



Village of Palm Springs, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended
September 30, 2023

The cover this year was designed by one of our newest employees in the Parks and Recreation department. Ben Kerr is our new multimedia specialist. Ben suggested different layouts and gave me multiple options. All of this to help with my last-minute request for a picture I could use. I am very excited to have his talents working for the Village and I can't wait to see what he will help us with as he demonstrates his talents when he is given more than a day to handle it!

I want to thank Ben and our Parks and Recreation Director, Juan Ruiz for their help to produce this beautiful cover showing the front of Village Hall and displaying our new logo and color scheme. The rapid response of Juan and Ben shows their commitment to the Village, and I am very grateful for their help.

Thank you!

Rebecca L. Morse
Chief Financial Officer

The seal of The Village of Palm Springs, Florida, is a circular emblem. It features a palm tree in the center, surrounded by a ring of stars. The words "THE VILLAGE OF PALM SPRINGS" are written in a light green, sans-serif font along the top arc of the circle, and "FLORIDA" is written along the bottom arc. The words "PALM SPRINGS" are also written in a larger, light purple font across the center of the seal.

**THE VILLAGE OF
PALM SPRINGS, FLORIDA**

Annual Comprehensive
Financial Report

**Fiscal Year Ended
September 30, 2023**

**Prepared by:
Finance Department**

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

VILLAGE OF PALM SPRINGS, FLORIDA

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INTRODUCTORY SECTION



Village of Palm Springs
Finance Department
226 Cypress Lane
Palm Springs, FL 33461

March 27, 2024

*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, 2023, 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 GAAP. 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, 2023. The independent auditors' report on the basic financial statements and combining fund financial statements and debt schedules is located on 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 audit 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 unequalled 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 Water and Sewer 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, 2023, our utility system had 20,561 water customers and 19,540 sewer customers. Approximately 60% of total connections serve our residents; the other 40% of our connections are in the unincorporated area.

In fiscal year 2017, the Village established our Stormwater enterprise fund to improve the Village's existing stormwater drainage system and address annexation areas that need stormwater infrastructure to reduce/eliminate flooding.

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 31%, from 20,497 in 2014 to the current estimate of 26,904. Over the same ten-year period the Village's assessed taxable value grew from \$625,947,068 in 2014 to a new high of over \$1.678 billion this year an increase of \$1.0 billion or 168%. The taxable values increased by \$193.2 million or 13% over fiscal year 2022. 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 third 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 \$508,053 combined fund balance which will be appropriated to fund CRA projects in fiscal year 2024. The budget to actual statement for the CRA is available on page 118 of this report.

As of September 30, 2023, the General Fund had a total fund balance of \$33,826,921. The components of fund balance, in accordance with GASB 54, are detailed as follows:

Total fund balance	\$33,826,921
Nonspendable - Inventory	96,319
Restricted for sales tax infrastructure capital projects.	9,843,285
Assigned to:	
Disaster recovery	3,000,000
Future capital projects	7,000,000
Subsequent year's budget	<u>1,889,611</u>
Unassigned fund balance	<u>\$11,997,706</u>

Fortunately, the Village has been very conservatively managed; the Village has assigned \$3.0 million for disaster recovery and together with the \$7.0 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 31.3% of the General Fund budget for the fiscal year 2024. This year we increased the assigned fund balance for future capital projects with the parks and recreation master plan highlighting opportunities to expand our parks and leisure activity areas as well as the need to address the needed expansion of the police department and overall growing needs of the Village. 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 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 2027 and new capital items were added for FY 2028. This budget reveals the growing demand for our operations to meet the physical building and improvement needs as well as the need to make improvements to stay on top of the ever-evolving areas of technology assets and security needs.

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 103 of this report.

The Village Council legally adopted a formal budget for the General Fund. The Village maintains budgetary control at the department level of expenditure. All expenditures of more than \$7,500 or more require the Village Manager's authorization, and expenditures over \$35,000 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 96-99 of this report.

