
Contributions			
Employer and State	\$ 665,125	\$ 945,003	\$ 1,576,472
Plan members	103,033	109,215	106,132
Net investment income (loss)	7,436,354	3,261,422	1,488,942
Benefit payments, including refunds	(1,062,865)	(1,009,708)	(1,020,976)
Administrative expense	(60,122)	(67,813)	(52,501)
Net Change in Plan Fiduciary Net Position	7,081,525	3,238,119	2,098,069
Plan Fiduciary Net Position, Beginning of Fiscal Year	35,217,022	31,978,903	29,880,834
Plan Fiduciary Net Position, End of Fiscal Year (b)	\$ 42,298,547	\$ 35,217,022	\$ 31,978,903
Net Pension Liability (Asset), End of Fiscal Year [(a)-(b)]	\$ (5,063,124)	\$ (1,115,737)	\$ 342,821
Plan Fiduciary Net Position as a			
Percentage of Total Pension Liability (Asset)	113.6%	103.3%	98.9%
Covered Payroll	\$ 1,561,115	\$ 1,654,766	\$ 1,608,072
Net Pension Liability (Asset) as a Percentage			
of Covered Payroll	(324.3)%	(67.4)%	21.3%

Notes to Schedule:

Effective October 1, 2009, the Village contracted with Palm Beach County for fire protection and emergency medical services. As a result, the existing Hazardous Employees Pension Plan was renamed the Police Officers Pension Plan and was closed to new Firefighter members and the benefits of current Firefighter members were frozen. Effective June 30, 2010, the Police Officers Pension Plan was closed to new members and current employees were given the option to remain in the Plan or join the Florida Retirement System (FRS). Nine police officers elected to join FRS on July 1, 2010 and the remaining participants stayed in the Village plan. New police officers hired after June 30, 2010 are required to join FRS.

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a 10-year trend is compiled, information is presented for those years available.

2018	2017	2016	2015	2014
\$ 403,228	\$ 427,032	\$ 410,669	\$ 360,751	\$ 375,327
2,143,645	2,068,372	1,944,254	1,850,070	1,763,202
(279,697)	216,592	(181,834)	81,981	391,759
124,812	80,318	76,322	--	--
(965,600)	(938,667)	(888,548)	(878,850)	(1,443,990)
1,426,388	1,853,647	1,360,863	1,413,952	1,086,298
29,438,664	27,585,017	26,224,154	24,810,202	23,723,904
\$ 30,865,052	\$ 29,438,664	\$ 27,585,017	\$ 26,224,154	\$ 24,810,202
\$ 1,552,848	\$ 1,543,986	\$ 1,540,740	\$ 1,499,908	\$ 1,424,890
103,813	116,150	123,992	117,695	122,123
2,581,251	2,938,837	1,940,467	(41,414)	1,958,170
(965,600)	(938,667)	(888,548)	(878,850)	(1,443,990)
(64,481)	(55,453)	(64,671)	(51,394)	(42,200)
3,207,831	3,604,853	2,651,980	645,945	2,018,993
26,673,003	23,068,150	20,416,170	19,770,225	17,751,232
\$ 29,880,834	\$ 26,673,003	\$ 23,068,150	\$ 20,416,170	\$ 19,770,225
\$ 984,218	\$ 2,765,661	\$ 4,516,867	\$ 5,807,984	\$ 5,039,977
96.8%	90.6%	83.6%	77.9%	79.7%
\$ 1,572,925	\$ 1,759,837	\$ 1,878,665	\$ 1,783,252	\$ 1,850,346
62.6%	157.2%	240.4%	325.7%	272.4%

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE CONTRIBUTIONS - VILLAGE PENSION FUNDS

General Employees Pension Fund

September 30,	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 928,740	\$ 887,452	\$ 809,354	\$ 801,394	\$ 777,969
Contributions in relation to actuarially determined contribution	1,057,688	933,633	831,216	862,047	828,922
Contribution Deficiency (Excess)	\$ (128,948)	\$ (46,181)	\$ (21,862)	\$ (60,653)	\$ (50,953)
Covered Payroll	\$ 1,915,795	\$ 1,843,880	\$ 1,793,426	\$ 1,995,144	\$ 2,134,889
Contributions as a Percentage of Covered Payroll	55.2%	50.6%	46.3%	43.2%	38.8%

Police Officers Pension Fund

September 30,	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 458,891	\$ 758,756	\$ 1,029,719	\$ 1,235,835	\$ 1,284,202
Contributions in relation to actuarially determined contribution	665,125	945,003	1,576,472	1,552,848	1,543,986
Contribution deficiency (Excess)	\$ (206,234)	\$ (186,247)	\$ (546,753)	\$ (317,013)	\$ (259,784)
Covered Payroll	\$ 1,561,115	\$ 1,654,766	\$ 1,608,072	\$ 1,572,925	\$ 1,759,837
Contributions as a Percentage of Covered Payroll	42.6%	57.1%	98.0%	98.7%	87.7%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of October 1, 2019, which provides the actuarially determined contribution for the fiscal years ending September 30, 2021.

	General Employees	Police Officers
Valuation date:	10/1/2019	10/1/2019

Significant methods and assumptions used to determine contribution rates:

	General Employees	Police Officers
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Closed	Level Percent of Payroll, Closed
Amortization period:		
Gains and losses	5 years	15 years
Assumption, method and plan changes	5 years	15 years
Asset valuation method	5-Year Smoothed	4-Year Smoothed
Inflation, per year	2.00%	2.75%
Salary increases (with inflation), per year	4.6% - 8.3%	4.0% - 5.25%
Investment rate of return	6.25%	7.30%
Cost of living adjustments	3.0%	3.0%
Retirement age	Age 62 with 5 years service	Experience-based rates specific to eligibility
Mortality	RP-2000 Fully Generational BB	RP-2000 Blue Collar Adj.

2016	2015	2014	2013	2012
\$ 948,927	\$ 963,970	\$ 1,017,458	\$ 978,877	\$ 875,999
1,088,264	1,061,229	1,158,775	1,027,980	939,845
\$ (139,337)	\$ (97,259)	\$ (141,317)	\$ (49,103)	\$ (63,846)
\$ 2,403,161	\$ 2,691,095	\$ 2,880,000	\$ 3,085,966	\$ 3,074,143
45.3%	39.4%	40.2%	33.3%	30.6%

2016	2015	2014	2013	2012
\$ 1,341,587	\$ 1,455,934	\$ 1,421,664	\$ 1,343,382	\$ 1,194,290
1,540,740	1,499,908	1,424,890	1,343,382	1,194,290
\$ (199,153)	\$ (43,974)	\$ (3,226)	\$ -	\$ -
\$ 1,878,665	\$ 1,783,252	\$ 1,868,460	\$ 1,666,560	\$ 1,850,308
82.0%	84.1%	76.3%	80.6%	64.5%

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN

June 30th,	2021	2020	2019	2018
Village's proportion of the net pension liability	0.02330%	0.02389%	0.02507%	0.02345%
Village's proportionate share of the net pension liability	\$ 1,760,243	\$ 10,354,989	\$ 8,634,342	\$ 7,064,764
Village's covered payroll	\$ 7,755,670	\$ 7,506,842	\$ 7,035,255	\$ 6,322,362
Village's proportionate share of the net pension liability as a percentage of Village covered payroll	22.7%	137.9%	122.7%	111.7%
Plan fiduciary net position as a percentage of the total pension liability	96.4%	78.8%	82.6%	84.3%

SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN

September 30th,	2021	2020	2019	2018
Contractually required Village contribution	\$ 932,724	\$ 800,120	\$ 799,161	\$ 682,850
Contributions in relation to the contractually required Village contribution	932,724	800,120	799,161	682,850
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --
Village covered payroll	\$ 7,910,743	\$ 7,525,485	\$ 7,248,956	\$ 6,401,551
Contributions as a percentage of Village covered payroll	11.8%	10.6%	11.0%	10.7%

The schedules presented above illustrate the requirements of GASB Statement No. 68. Currently, only data from fiscal year 2014 and forward are available.

2017	2016	2015	2014
0.02335%	0.02208%	0.01871%	0.01658%
\$ 6,905,580	\$ 5,574,897	\$ 2,416,813	\$ 1,011,427
\$ 6,039,789	\$ 5,488,748	\$ 4,800,805	\$ 4,411,337
114.3%	101.6%	50.3%	22.93%
83.9%	84.9%	92.0%	96.1%

2017	2016	2015	2014
\$ 617,847	\$ 568,454	\$ 474,857	\$ 363,102
617,847	568,454	474,857	363,102
\$ --	\$ --	\$ --	\$ --
\$ 6,250,249	\$ 5,586,304	\$ 4,952,601	\$ 4,412,822
9.9%	10.2%	9.6%	8.2%

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

June 30th,	2021	2020	2019	2018
Village's proportion of the net pension liability	0.02203%	0.02168%	0.02103%	0.01938%
Village's proportionate share of the net pension liability	\$ 2,702,347	\$ 2,647,593	\$ 2,353,345	\$ 2,051,623
Village's covered payroll	\$ 7,755,670	\$ 7,506,842	\$ 7,035,255	\$ 6,322,362
Village's proportionate share of the net pension liability as a percentage of Village covered payroll	34.8%	35.3%	33.5%	32.5%
Plan fiduciary net position as a percentage of the total pension liability	3.6%	3.0%	2.6%	2.1%

SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

September 30th,	2021	2020	2019	2018
Contractually required Village contribution	\$ 132,070	\$ 125,265	\$ 120,348	\$ 106,426
Contributions in relation to the contractually required Village contribution	132,070	125,265	120,348	106,426
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --
Village covered payroll	\$ 7,910,743	\$ 7,525,485	\$ 7,248,956	\$ 6,401,551
Contributions as a percentage of Village covered payroll	1.7%	1.7%	1.7%	1.7%

The schedules presented above illustrate the requirements of GASB Statement No. 68. Currently, only data from fiscal year 2014 and forward are available.

2017	2016	2015	2014
0.01902%	0.01783%	0.01594%	0.01446%
\$ 2,034,112	\$ 2,078,426	\$ 1,625,362	\$ 1,351,759
\$ 6,039,789	\$ 5,488,748	\$ 6,039,789	\$ 4,411,337
33.7%	37.9%	26.9%	30.64%
1.6%	1.0%	0.5%	1.0%

2017	2016	2015	2014
\$ 101,046	\$ 95,521	\$ 60,923	\$ 49,525
101,046	95,521	60,923	49,525
\$ --	\$ --	\$ --	\$ --
\$ 6,250,249	\$ 5,586,304	\$ 4,952,601	\$ 4,412,822
1.6%	1.7%	1.2%	1.1%

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS - PENSION TRUST FUNDS

	Annual money-weighted rate of return, net of investment expenses	
Fiscal Year Ended September 30,	General Employees Pension Fund	Police Officers Pension Fund
2021	5.86 %	6.10 %
2020	5.86 %	10.05 %
2019	2.86 %	4.84 %
2018	9.18 %	9.56 %
2017	11.99 %	12.51 %
2016	10.53 %	9.24 %
2015	(.87)%	(.47)%
2014	8.25 %	11.04 %

Note to Schedule:

The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10-year trend is compiled, information is presented for those years available.

Information prior to adoption of GASB Statement No. 67 in fiscal year 2014 is not available.

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

September 30, (Report Date)	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 28,412	\$ 24,075	\$ 25,178	\$ 23,702
Interest	18,941	16,602	16,054	15,113
Differences between expected and actual experience	--	(3,180)	--	2,109
Changes of assumptions	--	88,007	--	--
Benefit payments	--	(21,563)	(15,519)	(14,609)
Net Change in Total OPEB Liability	47,353	103,941	25,713	26,315
Total OPEB Liability, Beginning of Fiscal Year	578,459	474,518	448,805	422,490
Total OPEB Liability, End of Fiscal Year	\$ 625,812	\$ 578,459	\$ 474,518	\$ 448,805
Village Covered Employee Payroll	\$ 10,515,039	\$ 10,382,123	\$ 9,984,483	\$ 9,399,015
Total OPEB Liability as a Percentage of Village Covered Employee Payroll	6.0%	5.6%	4.8%	4.8%

Notes to Schedule:

Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB liability, the discount rate is the long-term rate of return on tax-exempt, high quality municipal bonds based on the Standard & Poors Municipal Bond 20-year High Grade Rate Index.

Actuarial Assumption Changes

Discount rate - 2020	2.14%
Discount rate - 2019 and 2018	3.64%

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10-year trend is compiled, information is presented for those years available.

**COMBINING FUND FINANCIAL STATEMENTS AND
DEBT SCHEDULES**

NONMAJOR GOVERNMENTAL FUND

Special Revenue Fund – Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes. The special revenue funds used by the Village are:

Law Enforcement Fund – Accounts for proceeds from law enforcement forfeitures that are legally restricted to expenditures for law enforcement purposes.

Lake Worth Road CRA – Accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities. This district relates to the Palm Springs CRA.

Congress Ave CRA – Accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities. This district relates to the Palm Springs CRA.

Debt Service Fund – Debt service funds are used to account for assets held for the repayment of principal and interest on general obligation debt.

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue				Total Nonmajor Governmental Funds
	Law Enforcement Fund	Lake Worth Road CRA	Congress Ave CRA	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 44,670	\$ 10,471	\$ 63,257	\$ 250,842	\$ 369,240
Total Assets	\$ 44,670	\$ 10,471	\$ 63,257	\$ 250,842	\$ 369,240
Fund Balances					
Restricted for:					
Law enforcement	\$ 44,670	\$ --	\$ --	\$ --	\$ 44,670
Lake Worth Road CRA	--	10,471	--	--	10,471
Congress Ave CRA	--	--	63,257	--	63,257
Debt service	--	--	--	250,842	250,842
Total Fund Balances	\$ 44,670	\$ 10,471	\$ 63,257	\$ 250,842	\$ 369,240

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue				Total Nonmajor Governmental Funds
	Law Enforcement Fund	Lake Worth Road CRA	Congress Ave CRA	Debt Service Fund	
Revenues					
Taxes	\$ --	\$ 30,875	\$ 37,432	\$ 430,715	\$ 499,022
Total Revenues	--	30,875	37,432	430,715	499,022
Expenditures					
Current:					
Economic environment	--	51,404	11,756	--	63,160
Public safety	9,999	--	--	--	9,999
Debt service:					
Principal	--	--	--	312,841	312,841
Interest and other fiscal charges	--	--	--	116,494	116,494
Total Expenditures	9,999	51,404	11,756	429,335	502,494
Excess (Deficiency) of Revenues over Expenditures	(9,999)	(20,529)	25,676	1,380	(3,472)
Other Financing Sources (Uses)					
Transfers in	--	31,000	37,581	--	68,581
Net Change in Fund Balances	(9,999)	10,471	63,257	1,380	65,109
Fund Balances - Beginning of Year	54,669	--	--	249,462	304,131
Fund Balance - End of Year	\$ 44,670	\$ 10,471	\$ 63,257	\$ 250,842	\$ 369,240

VILLAGE OF PALM SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - PALM SPRINGS CRA
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 68,581	\$ 68,581	\$ 68,307	\$ (274)
Total Revenues	68,581	68,581	68,307	(274)
Expenditures				
Current:				
Economic environment	137,162	137,162	63,160	74,002
Total Expenditures	137,162	137,162	63,160	74,002
Other Financing Sources				
Transfer in	68,581	68,581	68,581	--
Total Other Financing Sources	68,581	68,581	68,581	--
Net Change in Fund Balance	\$ --	\$ --	73,728	\$ (73,728)
Fund Balance - Beginning				--
Fund Balance - Ending				\$ 73,728

Note: The Palm Springs CRA is inclusive of the 2 districts: (1) Lake Worth Road CRA Fund and (2) Congress Ave CRA Fund.

FIDUCIARY FUNDS

General Employee Pension Fund – The general employees pension fund is used to account for the defined benefit pension plan for the general employees of the Village.

Police Officers Pension Fund – The police officers pension fund is used to account for the defined benefit pension plan for the police officers of the Village.

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	General Employees Pension Fund	Police Officers Pension Fund	Total Pension Funds
Assets			
Cash and cash equivalents	\$ 2,361,451	\$ 1,241,049	\$ 3,602,500
Receivables:			
Accounts receivable	2,135	--	2,135
Interest and dividends	25,401	32,396	57,797
Investments:			
U.S. Treasury securities	2,003,082	2,513,857	4,516,939
Mortgage and asset-backed securities	3,932,685	4,654,352	8,587,037
Domestic corporate bonds	525,834	625,107	1,150,941
International fixed income mutual fund	1,024,659	1,700,857	2,725,516
Domestic equity securities and mutual fund	17,625,813	24,017,812	41,643,625
Foreign equity securities and mutual fund	3,964,193	4,182,721	8,146,914
Real estate investment account	2,928,903	3,349,763	6,278,666
Total investments	32,005,169	41,044,469	73,049,638
Total Assets	34,394,156	42,317,914	76,712,070
Liabilities			
Accounts payable	44,121	19,360	63,481
Total Liabilities	44,121	19,360	63,481
Net Position Restricted for Pension			
Benefits	\$ 34,350,035	\$ 42,298,554	\$ 76,648,589

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Employees Pension Fund	Police Officers Pension Fund	Total Pension Funds
Additions			
Contributions			
Employer	\$ 1,057,688	\$ 501,903	\$ 1,559,591
Plan members	57,475	103,033	160,508
State of Florida	--	163,222	163,222
Total Contributions	1,115,163	768,158	1,883,321
Investment Income			
Interest	151,975	159,188	311,163
Dividends	703,679	973,030	1,676,709
Net appreciation in fair value of investments	4,584,471	6,345,876	10,930,347
Total Investment Income:	5,440,125	7,478,094	12,918,219
Less: Investment expenses	(58,191)	(35,537)	(93,728)
Net Investment Income	5,381,934	7,442,557	12,824,491
Total Additions	6,497,097	8,210,715	14,707,812
Deductions			
Administration expenses	134,528	66,317	200,845
Benefits paid	1,094,834	1,062,865	2,157,699
Total Deductions	1,229,362	1,129,182	2,358,544
Change in Plan Net Position	5,267,735	7,081,533	12,349,268
Net Position Restricted for Pension Benefits			
Beginning of Year	29,082,300	35,217,021	64,299,321
End of Year	\$ 34,350,035	\$ 42,298,554	\$ 76,648,589