Major initiatives

The CRA established the Catalyst Fund, an incentive program for the elimination of blighting conditions as a reimbursement-based grant. This incentive program is offered through Village Code Enforcement as an incentive to not only remedy code violations, but to encourage investment in property remediation improvements that will enhance the value and eliminate nuisance, hazardous and deteriorating situations. Business partners interested in improving their properties, with CRA incentive assistance, have been identified and funding is proposed for fiscal year 2024.

Human Resources completed the update of the Village's employee regulations handbook that was last updated 10 years ago. They also engaged a vendor to perform a comprehensive salary study to ensure that our positions are competitive in the marketplace and to help with recruitment and retention. The department also has offered professional development courses for employees to enhance their skills and/or further their career advancement.

Police department held their 13th annual "Stuff-A-Cruiser" toy drive in December. They raised \$9,150 in donations and collected new toys to benefit local and needy families during the holidays. The department also held four Family Movie Nights during the year, these events give our residents a chance to come out enjoy a good family movie and popcorn. The department has deployed several license plate recognition cameras throughout the Village.

The Planning, Building and Zoning department has worked to modernize the core business processes in the PZB department. We did this by using a digital platform which is designed for land management. By modernizing the permit application, plan review, inspections, business license and other process we hope to improve efficiencies and create a better experience for employees as well as Village patrons (contractors and owner-builders).

Public Works directed the repaving of five (5) roadways (Anna Ln, Line Dr., Lillian Rd., Bermuda Rd., Woodhaven Dr.), coordinated office renovations in Planning, Building and Zoning, Utilities offices and Human Resources. Managed the buildout of the flex space on the north end of Village Hall, assisted in the relocation of IT network equipment, and the completion of the materials storage building. At fiscal yearend, Public Works had 4 active stormwater capital projects underway.

Our Information Technology department continues to make cybersecurity improvements coordinating continued cybersecurity training for all village staff and testing for any potential threats to our networks. They worked with both Planning Building and Zoning and the Police department with new software installations and coordinated training with our primary ERP applications.

The Parks and Recreation Department in fiscal year 2023 celebrated the Village's 65th birthday, this milestone was seamlessly integrated into the Village's vibrant Fall Festival, showcasing its rich heritage and community spirit. July marked a historic moment with its largest attended 4th of July event, featuring the longest fireworks show to date, captivating residents, and visitors alike. Additionally, the Village's commitment to fostering active lifestyles led to a groundbreaking partnership with Ultra Coed Sports, introducing an Adult Kickball league that brought together residents and neighboring communities.

Furthermore, the Village's dedication to enhancing outdoor experiences was evident with the installation of shade structures over picnic tables and fitness equipment at Foxtail Palm Park as part of a grant received from the Florida's Department of Environmental Protection Division of Land and Water Conservation. Moreover, we are proud to highlight the completion of the park-to-park connector project along Canal Rd, complemented by sidewalk improvements from Park Lane to Gulfstream Rd, ensuring safer and more accessible recreational opportunities for all. These achievements reflect the Village's unwavering

commitment to enriching community life and fostering a thriving, inclusive environment for all residents and visitors to enjoy.

The library this year updated the Teens area giving it a new look and feel giving it more of a vibrant and fun area for them. We have also opened our new Creation Station studio. This is a public studio for patrons to bring all their digital creative ideas to life. It's supplied with the latest, up-to-date technology and programs, patrons will be able to create, edit, design, record and much more. Patrons who are unfamiliar with technology can "Book-a-Librarian" to get a beginner's tutorial on any of the programs of their interest. The library also won for the fourth year in a row mid-size municipality Read for the Record award. We have also installed 4 free little libraries in our parks for residents to enjoy some reading, take a book out in exchange for another book.

Utilities completed chemical feed systems improvements at both Main and Pratt water treatment plants, relocated utilities on Florida Mango from Edgewater to Barbados, coordinated with FDOT to relocate water utilities at Forest Hill & Military, upgraded multiple lift station SCADA systems, constructed Main WTP equipment storage building, upgraded the MIEX regeneration system at Pratt WTP, replaced the sand loader system at Main WTP, rehabilitated well # 18 and upgraded the SCADA system at Main WTP. At the end of the fiscal year, they had 25 ongoing projects.