SCHEDULES OF LONG-TERM DEBT TO MATURITY

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING SCHEDULE OF DEBT SERVICE REQUIREMENTS
(PRINCIPAL AND INTEREST) TO MATURITY
SEPTEMBER 30, 2021

Fiscal Year Ending September 30,	Governmental Activities	Business-type Activities	Total
	General Obligation Note Payable	Note Payable	
2022	\$ 427,714	\$ 942,237	\$ 1,369,951
2023	426,056	942,237	1,368,293
2024	424,358	942,237	1,366,595
2025	422,618	942,237	1,364,855
2026	420,836	942,237	1,363,073
2027	419,011	942,237	1,361,248
2028	417,142	942,237	1,359,379
2029	415,229	942,237	1,357,466
2030	413,271	942,237	1,355,508
2031	411,264	942,237	1,353,501
2032	204,866	942,237	1,147,103
2033	--	942,240	942,240
Total	\$ 4,402,365	\$ 11,306,847	\$ 15,709,212

VILLAGE OF PALM SPRINGS, FLORIDA**\$6,477,462 GENERAL OBLIGATION NOTE, DATED FEBRUARY 24, 2012**

Fiscal Year Ending September	Principal		Interest		Total	Interest Rate
	February 1	August 1	February 1	August 1		
2022	\$ 159,230	\$ 161,132	\$ 54,832	\$ 52,520	\$ 427,714	2.905%
2023	163,058	165,007	50,180	47,811	426,056	2.905%
2024	166,979	168,974	45,415	42,990	424,358	2.905%
2025	170,993	173,037	40,536	38,052	422,618	2.905%
2026	175,104	177,197	35,539	32,996	420,836	2.905%
2027	179,314	181,457	30,422	27,818	419,011	2.905%
2028	183,626	185,820	25,182	22,514	417,142	2.905%
2029	188,040	190,287	19,817	17,085	415,229	2.905%
2030	192,561	194,863	14,322	11,525	413,271	2.905%
2031	197,191	199,547	8,695	5,831	411,264	2.905%
2032	201,933	--	2,933	--	204,866	2.905%
Total	\$ 1,978,029	\$ 1,797,321	\$ 327,873	\$ 299,142	\$ 4,402,365	

VILLAGE OF PALM SPRINGS, FLORIDA**\$14,352,351 WATER AND SEWER PROMISSORY NOTE, DATED APRIL 15, 2013**

Fiscal Year Ending September 30,	Principal		Interest		Total	Interest Rate
	November 1	May 1	November 1	May 1		
2022	\$ 333,301	\$ 338,142	\$ 137,818	\$ 132,976	\$ 942,237	2.905%
2023	343,053	348,035	128,066	123,083	942,237	2.905%
2024	353,090	358,218	118,029	112,900	942,237	2.905%
2025	363,421	368,699	107,698	102,419	942,237	2.905%
2026	374,054	379,487	97,064	91,632	942,237	2.905%
2027	384,998	390,590	86,120	80,529	942,237	2.905%
2028	396,263	402,018	74,856	69,100	942,237	2.905%
2029	407,857	413,780	63,262	57,338	942,237	2.905%
2030	419,790	425,887	51,328	45,232	942,237	2.905%
2031	432,073	438,348	39,046	32,770	942,237	2.905%
2032	444,714	451,173	26,404	19,946	942,237	2.905%
2033	457,726	464,377	13,392	6,745	942,240	2.905%
Total	\$ 4,710,340	\$ 4,778,754	\$ 943,083	\$ 874,670	\$ 11,306,847	

STATISTICAL SECTION

STATISTICAL SECTION

TABLE OF CONTENTS

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

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Financial Trends.....	117-129
<i>These schedules contain trend information to help the reader understand how the Village of Palm Springs' financial performance and well-being have changed over time.</i>	
Revenue Capacity	130-134
<i>These schedules contain information to help the reader assess the Village of Palm Springs' most significant local revenue sources, the property tax and water and sewer revenue.</i>	
Debt Capacity.....	135-138
<i>These schedules present information to help the reader assess the affordability of the Village of Palm Springs' current levels of outstanding debt and the Village of Palm Springs' ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	139-140
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village of Palm Springs' financial activities take place.</i>	
Operating Information	141-146
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Village of Palm Springs' financial report relates to the services the Village of Palm Springs provides and the activities it performs.</i>	

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

VILLAGE OF PALM SPRINGS, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities				
Net investment in capital assets	\$ 7,814,268	\$ 8,421,324	\$ 8,549,304	\$ 8,975,454
Restricted	36,542	173,140	199,423	220,651
Unrestricted (deficit)	<u>6,149,891</u>	<u>5,700,543</u>	<u>5,896,704</u>	<u>(1,336,279)</u>
Total Governmental Activities Net Position	<u>\$ 14,000,701</u>	<u>\$ 14,295,007</u>	<u>\$ 14,645,431</u>	<u>\$ 7,859,826</u>
Business-type Activities				
Net investment in capital assets	\$ 36,404,485	\$ 34,510,573	\$ 33,752,308	\$ 36,619,254
Restricted	1,068,872	--	--	--
Unrestricted	<u>3,402,239</u>	<u>8,326,003</u>	<u>12,361,298</u>	<u>11,936,786</u>
Total Business-type Activities Net Position	<u>\$ 40,875,595</u>	<u>\$ 42,836,576</u>	<u>\$ 46,113,606</u>	<u>\$ 48,556,040</u>
Primary government				
Net investment in capital assets	\$ 44,218,752	\$ 42,931,897	\$ 42,301,612	\$ 45,594,708
Restricted	1,105,414	173,140	199,423	220,651
Unrestricted	<u>9,552,129</u>	<u>14,026,546</u>	<u>18,258,002</u>	<u>10,600,507</u>
Total Primary Government Net Position	<u>\$ 54,876,296</u>	<u>\$ 57,131,583</u>	<u>\$ 60,759,037</u>	<u>\$ 56,415,866</u>

Note: GASB Statement No. 68 was adopted for 2015 resulting in the reduction of unrestricted net position by approximately \$11 million for net pension liabilities of the Village's defined benefit pension plans.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 9,045,692	\$ 9,696,530	\$ 10,168,421	\$ 12,007,314	\$ 14,490,482	\$ 15,376,403
265,623	1,413,016	2,694,732	3,790,452	4,476,498	13,909,949
<u>128,127</u>	<u>724,425</u>	<u>3,340,999</u>	<u>4,593,586</u>	<u>5,442,274</u>	<u>1,565,541</u>
<u>\$ 9,439,442</u>	<u>\$ 11,833,971</u>	<u>\$ 16,204,152</u>	<u>\$ 20,391,352</u>	<u>\$ 24,409,254</u>	<u>\$ 30,851,893</u>
35,225,407	34,619,498	35,346,033	36,936,597	37,408,106	37,241,000
--	--	--	--	--	2,341,869
<u>18,310,727</u>	<u>23,050,351</u>	<u>26,410,896</u>	<u>29,391,851</u>	<u>32,816,459</u>	<u>35,918,194</u>
<u>\$ 53,536,134</u>	<u>\$ 57,669,849</u>	<u>\$ 61,756,929</u>	<u>\$ 66,328,448</u>	<u>\$ 70,224,565</u>	<u>\$ 75,501,063</u>
44,271,100	44,316,028	45,514,454	48,943,911	51,898,588	52,617,403
265,622	1,413,016	2,694,732	3,790,452	4,476,498	16,251,818
<u>18,438,854</u>	<u>23,774,776</u>	<u>29,751,895</u>	<u>33,985,437</u>	<u>38,258,733</u>	<u>37,483,735</u>
<u>\$ 62,975,576</u>	<u>\$ 69,503,820</u>	<u>\$ 77,961,081</u>	<u>\$ 86,719,800</u>	<u>\$ 94,633,819</u>	<u>\$ 106,352,956</u>