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palm Springs, Florida, for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022.

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 GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The Village of Palm Springs, Florida, has received a Certificate of Achievement for the last thirty-five consecutive years (fiscal years ended 1988-2022). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

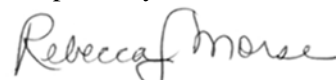
Acknowledgements

The Village is fortunate to be guided by leaders committed to making well informed decisions that will preserve the best of the "small town" feel and still work to enrich the quality of life for those who live, work, and play in our community. I am excited to see how we will meet the ever-changing needs of a growing community.

Finance has been able to encourage the Village to be fiscally conservative and equipped to meet those needs. I am blessed to lead a team of exceptional women that give their best every day and demonstrate their commitment to the Council, management and residents serving as stewards of our financial resources.

I want to recognize my staff, Assistant Finance Director, Mariana Ortega, and our accounting staff, Nataly Cintron, Pisurki Rodriguez, Mayra Ramirez and Sajia Ahmed for their personal and professional integrity, quality, accountability, excellence, and teamwork. Thank you!

Respectfully submitted,



Rebecca L. Morse, CGFO
Chief Financial Officer

VILLAGE OF PALM SPRINGS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2023

Title	Name
Mayor	Bev O. Smith
Vice Mayor	Joni Brinkman
Mayor Pro-Tem	Patti Waller
Council Member	Vacant
Council Member	Gary Ready
Village Manager	Michael Bornstein
Assistant Village Manager	Kim Glas-Castro
Chief Financial Officer	Rebecca L. Morse
Public Services Director (Acting)	Tim Crespo
Public Safety Director	Tom Ceccarelli
Village Clerk	Kimberly Wynn
Information Technology Director	Thomas Cook
Library Director	Jossie Maliska
Parks & Recreation Director	Juan Ruiz
Planning, Zoning and Building Director	Iramis Cabrera
Village Attorney	Glen J. Torcivia
Human Resource Director	Ashley Saingilus
Utilities Director	Jimmie Johnson

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

CITIZENS of PALM SPRINGS

VILLAGE ATTORNEY
*Torcivia, Donlon, Goddeau
& Rubin, P.A.*

AUDITOR
Marcum LLP

Special Magistrate
Diane James-Bigot

MAYOR AND VILLAGE COUNCIL
*Bev O. Smith - Mayor
Joni Brinkman - Vice Mayor
Patti Waller - Mayor Pro-Tem
Vacant - Council Member
Gary Ready - Councilmember*

**PALM SPRINGS
COMMUNITY REDEVELOPMENT AGENCY**

BOARD & COMMITTEES
*Planning & Zoning Board
Parks & Recreation Board
Library Board
General Employees Pension
Police Officers Pension
Construction Board
Lake Worth Utilities Advisory Board
Joseph Fallon Scholarship Committee
Property Improvement Program Committee
CRA Board*

VILLAGE MANAGER
Michael Bornstein

**ADMINISTRATION/
ASSISTANT VILLAGE MANAGER**
Kimberly Glas- Castro

Village Clerk
Kimberly Wynn

**Planning, Zoning,
Building Director**
Iramis Cabrera

**Library
Director**
Jossie Maliska

**Parks &
Recreation
Director**
Juan Ruiz

**FINANCE
Chief Financial
Officer**
*Rebecca L.
Morse*

**Public Works
Acting Director**
Tim Crespo

**Police
Chief**
Tom Ceccarelli

**Information
Technology
Director**
Thomas Cook

**Utilities
Director**
Jimmie Johnson

**Human
Resource
Director**
Ashley Saingilus



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, 2022

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 Audit of the Financial Statements

Opinions

We have audited the 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 fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position, and, where applicable, cash flows, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 19, and the budgetary comparison schedules, the condition rating of the Village's street system, the schedules of changes in the net pension liability and related ratios for the general employees pension fund and police officer pension fund, the schedule of the Village contributions, the schedules of the Village's proportionate share of the net pension liability and schedules of the Village's contributions for the Florida retirement system pension plan and retiree health insurance subsidy program, the schedule of investment returns, and the schedule of changes in the total OPEB liability and related ratios on pages 96 to 115, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024, 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 Village's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, FL
March 27, 2024

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, 2023. 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 on September 30, 2023, is \$130.1 million. Of this amount, \$58.2 million (unrestricted net position) may be used to meet the Village’s ongoing obligations to residents and creditors.
- Governmental net position is \$42.9 million, an increase of \$6.0 million from 2022 operations.
- Business-type net position was \$87.2 million, an increase of \$6.4 million from 2022 operations.
- The total revenues from all sources were \$56.0 million, an increase of \$8.1 million.
- The total cost of all Village programs was \$43.6 million, an increase of \$7.1 million.
- For 2023, the Village’s governmental funds revenues and other financing sources exceeded expenditures by \$7,737,815.
- Revenues and other financing sources in the General Fund exceeded total expenditures by \$6,743,950.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,997,706, or 53.6% of total General Fund expenditures.
- The Village’s total noncurrent liabilities increased by \$638,816 during the current fiscal year. The Village governmental activities long term liabilities increased by \$1.1 million, and the business-type activities long term liabilities decreased by \$462,783. The note payables in both governmental and business-type activities decreased, however the increases in leases and the addition of subscription arrangements this year coupled with pension liabilities produced the net increase in governmental activities.
- The total other postemployment benefits (“OPEB”) liability increased \$71,277 to \$884,891 at September 30, 2023.

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 like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered, 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 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 governmental activities, including the Village Council, Village Manager, Village Clerk, Finance, Human Resources, Information Technology ("IT"), 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 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 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 116-117 of this report. The basic governmental fund financial statements can be found on pages 23-26 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 27-30 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 31-32 of this report. Individual fund data for each of the pension funds is provided in the form of combining statements on pages 119-120 of this report.

Notes to the Basic 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 33-95 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 budgetary comparison schedules for the General Fund and American Rescue Plan Fund together with notes pertaining to the budget schedules. The Village also presents information concerning the condition rating of its streets and progress in funding its obligation to provide pension and OPEB benefits to its employees in this section. Required supplementary information can be found on pages 96-115.

The combining fund financial statements of the nonmajor governmental funds and the combining fund financial statements of the fiduciary funds are presented on pages 116-120 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 121-123 of this report.

The statistical section located on pages 124-153 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 and deferred outflows exceeded liabilities and deferred inflows of resources by \$130.1 million, approximately \$12.4 million increase as compared to fiscal year 2022. The net position of the Village on September 30, 2023, and 2022 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	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 47,566,104	\$ 40,643,872	\$ 48,638,355	\$ 45,248,800	\$ 96,204,459	\$ 85,892,672
Net pension asset	603,841	--	486,913	--	1,090,754	--
Capital assets, net	20,252,487	19,402,140	50,951,617	48,375,768	71,204,104	67,777,908
Total assets	68,422,432	60,046,012	100,076,885	93,624,568	168,499,317	153,670,580
Deferred Outflows of Resources						
Deferred amount related to pensions	6,181,026	8,149,695	1,712,167	2,155,890	7,893,193	10,305,585
Deferred amount related to OPEB	265,412	273,221	110,954	113,996	376,366	387,217
Total Deferred Outflows of Resources	6,446,438	8,422,916	1,823,121	2,269,886	8,269,559	10,692,802
Liabilities:						
Long-term debt outstanding	18,914,286	17,812,687	11,549,983	12,012,766	30,464,269	29,825,453
Other liabilities	12,016,335	13,074,127	2,657,996	2,697,472	14,674,331	15,771,599
Total liabilities	30,930,621	30,886,814	14,207,979	14,710,238	45,138,600	45,597,052
Deferred Inflow of Resources						
Leases	291,904	51,283	--	--	291,904	51,283
Deferred amount on debt refunding	--	--	68,137	75,247	68,137	75,247
Deferred amounts related to pensions	595,885	473,530	397,463	239,620	993,348	713,150
Deferred amount related to OPEB	121,580	131,839	50,899	54,894	172,479	186,733
Total Deferred Inflows of Resources	1,009,369	656,652	516,499	369,761	1,525,868	1,026,413
Net Position:						
Net investment in capital assets	16,791,304	15,677,381	42,673,893	39,309,778	59,465,197	54,987,159
Restricted for net pension asset	603,841	--	486,913	--	1,090,754	--
Restricted for law enforcement	87,703	81,631	--	--	87,703	81,631
Restricted for debt service	265,655	252,673	--	--	265,655	252,673
Restricted for sales tax capital projects	9,843,285	7,809,275	--	--	9,843,285	7,809,275
Restricted for Lake Worth Rd CRA	255,105	39,383	--	--	255,105	39,383
Restricted for Congress Ave CRA	252,948	106,016	--	--	252,948	106,016
Restricted for American Rescue Plan Fund	584,672	51,281	--	--	584,672	51,281
Unrestricted	14,244,367	12,907,822	44,014,722	41,504,677	58,259,089	54,412,499
Total net position	\$ 42,928,880	\$ 36,925,462	\$ 87,175,528	\$ 80,814,455	\$ 130,104,408	\$ 117,739,917