VILLAGE OF PALM SPRINGS, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 1,732,639	\$ 1,973,168	\$ 1,934,046	\$ 1,926,924
Public safety	7,271,962	7,574,060	7,743,529	7,519,632
Physical environment	891,160	951,966	942,471	936,986
Transportation	927,757	1,103,302	1,258,994	1,278,825
Economic environment	--	--	--	--
Culture/recreation	1,864,707	1,845,343	1,940,040	1,940,121
Interest on long-term debt	369,275	149,486	143,255	136,871
Total Governmental Activities Expenses	13,057,501	13,597,325	13,962,335	13,739,359
Business-type activities:				
Water and Sewer Utility	11,470,128	12,370,744	12,031,302	11,916,368
Stormwater Utility	--	--	--	--
Total Business-type Activities Expenses	11,470,128	12,370,744	12,031,302	11,916,368
Total Primary Government Expenses	24,527,629	25,968,069	25,993,637	25,655,727
Program Revenues				
Governmental activities:				
Charges for services:				
General government	399,433	493,069	609,849	761,725
Public safety	1,239,586	1,110,553	908,282	1,410,893
Physical environment	883,230	924,432	971,312	977,800
Culture/recreation	393,644	332,020	369,651	406,639
Operating grants and contributions:				
General government	7,200	4,669	931	12,789
Public safety	309,576	167,967	60,303	200,830
Physical environment	34,627	22,304	20,530	15,180
Transportation	68,854	69,743	71,833	73,985
Culture/recreation	16,741	19,128	20,840	28,194
Capital grants and contributions:				
General government	27,755	35,237	20,351	100
Public safety	93,016	82,870	25,037	24,453
Transportation	--	--	7,495	--
Economic environment	--	--	--	--
Culture/recreation	--	250,000	144,796	231,224
Total Governmental Activities Program Revenues	3,473,665	3,511,992	3,231,210	4,143,812
Business-type activities:				
Charges for services:				
Water/Sewer Utility	14,510,608	15,065,056	15,681,023	16,916,445
Stormwater Utility	--	--	--	--
Operating grants and contributions:				
Stormwater	--	--	--	--
Capital grants and contributions:				
Water and Sewer Utility	979,989	250,582	1,263,195	928,503
Total Business-type Activities Program Revenues	15,490,597	15,315,638	16,944,218	17,844,948
Total Primary Government Program Revenues	18,964,262	18,827,630	20,175,428	21,988,760
Net (Expense)/Revenue				
Governmental activities	(9,583,837)	(10,085,333)	(10,731,125)	(9,595,547)
Business-type activities	4,020,470	2,944,894	4,912,916	5,928,580
Total Primary Government Net Expense	\$ (5,563,367)	\$ (7,140,439)	\$ (5,818,209)	\$ (3,666,967)

2016	2017	2018	2019	2020	2021
\$ 2,066,477	\$ 2,294,992	\$ 2,211,693	\$ 2,835,997	\$ 2,879,926	\$ 2,999,956
8,503,036	8,797,959	8,839,413	9,970,520	9,446,884	8,375,773
966,071	1,119,815	1,067,111	1,075,033	1,173,626	1,317,299
1,703,726	2,214,506	1,787,841	2,093,367	2,201,178	2,126,730
--	--	--	--	--	63,160
1,998,486	1,925,521	1,875,636	1,986,225	1,644,442	1,602,340
130,337	123,644	133,395	133,416	124,680	115,737
<u>15,368,133</u>	<u>16,476,437</u>	<u>15,915,089</u>	<u>18,094,558</u>	<u>17,470,736</u>	<u>16,600,995</u>
12,980,353	13,870,807	14,465,968	15,383,962	15,595,379	15,044,454
--	109,848	125,644	87,898	12,885	120
<u>12,980,353</u>	<u>13,980,655</u>	<u>14,591,612</u>	<u>15,471,860</u>	<u>15,608,264</u>	<u>15,044,574</u>
<u>28,348,486</u>	<u>30,457,092</u>	<u>30,506,701</u>	<u>33,566,418</u>	<u>33,079,000</u>	<u>31,645,569</u>
595,521	640,371	772,038	866,346	938,452	1,138,393
1,297,305	1,335,980	1,492,961	1,997,624	1,055,961	1,589,620
1,078,923	1,090,501	1,109,491	1,133,848	1,147,017	1,157,652
353,494	383,402	267,262	285,825	102,789	137,533
6,269	47,206	7,281	368,408	69,606	57,459
97,117	70,454	31,083	35,217	38,517	32,822
12,553	22,208	5,731	2,015	461	--
76,203	104,519	107,930	111,168	114,504	117,939
29,510	26,173	22,159	25,188	17,166	16,528
27,642	292	9,936	6,993	16,578	59,729
38,173	--	34,779	30,446	35,840	26,362
6,288	148,881	--	97,305	84,103	--
--	--	--	--	--	68,307
--	--	--	247,522	882,802	307,714
<u>3,618,998</u>	<u>3,869,987</u>	<u>3,860,651</u>	<u>5,207,905</u>	<u>4,503,796</u>	<u>4,710,058</u>
18,010,253	19,159,149	19,920,293	20,955,084	21,095,572	21,563,348
--	366,756	382,799	382,253	519,265	525,456
--	--	--	--	6,902	70,941
<u>1,479,734</u>	<u>779,774</u>	<u>544,508</u>	<u>732,102</u>	<u>134,188</u>	<u>663,691</u>
<u>19,489,987</u>	<u>20,305,679</u>	<u>20,847,600</u>	<u>22,069,439</u>	<u>21,755,927</u>	<u>22,823,436</u>
<u>23,108,985</u>	<u>24,175,666</u>	<u>24,708,251</u>	<u>27,277,344</u>	<u>26,259,723</u>	<u>27,533,494</u>
(11,749,135)	(12,606,450)	(12,054,438)	(12,886,653)	(12,966,940)	(11,890,937)
<u>6,509,634</u>	<u>6,325,024</u>	<u>6,255,988</u>	<u>6,597,579</u>	<u>6,147,663</u>	<u>7,778,862</u>
<u>\$ (5,239,501)</u>	<u>\$ (6,281,426)</u>	<u>\$ (5,798,450)</u>	<u>\$ (6,289,074)</u>	<u>\$ (6,819,277)</u>	<u>\$ (4,112,075)</u>

VILLAGE OF PALM SPRINGS, FLORIDA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 2,560,178	\$ 2,594,762	\$ 2,821,713	\$ 2,998,529
Utility service taxes	2,060,461	2,325,477	2,344,161	2,434,013
Franchise fees	991,051	997,396	1,185,784	1,280,301
Sales and use taxes	1,595,146	1,710,823	1,850,102	1,996,947
Business taxes	273,306	281,084	304,853	309,652
Intergovernmental, unrestricted	496,719	590,295	669,279	783,950
Investment revenues	25,979	21,968	--	5,648
Impact fees	--	--	--	--
Miscellaneous	20,045	76,241	29,118	133,277
Transfers	<u>1,675,428</u>	<u>1,781,592</u>	<u>1,876,539</u>	<u>1,935,796</u>
Total Governmental Activities	<u>9,698,313</u>	<u>10,379,638</u>	<u>11,081,549</u>	<u>11,878,113</u>
Business-type activities:				
Investment revenues	94,951	97,441	75,522	129,029
Miscellaneous	52,273	700,238	165,131	259,680
Transfers	<u>(1,675,428)</u>	<u>(1,781,592)</u>	<u>(1,876,539)</u>	<u>(1,935,796)</u>
Total Business-type Activities	<u>(1,528,204)</u>	<u>(983,913)</u>	<u>(1,635,886)</u>	<u>(1,547,087)</u>
Total Primary Government	<u>8,170,109</u>	<u>9,395,725</u>	<u>9,445,663</u>	<u>10,331,026</u>
Changes in Net Position				
Governmental activities	114,476	294,305	350,424	2,282,566
Business-type activities	<u>2,492,266</u>	<u>1,960,981</u>	<u>3,277,030</u>	<u>4,381,493</u>
Total Primary Government	<u>\$ 2,606,743</u>	<u>\$ 2,255,286</u>	<u>\$ 3,627,454</u>	<u>\$ 6,664,059</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 3,548,352	\$ 3,875,182	\$ 4,326,702	\$ 4,593,448	\$ 4,905,214	\$ 5,282,944
2,756,176	2,701,235	2,746,260	2,782,726	2,790,188	2,900,695
1,426,438	1,469,041	1,523,434	1,547,089	1,505,749	1,564,478
2,095,247	3,225,861	3,984,756	4,055,851	3,792,719	4,375,231
343,981	362,931	395,733	386,375	394,669	408,662
853,427	890,179	918,574	952,709	851,029	1,015,662
3,933	21,112	107,903	233,021	110,534	14,685
--	--	--	--	--	24,559
67,163	76,907	135,819	107,496	144,641	97,508
<u>2,234,034</u>	<u>2,378,531</u>	<u>2,423,338</u>	<u>2,415,138</u>	<u>2,490,099</u>	<u>2,649,152</u>
<u>13,328,751</u>	<u>15,000,979</u>	<u>16,562,519</u>	<u>17,073,853</u>	<u>16,984,842</u>	<u>18,333,576</u>
120,205	143,781	214,215	326,288	186,550	68,545
584,289	43,441	71,805	62,790	52,003	78,243
<u>(2,234,034)</u>	<u>(2,378,531)</u>	<u>(2,423,338)</u>	<u>(2,415,138)</u>	<u>(2,490,099)</u>	<u>(2,649,152)</u>
<u>(1,529,540)</u>	<u>(2,191,309)</u>	<u>(2,137,318)</u>	<u>(2,026,060)</u>	<u>(2,251,546)</u>	<u>(2,502,364)</u>
<u>11,799,211</u>	<u>12,809,670</u>	<u>14,425,201</u>	<u>15,047,793</u>	<u>14,733,296</u>	<u>15,831,212</u>
1,579,616	2,394,529	4,508,081	4,187,200	4,017,902	6,442,639
<u>4,980,094</u>	<u>4,133,715</u>	<u>4,118,670</u>	<u>4,571,519</u>	<u>3,896,117</u>	<u>5,276,498</u>
<u>\$ 6,559,710</u>	<u>\$ 6,528,244</u>	<u>\$ 8,626,751</u>	<u>\$ 8,758,719</u>	<u>\$ 7,914,019</u>	<u>\$ 11,719,137</u>

VILLAGE OF PALM SPRINGS, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Tax	Utility Service Taxes	Franchise Fees	Sales and Use Taxes ⁽¹⁾	Local Business Taxes ⁽²⁾	Total
2012	\$2,560,178	\$2,060,461	\$ 991,051	\$1,595,146	\$ 273,306	\$7,480,142
2013	2,594,762	2,325,477	997,396	1,710,823	281,084	7,909,542
2014	2,821,713	2,344,161	1,185,784	1,850,102	304,853	8,506,613
2015	2,998,529	2,434,013	1,280,301	1,996,947	309,652	9,019,442
2016	3,548,352	2,756,176	1,426,438	2,095,247	343,981	10,170,194
2017	3,875,182	2,701,235	1,469,041	3,225,861	362,931	11,634,250
2018	4,326,702	2,746,260	1,523,434	3,984,756	395,733	12,976,885
2019	4,593,448	2,782,726	1,547,089	4,055,851	386,375	13,365,489
2020	4,905,214	2,790,188	1,505,749	3,792,719	394,669	13,388,539
2021	5,282,944	2,900,695	1,564,478	4,375,231	408,662	14,532,010

⁽¹⁾ In 2017 the Village began receiving the proceeds of a local option sales tax approved by voters for a 10 year period to finance local infrastructure capital projects.

⁽²⁾ Includes occupational licenses and business permits now considered local business tax.

VILLAGE OF PALM SPRINGS, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable:				
Inventory	\$ 28,984	\$ 40,204	\$ 25,056	\$ 20,999
Noncurrent note receivable	1,230,561	1,230,561	--	--
Restricted				
Sales tax infrastructure capital projects	--	--	--	--
Assigned to:				
Disaster recovery	1,500,000	1,500,000	1,500,000	1,500,000
Capital projects	1,500,000	1,500,000	1,500,000	1,500,000
Library	46,778	45,926	38,407	38,851
Utility capital projects	269,439	--	--	--
Subsequent year's budget	702,241	895,456	--	--
Unassigned	<u>1,236,824</u>	<u>883,906</u>	<u>3,172,150</u>	<u>4,308,087</u>
Total General Fund	<u>\$6,514,827</u>	<u>\$6,096,053</u>	<u>\$6,235,613</u>	<u>\$7,367,937</u>
All Other Governmental Funds				
Restricted for:				
Law enforcement	\$ 32,875	\$ 73,102	\$ 67,356	\$ 61,393
Debt service	3,668	100,038	132,067	159,258
Palm Springs CRA	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total All Other Governmental Funds	<u>\$ 36,543</u>	<u>\$ 173,140</u>	<u>\$ 199,423</u>	<u>\$ 220,651</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 39,648	\$ 69,969	\$ 84,622	\$ 85,456	\$ 70,539	\$ 91,665
--	--	--	--	--	--
--	1,141,086	2,419,381	3,488,534	4,712,367	5,819,242
1,500,000	1,500,000	3,000,000	3,000,000	300,000	3,000,000
1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
38,240	37,488	36,651	36,651	--	--
--	--	--	--	--	--
1,227,384	1,625,101	1,471,258	2,338,399	1,183,000	1,443,578
<u>4,208,075</u>	<u>4,523,176</u>	<u>5,741,431</u>	<u>6,307,593</u>	<u>8,095,194</u>	<u>9,523,008</u>
<u>\$ 8,513,347</u>	<u>\$ 10,396,820</u>	<u>\$ 14,253,343</u>	<u>\$ 16,756,633</u>	<u>\$ 15,861,100</u>	<u>\$ 21,377,493</u>
\$ 73,907	\$ 51,890	\$ 44,309	\$ 54,669	\$ 54,669	\$ 44,670
191,716	220,040	231,042	247,249	249,462	250,842
--	--	--	--	--	73,728
<u>\$ 265,623</u>	<u>\$ 271,930</u>	<u>\$ 275,351</u>	<u>\$ 301,918</u>	<u>\$ 304,131</u>	<u>\$ 369,240</u>

VILLAGE OF PALM SPRINGS, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	2012	2013	2014	2015
Revenues				
Taxes	\$ 5,884,996	\$ 6,198,719	\$ 6,656,511	\$ 7,022,495
Permits	168,288	307,084	370,268	806,590
Intergovernmental	2,659,483	2,940,184	2,783,893	3,204,028
Confiscated property	13,141	54,418	13,006	16,493
Charges for services	1,714,744	1,725,760	1,791,823	1,878,058
Fines and forfeitures	722,558	442,231	344,128	485,486
Contributions and donations	15,163	8,755	10,437	17,917
Investment income	25,979	21,968	--	5,648
Facility rental	248,207	276,347	277,394	280,365
Miscellaneous	43,991	108,281	27,220	137,825
Total Revenues	<u>11,496,550</u>	<u>12,083,747</u>	<u>12,274,680</u>	<u>13,854,905</u>
Expenditures				
General government	1,548,147	1,778,375	1,790,739	1,828,984
Public safety	7,011,301	7,260,425	7,508,307	7,774,189
Physical environment	857,942	918,747	920,662	936,986
Transportation	866,362	1,031,956	1,152,511	1,201,392
Economic environment	--	--	--	--
Culture/recreation	1,678,324	1,682,918	1,756,672	1,876,357
Capital outlay	404,172	1,066,404	414,008	644,337
Debt service				
Principal	6,706,976	258,690	264,908	271,279
Interest and other fiscal charges	497,915	150,001	143,783	137,411
Total Expenditures	<u>19,571,139</u>	<u>14,147,516</u>	<u>13,951,590</u>	<u>14,670,935</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(8,074,589)</u>	<u>(2,063,769)</u>	<u>(1,676,910)</u>	<u>(816,030)</u>
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	--	--	--	--
Transfers in	1,813,637	1,919,801	1,876,539	1,935,796
Transfers out	(138,209)	(138,209)	--	--
Redemption of bonds	6,477,462	--	--	--
Total Other Financing Sources (Uses)	<u>8,152,890</u>	<u>1,781,592</u>	<u>1,876,539</u>	<u>1,935,796</u>
Net Change in Fund Balances	<u>\$ 78,301</u>	<u>\$ (282,177)</u>	<u>\$ 199,629</u>	<u>\$ 1,119,766</u>
Debt Service as a Percentage of Non-Capital Expenditures	37.59%	3.12%	3.02%	2.91%

2016	2017	2018	2019	2020	2021
\$ 7,869,639	\$ 8,499,637	\$ 9,083,377	\$ 9,332,450	\$ 9,595,820	\$ 10,225,087
665,536	690,965	909,219	1,265,557	617,014	808,381
3,261,846	4,597,449	5,176,714	5,983,674	5,918,164	5,987,404
16,785	1,280	2,703	10,357	--	--
1,914,794	2,021,952	1,940,784	2,400,465	2,142,807	2,596,331
389,492	370,904	431,063	220,837	170,208	327,518
8,249	14,729	23,378	36,729	20,602	28,164
3,933	21,112	107,903	233,021	110,534	14,685
288,091	291,873	266,395	274,923	260,495	265,865
90,042	73,782	149,544	131,419	105,112	141,047
<u>14,508,407</u>	<u>16,583,683</u>	<u>18,091,080</u>	<u>19,889,432</u>	<u>18,940,756</u>	<u>20,394,482</u>
1,832,467	1,974,447	1,875,696	2,370,836	2,592,658	3,074,577
8,344,900	8,679,630	8,935,301	9,725,185	8,992,315	9,052,444
966,071	1,119,815	1,067,111	1,075,033	1,173,626	1,317,299
1,549,616	2,009,735	1,607,774	1,903,355	2,055,397	2,170,808
--	--	--	--	--	63,160
1,841,391	1,674,011	1,568,223	1,683,120	1,493,489	1,476,280
608,924	1,285,469	1,180,940	2,630,253	3,484,721	2,058,602
277,800	284,480	291,319	298,323	305,496	312,841
<u>130,890</u>	<u>124,211</u>	<u>131,962</u>	<u>134,138</u>	<u>125,420</u>	<u>116,494</u>
<u>15,552,059</u>	<u>17,151,798</u>	<u>16,658,326</u>	<u>19,820,243</u>	<u>20,223,122</u>	<u>19,642,505</u>
<u>(1,043,652)</u>	<u>(568,115)</u>	<u>1,432,754</u>	<u>69,189</u>	<u>(1,282,366)</u>	<u>751,977</u>
--	79,364	3,852	45,530	58,947	20,373
2,234,034	2,378,531	2,423,338	2,415,138	2,490,099	2,717,733
--	--	--	--	--	(68,581)
--	--	--	--	--	--
<u>2,234,034</u>	<u>2,457,895</u>	<u>2,427,190</u>	<u>2,460,668</u>	<u>2,549,046</u>	<u>2,669,525</u>
<u>\$ 1,190,382</u>	<u>\$ 1,889,780</u>	<u>\$ 3,859,944</u>	<u>\$ 2,529,857</u>	<u>\$ 1,266,680</u>	<u>\$ 3,421,502</u>
2.73%	2.58%	2.73%	2.52%	2.57%	2.44%