The largest portion of the Village's net position (45.7%) reflects its investment in capital assets (land, buildings, machinery, equipment, leases and subscription arrangements), 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 (\$12.4 million or 9.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$58.3 million or 44.8%) 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
Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,392,061	\$ 4,972,670	\$ 24,465,623	\$ 22,855,180	\$ 29,857,684	\$ 27,827,850
Operating grants and contributions	269,052	249,495	--	47,500	269,052	296,995
Capital grants and contributions	1,307,776	1,464,514	1,695,706	349,074	3,003,482	1,813,588
General revenues:						
Property taxes	6,105,979	5,440,257	--	--	6,105,979	5,440,257
Utility service taxes	3,368,710	3,044,674	--	--	3,368,710	3,044,674
Franchise fees	2,083,730	1,831,837	--	--	2,083,730	1,831,837
Sales and use taxes	5,887,032	5,214,492	--	--	5,887,032	5,214,492
Business taxes	402,306	419,767	--	--	402,306	419,767
Intergovernmental, unrestricted	1,567,812	1,327,514	--	--	1,567,812	1,327,514
Investment income	1,721,284	172,511	1,304,378	160,538	3,025,662	333,049
Impact fees	260,622	109,732	--	--	260,622	109,732
Miscellaneous	122,811	190,404	40,559	58,371	163,370	248,775
Total revenues	28,489,175	24,437,867	27,506,266	23,470,663	55,995,441	47,908,530
Expenses:						
Program expenses:						
General government	4,136,272	3,677,147	--	--	4,136,272	3,677,147
Public Safety	13,121,283	10,186,285	--	--	13,121,283	10,186,285
Sanitation and Recycling (Physical environment)	1,586,290	1,456,330	--	--	1,586,290	1,456,330
Transportation	2,853,355	2,414,448	--	--	2,853,355	2,414,448
Economic Environment	221,748	343,657	--	--	221,748	343,657
Culture/Recreation	2,561,413	2,165,153	--	--	2,561,413	2,165,153
Interest on long-term debt	102,292	121,693	--	--	102,292	121,693
Water and Sewer Utility	--	--	18,947,014	16,155,764	18,947,014	16,155,764
Stormwater Utility	--	--	101,283	1,092	101,283	1,092
Total Expenses	24,582,653	20,364,713	19,048,297	16,156,856	43,630,950	36,521,569
Change in net position before transfers	3,906,522	4,073,154	8,457,969	7,313,807	12,364,491	11,386,961
Transfers	2,096,896	2,000,415	(2,096,896)	(2,000,415)	--	--
Increase in net position	6,003,418	6,073,569	6,361,073	5,313,392	12,364,491	11,386,961
Net Position - October 1	36,925,462	30,851,893	80,814,455	75,501,063	117,739,917	106,352,956
Net Position - September 30	\$ 42,928,880	\$ 36,925,462	\$ 87,175,528	\$ 80,814,455	\$ 130,104,408	\$ 117,739,917