VILLAGE OF PALM SPRINGS, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Utility Service Taxes</u>	<u>Franchise Fees</u>	<u>Sales Taxes⁽¹⁾</u>	<u>Business Taxes</u>	<u>Total</u>
2012	\$2,560,178	\$2,060,461	\$ 991,051	\$1,247,855	\$ 273,306	\$7,132,851
2013	2,594,762	2,325,477	997,396	1,361,148	281,084	7,559,867
2014	2,821,713	2,344,161	1,185,784	1,460,937	304,853	8,117,448
2015	2,998,529	2,434,013	1,280,301	1,588,037	309,652	8,610,532
2016	3,548,352	2,590,541	1,386,765	1,666,296	343,981	9,535,935
2017	3,875,182	2,718,868	1,542,656	2,775,694	362,931	11,275,331
2018	4,326,702	2,763,893	1,597,049	3,539,375	395,733	12,622,752
2019	4,593,448	2,787,134	1,565,493	3,593,496	386,375	12,925,946
2020	4,905,214	2,790,188	1,505,749	3,380,088	394,669	12,975,908
2021	5,282,944	2,900,695	1,564,478	3,947,486	408,662	14,104,265

⁽¹⁾ In 2017 the Village began receiving the proceeds of a local option sales tax approved by voters for a 10 year period to finance local infrastructure capital projects.

VILLAGE OF PALM SPRINGS, FLORIDA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Assessed Values		Total Taxable Assessed Value ⁽¹⁾	Total Direct Village Rate	Estimated Actual Taxable Value ⁽¹⁾
	Real Property	Personal Property			
2012	\$ 561,474,280	\$37,867,369	\$ 599,341,649	4.4560	\$ 630,885,946
2013	538,354,151	41,213,909	579,568,060	4.6520	610,071,642
2014	579,838,469	46,108,599	625,947,068	4.6117	658,891,651
2015	630,185,838	49,808,780	679,994,618	4.5620	715,783,808
2016	766,908,222	54,396,561	821,304,783	4.4484	864,531,351
2017	861,187,815	52,677,032	913,864,847	4.3930	961,962,997
2018	1,054,443,560	55,112,685	1,109,556,245	4.0562	1,167,954,409
2019	1,160,721,571	60,657,553	1,221,379,124	3.8777	1,285,662,236
2020	1,255,996,692	68,819,182	1,324,815,874	3.8381	1,394,543,025
2021	1,365,342,503	72,853,251	1,438,195,754	3.8104	1,513,890,267

⁽¹⁾ The basis of assessed taxable value is approximately one hundred percent (100%) of actual taxable value, which is reduced for allowable exemptions. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

Source: Palm Beach County Property Appraiser's Office.

VILLAGE OF PALM SPRINGS, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	General Fund	Debt Service	Total Village Millage	School District	Palm Beach County	Palm Beach County Fire Rescue	Special Taxing Districts	Total All
2012	3.5000	0.9560	4.4560	8.1800	4.9928	3.4581	2.3436	23.4305
2013	3.5000	1.1520	4.6520	7.5859	4.9853	3.4581	2.2280	22.9093
2014	3.9000	0.7117	4.6117	7.5859	4.9853	3.4581	2.2280	22.8690
2015	3.9000	0.6620	4.5620	7.5940	4.9732	3.4581	2.1731	22.7604
2016	3.9000	0.5484	4.4484	7.5120	4.9277	3.4581	2.0974	22.4436
2017	3.9000	0.4930	4.3930	7.0700	4.9142	3.4581	1.9453	21.7806
2018	3.6500	0.4062	4.0562	6.7689	4.9024	3.4581	1.7817	20.9673
2019	3.5000	0.3777	3.8777	6.5720	4.8980	3.4581	1.6920	20.4978
2020	3.5000	0.3381	3.8381	7.1640	4.8500	3.4581	1.6800	20.9902
2021	3.5000	0.3104	3.8104	7.0100	4.8124	3.4581	1.6753	20.7662

-
- Tax rate limits - Ten mills per Florida Statute 200.81 (one mill equals \$1 per \$1,000 of assessed valuation).
 - Scope of tax rate limit - No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.
 - Taxes assessed - January 1
 - Taxes due - March 31
 - Taxes delinquent - April 1
 - Discount allowed - 4% November; 3% December; 2% January; 1% February
 - Penalties for delinquent - 2.5% after April 1, increase .5% each ten days; maximum 5%
 - Tax collector - Palm Beach County
 - Tax collector's commission - None

VILLAGE OF PALM SPRINGS, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	2021			Percentage of Total Taxes Levied
	Taxable Assessed Valuation	Taxes	Rank	
Morguard Emerald Apartments LLC	\$ 35,089,127	\$ 133,704	1	2.53%
Oxygen Holdings LLC	24,308,703	92,626	2	1.75%
Coronado Springs LLC	22,998,660	87,634	3	1.66%
Florida Power & Light Co	19,274,226	73,443	4	1.39%
Regency Centers LP	18,632,168	70,996	5	1.34%
Phillips Lake Worth	17,000,000	64,777	6	1.23%
Jerjo, Inc	16,240,916	61,884	7	1.17%
Shoppes of Forest Hill LLC	14,366,500	54,742	8	1.04%
Woodhaven LLC	13,548,931	51,627	9	0.98%
Four FLA Shopping Center Prop Ltd	12,246,871	46,665	10	0.88%
Riverfront Capital III LLC	--	--	-	-
IRT Property Co	--	--	-	-
Walmart Stores East LP	--	--	-	-
Portofino Associates, Ltd	--	--	-	-
Advenir at Pines LLC	--	--	-	-
R G Roy Hospital & Special Management Services	--	--	-	-
Totals	<u>\$193,706,102</u>	<u>\$ 738,098</u>		<u>13.97%</u>

Note: Information obtained from the Palm Beach County Tax Collector.

2012

<u>Taxable Assessed Valuation</u>	<u>Taxes</u>	<u>Rank</u>	<u>Percentage o Total Taxes Levied</u>
\$ --	\$ --		-
13,275,083	46,463	1	2.21%
--	--		
--	--		
--	--		
9,200,000	32,200	5	1.54%
4,549,797	15,924	10	0.76%
--	--		
--	--		
6,183,000	21,641	7	1.03%
13,051,783	45,681	2	2.18%
11,793,517	41,277	3	1.97%
9,754,017	34,139	4	1.63%
9,000,000	31,500	6	1.50%
6,104,054	21,364	8	1.02%
5,537,506	19,381	9	0.92%
<u>\$ 88,448,757</u>	<u>\$ 309,570</u>		<u>14.76%</u>

VILLAGE OF PALM SPRINGS, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Net Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
2012	\$2,676,525	\$2,570,591	96.04%	\$ 24,171	\$2,594,762	96.95%
2013	2,705,765	2,796,616	103.36%	25,097	2,821,713	104.29%
2014	2,891,310	2,942,932	101.79%	55,597	2,998,529	103.71%
2015	3,105,266	3,535,536	113.86%	12,816	3,548,352	114.27%
2016	3,626,644	3,850,045	106.16%	25,137	3,875,182	106.85%
2017	3,998,600	4,321,159	108.07%	5,543	4,326,702	108.21%
2018	4,501,583	4,324,653	96.07%	2,049	4,593,448	102.04%
2019	4,737,097	4,567,270	96.41%	26,178	4,593,448	96.97%
2020	5,085,728	4,897,102	96.29%	8,112	4,905,214	96.45%
2021	5,480,928	5,265,848	96.08%	17,096	5,282,944	96.39%

Note: All property taxes are assessed and collected by Palm Beach County without charge to the Village. Collections are distributed in full as collected.

⁽¹⁾ Tax levy, net of allowance for discounts.

VILLAGE OF PALM SPRINGS, FLORIDA
WATER AND SEWER REVENUE BASE
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Water		Number of Active Water Customer Accounts	Wastewater		Number of Active Wastewater Customer Accounts
	Gallons Consumed ⁽¹⁾	Base Rate ⁽²⁾		Gallons Treated ⁽¹⁾	Base Rate ⁽³⁾	
2012	1,238,598 (a)	18.81	12,536	915,307	30.26	10,716
2013	1,367,780	19.37	12,455	970,372	31.18	10,722
2014	1,387,109	20.04	12,568	979,943	32.58	11,069
2015	1,423,793	20.93	12,536	1,001,707	34.03	11,247
2016	1,436,737	21.88	12,588	1,051,102	35.58	11,590
2017	1,560,048	22.85	12,604	1,058,776	37.19	11,653
2018	1,407,411	23.89	12,658	1,112,553	38.86	11,606
2019	1,397,500	24.47	13,569	1,097,192	39.85	12,501
2020	1,496,422	24.47	13,696	1,120,147	39.85	12,597
2021	1,402,821	24.71	13,829	1,117,364	40.24	12,741

⁽¹⁾ Gallons are in thousands.

⁽²⁾ The base water rate is for a residential customer located inside the Village incorporated area consuming 4,000 gallons a month.