Governmental Activities

Revenues: Governmental activities increased the Village’s net position by \$6,003,418. Charges for Services contributed an increase of \$419,391 over fiscal year 2022. The largest increase (\$394,357) is from Physical Environment generated by a rate increase implemented to cover increased fees charged by the Village’s contractual waste hauler.

Operating grants and contributions increased \$19,557 compared to 2022; this reflects increases in Public Safety revenue from Palm Beach County in support of emergency call takers and increased fees collected from police officers participating in the take home vehicle program. Physical Environment saw a decrease of \$16,391 as shared revenues generated by recycling with the Solid Waste Authority has dried up as the cost of processing the recycled materials increases. There were small increases in general government from donations from our health care provider to promote healthy living incentives to Village employees and Culture Recreation received increased grant revenues for technology and stem grants.

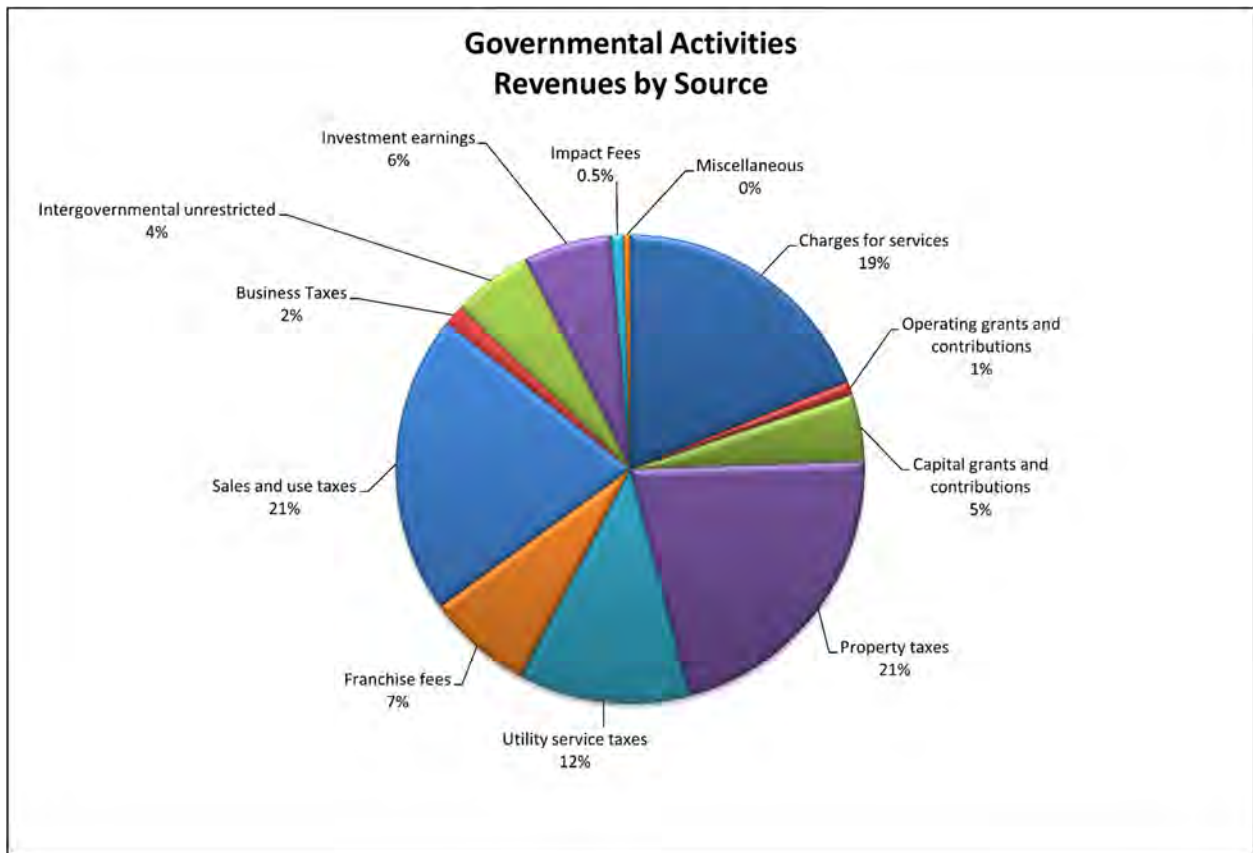
VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