⁽³⁾ The base wastewater rate is for a residential customer located inside the Village incorporated area using 4,000 gallons a month.

Source: Village of Palm Springs Utility Department.

(a) Decrease in consumption due to mandatory water restrictions for severe drought conditions in South Florida.

VILLAGE OF PALM SPRINGS, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-type Activities		Total ⁽¹⁾ Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita
	General Obligation Bonds	General Obligation Note Payable	Water & Sewer Revenue Bonds	Water & Sewer Notes Payable			
2012	\$ --	\$6,340,486	\$ 10,376,252	\$ 69,933	\$16,786,671	2.79%	\$ 849
2013	--	6,081,797	--	14,352,351	20,434,148	3.33%	1,025
2014	--	5,816,888	--	13,799,533	19,616,421	3.01%	957
2015	--	5,545,609	--	13,217,997	18,763,606	2.69%	848
2016	--	5,267,809	--	12,622,479	17,890,288	2.46%	803
2017	--	4,983,329	--	12,012,643	16,995,972	2.04%	757
2018	--	4,692,010	--	11,408,224	16,100,234	1.94%	694
2019	--	4,393,687	--	10,775,261	15,168,948	1.65%	652
2020	--	4,088,191	--	10,141,450	14,229,641	1.48%	607
2021	--	3,775,350	--	9,489,094	13,264,444	1.41%	563

Note: Details about the Village's outstanding debt can be found in the notes to the financial statements. The debt for the business-type activities represents debt for our water treatment plants and wastewater collection and transmission system. These facilities serve our residents, as well as non-residents on our water and sewer utility system.

⁽¹⁾ The Village does not have a legal debt margin.

⁽²⁾ Based on personal income information for Palm Beach County, Florida. Personal income information is not available for the Village.

VILLAGE OF PALM SPRINGS, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Assessed Value of Taxable Property	Percentage of Assessed Value of Taxable Property	Population	Per Capita
2012	\$ --	\$ --	\$ --	\$ 599,341,649	0.00%	19,769	\$ --
2013	--	--	--	579,568,060	0.00%	19,938	--
2014	--	--	--	625,947,068	0.00%	20,497	--
2015	--	--	--	679,994,618	0.00%	22,130	--
2016	--	--	--	821,304,783	0.00%	22,282	--
2017	--	--	--	913,864,847	0.00%	22,458	--
2018	--	--	--	1,109,556,245	0.00%	23,193	--
2019	--	--	--	1,221,379,124	0.00%	23,250	--
2020	--	--	--	1,324,815,874	0.00%	23,448	--
2021	--	--	--	1,438,195,754	0.00%	23,560	--

Note: The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

VILLAGE OF PALM SPRINGS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2021

	Total Outstanding	Percentage Applicable to Village of Palm Springs ⁽¹⁾	Amount Applicable to Village of Palm Springs
Direct:			
Village of Palm Springs	\$ 3,775,350	100.00%	\$ 3,775,350
Overlapping:			
Palm Beach County	35,700,000	0.54%	192,780
Palm Beach County School District		0.54%	--
Total overlapping debt	35,700,000		192,780
Total Direct and Overlapping Debt Payable from Ad Valorem Taxes			<u>\$ 3,968,130</u>
Estimated population			23,560
Total Direct and Overlapping Debt Per Capita			\$ 168.43

⁽¹⁾ Estimates based on 2021 ratio of assessed taxable values.

Note: The Village of Palm Springs has no legal debt margin.

Source: Finance Department, Village of Palm Springs, Florida
Palm Beach County Property Appraiser
School Board of Palm Beach County

VILLAGE OF PALM SPRINGS, FLORIDA
WATER AND SEWER UTILITY PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Gross Revenue*	Operating Expenses**	Revenue Available for Debt Coverage	Current Debt Service	Current Coverage
2012	\$ 15,637,821	\$ 8,280,748	\$ 7,357,073	\$ 2,158,448	3.41
2013	16,113,317	8,707,089	7,406,228	1,316,965	5.62
2014	17,184,871	9,053,467	8,131,404	909,225	8.94
2015	18,233,657	8,996,708	9,236,949	907,891	10.17
2016	20,194,481	9,828,868	10,365,613	907,891	11.42
2017	20,126,145	10,628,234	9,497,911	907,891	10.46
2018	20,750,821	11,253,134	9,497,687	907,891	10.46
2019	22,076,264	12,244,926	9,831,338	959,410	10.25
2020	21,443,640	12,295,481	9,148,159	942,237	9.71
2021	22,353,835	11,727,646	10,626,189	942,237	11.28

* Includes investment revenues, miscellaneous revenue and capital contributions.

** Excludes depreciation and amortization expense.

**VILLAGE OF PALM SPRINGS, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year	Population ⁽¹⁾	Per Capita Personal Income ⁽²⁾	Estimated Total Personal Income ⁽³⁾	Median Age ⁽²⁾	Education Level in Years of Formal Schooling	School Enrollment ⁽²⁾	Unemployment Rate ⁽²⁾
2012	19,769	\$ 30,487	\$602,697,503	43.7	N/A	177,307	10.8%
2013	19,938	30,747	613,033,686	43.7	N/A	202,013	7.1%
2014	20,497	31,743	650,636,271	43.2	N/A	203,580	6.6%
2015	22,130	31,481	696,674,530	43.2	N/A	183,000	5.1%
2016	22,282	32,690	728,398,580	44.0	N/A	188,808	4.9%
2017	22,458	37,047	832,001,526	37.1	N/A	193,000	4.4%
2018	23,193	35,732	828,732,276	44.5	N/A	174,000	3.0%
2019	23,250	39,508	918,561,000	44.7	N/A	176,000	2.9%
2020	23,448	40,888	958,741,824	44.8	N/A	169,250	7.0%
2021	23,560	39,933	940,821,480	44.9	N/A	167,378	5.0%

Data Sources:

⁽¹⁾ The population for 2011 through 2020 was obtained from the University of Florida, Bureau of Economic Business Administration.

⁽²⁾ Information provided by the Business Development Board of Palm Beach County. Information is for Palm Beach County, Florida. Information is not available for the Village.

⁽³⁾ Total personal income information estimated based on per capita personal income for Palm Beach County, Florida.

N/A - Not Available.

VILLAGE OF PALM SPRINGS, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2021 ⁽¹⁾			2012 ⁽¹⁾		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Palm Beach County School District	22,600	1	N/A	21,495	1	N/A
Tenet Healthcare Corp.	6,505	2	N/A	6,100	3	N/A
Palm Beach County	5,686	3	N/A	11,381	2	N/A
NextEra Energy (formerly FPL)	5,119	4	N/A	3,365	4	N/A
Florida Atlantic University	3,133	5	N/A	2,706	7	N/A
Boca Raton Regional Hospital	3,052	6	N/A	2,250	10	N/A
Veterans Health Administration	3,000	7	N/A			N/A
Hospital Corp of America - HCA	2,806	8	N/A	2,714	6	N/A
The Breakers	2,300	9	N/A			N/A
Bethesda Health, Inc.	2,282	10	N/A			N/A
Wackenhut Corporation	--		N/A	2,391	8	N/A
Office Depot	--		N/A	2,250	9	N/A
G4S Secure Solutions	--		N/A	3,000	5	N/A
Totals	<u>56,483</u>		N/A	<u>54,652</u>		N/A

⁽¹⁾ Source: Business Development Board of Palm Beach County. Data is for Palm Beach County, Florida.
Employment information for the Village is not available.

N/A - Not Available.

VILLAGE OF PALM SPRINGS, FLORIDA
FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government	15	16	15	15	15.5	15.5	11.5	17.5	18	21.5
Public safety (a)										
Building official	1	1	-	1	1	1	-	-	-	-
Planning, zoning & building	5.5	4.5	5	5	6	6	6.5	7	6	6
Police officers	40	40	40	41	42	42	43	38	43	43
Civilian police	17	19	18.5	19.5	19	21	19	25	23.5	21
Transportation	12	13	13	13	12	18	16	19	18	20
Culture/recreation										
Library	10	10	10	10	10.5	10	10.5	9	9	7
Parks & recreation	13	10	12.5	13.5	6	7	7.5	6.5	6.0	6.0
Water & Sewer Utility	<u>60</u>	<u>65.5</u>	<u>63.5</u>	<u>64</u>	<u>65</u>	<u>59.5</u>	<u>59.5</u>	<u>59.5</u>	<u>60</u>	<u>61</u>
Total	173.5	179.0	177.5	182.0	177.0	180.0	173.5	181.5	183.5	185.5

Sources: Village departments

(a) The Village contracted with Palm Beach County for fire-rescue services effective October 1, 2009.