Capital grants and contributions totaled \$1,307,776 in fiscal year 2023, a decrease of \$156,738 compared to fiscal year 2022. This reflects a net increase of \$88,244 in Economic Environment with funding for the CRA in the third year of operation and a decrease in Public Safety of \$47,057 as grants received in 2022 were not received in this year, also there was a decrease of \$201,029 in Culture/Recreation primarily due to the grant received in 2021 from the National Land Conservation for our Lakewood Garden Park enhancements that was not received in 2023.

Property taxes increased by \$665,772 or 12.20% over fiscal year 2022, the Village's taxable value increased by \$193,203,404 or 13% over fiscal year 2022. Other taxes (utility, franchise, sales and use and business taxes) increased \$1,231,008 or 11.7% this growth reflects the continued economic recovery post-COVID.

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



Ad valorem taxes represent 21% of total governmental activity revenues this fiscal year, which is 1% less than fiscal year 2022, utility service taxes franchise fees, charges for services, miscellaneous revenues and capital grants are all down 1% this year compared to fiscal year 2022 while investment earnings grew by 5% this year with the increased interest rate market All other sources remained the same as fiscal year 2022.

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, information 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 represents the operations of our Community Redevelopment Agency (CRA) and the American Rescue Plan fund. Culture/Recreation includes our library, parks and recreation and special events.

General Government expenses increased \$459,125 this year including election related expenses, a consultant engaged to conduct a Village wide survey to establish a baseline of resident interests, concerns, and desires. Also, this year the village increased funding for a management team consultant to continue work on the visioning process and team development, we also offered on site education through the local state college training for our employees to learn Spanish and for English as a second language to primary Spanish speaking employees. These new programs combined with increases in personnel and insurance increase generated the increases over fiscal year 2022.

Public Safety expenses increased \$2,934,998. Planning, Zoning and Building experienced an increase in contractual services for plan review, and GIS services as well as building official services, these were related to increased development activities Police expenses increased in personnel costs with increased staffing, overtime, pension, and insurance. Operating costs increased for fuel, repairs, electricity, insurance, and supplies.

Physical Environment expenses increased \$129,960 due to a rate increase in the mid-year rate increase from the contract renewal with our waste hauler.

Transportation expenses increased \$438,907 for fiscal year 2023 compared to fiscal year 2022, this reflects the increased staffing, insurance, and pension costs as well as electricity, fuel, repair costs and operating supply increases.

Economic Environment decreased \$121,909 reflecting the activity in the CRA in its third year of operation. This decrease is net an increase with the additional of one code enforcement officer to service the CRA districts less a significant decline in contractual services compared to last year which included payments related to the Lake Worth Road Drainage Improvements in cooperation with the State of Florida.

Culture and recreation increased \$396,260 for fiscal year 2023 compared to fiscal year 2022, as with Public Safety, and Transportation the increase is primarily due to personnel costs including increased staffing, pension, and insurance. Operating costs for supplies, repairs, electricity, and increased costs of special events.