VILLAGE OF PALM SPRINGS, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year	Function	2012	2013	2014	2015
Public Safety					
Police					
	Physical arrests	1,039	1,017	964	1,084
	Parking violations	54	32	15	23
	Traffic violations	7,201	6,081	6,533	7,143
Fire (a)					
Sanitation (b)					
Roads and Streets					
	Street resurfacing (miles)	3.2	2.1	1.2	3.3
	Pot holes repaired	820	842	800	848
Culture/Recreation					
Library					
	Circulation	91,643	80,014	71,855	59,976
	Active cardholders	4,475	4,162	4,019	3,549
	Reference questions	47,548	46,452	43,490	41,405
	Programs offered	576	712	430	435
	Program attendance	7,388	6,161	4,333	3,944
	Total library visitors	96,817	91,514	92,768	86,648
Parks and Recreation					
	Baseball participants	191	170	129	122
	Soccer participants	233	201	188	209
	Flag football participants	278	241	242	236
	Cheerleading participants	28	14	14	--
	Basketball participants	194	188	258	236
	Youth athletic participants	924	814	831	803
	Adult flag football	80	108	168	--
	Camp program participants	365	442	452	550
	Travel Club members	261	224	230	229
	Special event participants	5109	4,536	6,000	6,200
	Facility rentals	1241	1,199	1,250	1,200
Water/Sewer Utility					
	Water accounts	12,536	12,455	12,568	12,536
	Water customers	19,952	19,996	20,121	20,140
	Water main breaks	11	84	82	17
	Sewer accounts	10,716	10,722	11,069	11,247
	Sewer customers	17,812	17,903	18,333	18,567
	Avg daily water consumption (thousands of gallons)	3,710	3,747	3,800	3,919

Sources: Village departments

N/A: Not available.

(a) The Village contracted with Palm Beach County for fire-rescue services effective October 1, 2009.

(b) The Village privatized sanitation operations effective April 1, 2008.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1,005	815	759	543	434	457
19	38	16	15	23	95
10,501	5,928	4,153	4,612	5,000	6,392
3.93	3.1	2.1	1.3	1.2	1.32
973	52	48	35	27	17
49,159	37,613	31,175	26,519	13,642	15,913
3,475	3,245	3,262	4,001	6,380	18,682
40,945	32,736	39,272	36,024	17,942	5,386
335	360	350	242	268	197
876	9,170	9,329	5,174	6,495	4,227
80,498	78,896	70,553	61,505	31,102	26,035
80	83	68	52	--	--
165	161	147	101	210	154
234	187	156	156	141	70
--	--	--	--	--	--
255	220	170	162	--	93
734	651	541	471	351	317
--	--	--	--	--	--
486	394	696	892	272	374
196	115	146	119	59	38
7,380	2,610	6,085	6,480	3,750	3,000
1,150	237	133	157	79	130
12,588	12,604	12,658	12,982	13,037	13,089
20,152	20,178	19,985	20,251	20,300	20,413
4	10	3	--	3	6
11,590	11,653	11,606	12,043	12,100	12,152
18,921	19,028	18,770	19,274	19,239	19,332
3,926	3,960	3,627	3,561	3,397	3,843

VILLAGE OF PALM SPRINGS, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year	Function	2012	2013	2014	2015
Public Safety					
Police					
	Stations	1	1	1	1
	Patrol units	58	58	58	60
Fire (a)					
Sanitation (b)					
	Garbage trucks	1	1	1	1
	Trash trucks	1	1	1	1
Roads and Streets					
	Street lights	81	81	81	81
	Lane miles	66.61	72.7	76.19	76.29
Culture/Recreation					
Library					
	Books	55,155	56,797	57,802	47,619
Leisure Services					
	Ballfields - lighted	4	4	4	4
	Basketball courts	2	2	2	3
	Soccer fields	3	3	3	4
	Tennis courts	4	4	4	4
	Pickleball courts	-	-	-	-
	Futsal courts	-	-	-	-
	Mini-golf course	1	1	1	1
	Parks	7	8	9	10
Water/Sewer Utility					
	Water mains (miles)	126	126.58	130	130.11
	Sanitary sewers (miles)	99.05	99.48	103.5	105.6
	Storm sewers (miles)	3.96	4.29	24.5	25.66
	Fire hydrants	872	872	992	993
	Maximum daily water treatment capacity (thousands of gallons)	10,000	10,000	10,000	10,000

Sources: Village departments

N/A: Not available.

(a) The Village contracted with Palm Beach County for fire-rescue services effective October 1, 2009.

(b) The Village privatized sanitation operations effective April 1, 2008.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1 61	1 61	1 63	1 64	1 65	1 70
1 1	1 1	1 1	1 1	1 1	1 1
81 78.08	81 77.76	81 77.76	81 77.76	82 77.76	82 77.76
51,928	44,420	53,738	40,878	34,816	34,411
4 3 4 4 - - 1 10	4 3 4 4 - - 1 10	4 3 4 4 - - 1 11	4 3 4 4 - - 1 11	4 3 4 2 1 1 1 12	4 3 4 2 4 1 1 12
130.11 105.6 25.66 993	135.3 114.8 14.6 984	135.3 114.8 14.6 984	135.3 105.27 14.74 984	135.57 105.82 14.8 993	137.07 107.82 14.8 985
10,000	10,000	10,000	10,000	10,000	10,000

VILLAGE OF PALM SPRINGS, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2021

Company	Policy Number	Type of Coverage	Property Covered	Amount of Coverage
FMIT#0459	U711-50850 General & Police	Fiduciary liability	Pension trustees	\$1,000,000
FMIT#0459	PROP DEC 1013 PROP02-1013	Property inland marine	Village property	\$22,248,869
FMIT#0459	SEGL 1013	General liability	Village property	\$1,000,000 \$2,000,000
FMIT#0459	AL 1013 APD 1009	Automobile liability Physical damage	Any auto Owned vehicles	\$1,000,000 per schedule
FMIT#0459	ECLE1013	Crime	Employee theft, dishonesty, forgery	\$100,000
FMIT#0459	105185397	Fiduciary bond	Chief Financial Officer	\$1,000,000
FMIT#0459	EO 1009 LE 1007	Professional liability Professional liability	Public officials Law enforcement	\$1,000,000
Hartford Fire Insurance Company	20-GTA-101194	Statutory Accidental Death & Dismemberment	Village employees	\$75,000/ \$225,000
FMIT#0459	WC EL 1013	Workers compensation	Village employees	Florida statutory
Allied World Assurance Company	0310-3272	Pollution liability	Village property	\$1,000,000/ \$20,000,000

REPORTING SECTION

**INDEPENDENT AUDITORS' 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***

To the Honorable Mayor, Village Council, and Village Manager
Village of Palm Springs, 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, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Palm Springs, Florida (the "Village"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 Village'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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 Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
March 30, 2022

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

To the Honorable Mayor, Village Council, and Village Manager
Village of Palm Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the Village of Palm Springs, Florida (the “Village”), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 30, 2022.

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 Auditors’ 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*; and Independent Accountants’ 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 30, 2022, 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 annual financial audit report. There were no findings or recommendations reported by the predecessor auditor in the preceding annual financial audit report.

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. Also, as discussed in Note 1, the Village included the Palm Springs Community Redevelopment Agency as a component unit of the Village.

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 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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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. It is management's responsibility to monitor the Village'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 performed as of fiscal year end.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information – Palm Springs Community Redevelopment Agency

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Palm Springs Community Redevelopment Agency (the "Agency") reported:

- a. The total number of the Agency's employees compensated in the last pay period of the districts fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project as \$0.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$0.

Additional Matters

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

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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor, Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

West Palm Beach, Florida
March 30, 2022

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415, FLORIDA STATUTES**

To The Honorable Mayor and Village Council
Village of Palm Springs, Florida

We have examined the Village of Palm Springs, Florida (the "Village") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2021. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance 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 complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, 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.

Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2021.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes and it is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
March 30, 2022

VILLAGE OF PALM SPRINGS
FINANCE DEPARTMENT

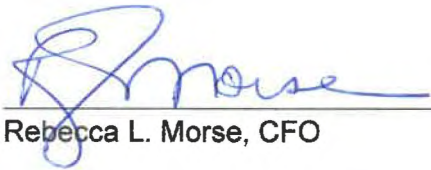
IMPACT FEE AFFIDAVIT



BEFORE ME, the undersigned authority, personally appeared Rebecca Morse, CFO, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Village of Palm Springs, Florida, which is a local governmental of the State of Florida;
2. The governing body of Village of Palm Springs adopted Ordinance No. 2021-03 on June 10, 2021 implementing an impact fee or authorized the Village of Palm Springs to receive and expend proceeds of an impact fee implemented by Village of Palm Springs; after holding two noticed public workshops on May 13, 2021 and June 10, 2021 to discuss the extent to which extraordinary circumstances necessitate and justify the need for an increase in impact fees; and
3. Village of Palm Springs has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.


FURTHER AFFIANT SAYETH NAUGHT.



Rebecca L. Morse, CFO

STATE OF FLORIDA
COUNTY OF PALM BEACH COUNTY

SWORN TO AND SUBSCRIBED before me this 23rd day of February, 2022.

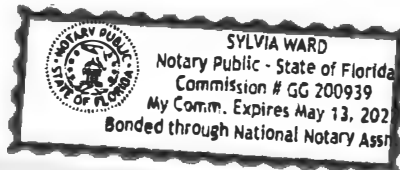


NOTARY PUBLIC
Print Name Sylvia Ward

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:
05/13/22



226 Cypress Lane
Palm Springs, Florida 33461 USA
(561) 584-8200
www.vpsfl.org