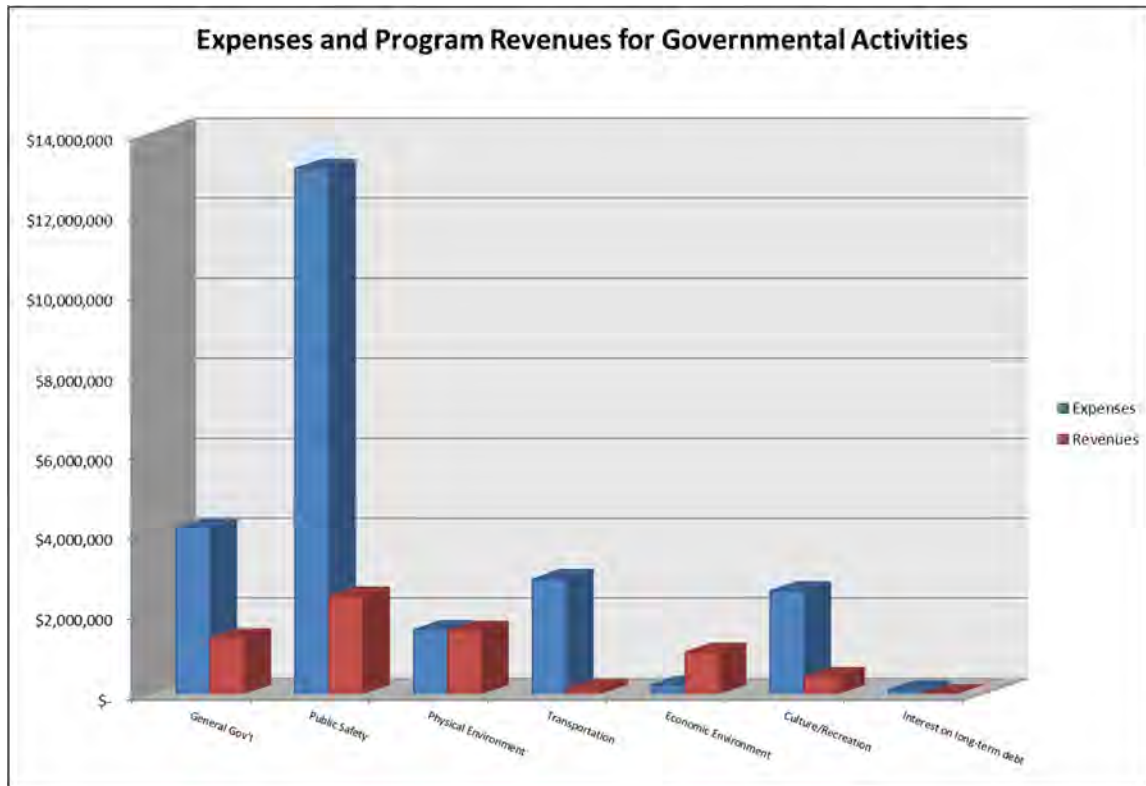
Below is a schedule presenting the net cost of each program (total cost, less revenues generated by the activities). The net cost shows the extent to which the Village's general revenues support each of the Village's programs.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

**Village of Palm Springs
Governmental Activities
Net Cost of Services**

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2023	2022	2023	2022	2023	2022
General Government	\$ 4,136,272	\$ 3,677,147	\$ (1,382,522)	\$ (1,210,816)	\$ 2,753,750	\$ 2,466,331
Public Safety	13,121,283	10,186,285	(2,430,007)	(2,572,168)	10,691,276	7,614,117
Physical Environment	1,586,290	1,456,330	(1,574,780)	(1,196,814)	11,510	259,516
Transportation	2,853,355	2,414,448	(125,120)	(121,476)	2,728,235	2,292,972
Culture/Recreation	2,561,413	2,165,153	(430,765)	(647,954)	2,130,648	1,517,199
Economic Environment	221,748	343,657	(1,025,695)	(937,451)	(803,947)	--
Interest on long-term debt	102,292	121,693	--	--	102,292	121,693
Totals	\$ 24,582,653	\$ 20,364,713	\$ (6,968,889)	\$ (6,686,679)	\$ 17,613,764	\$ 14,271,828

The total cost of all governmental activities this year was \$24.6 million, representing an increase of \$4,217,940 or 20.7%. The schedule above shows that \$7 million of the cost of services was paid by those who directly benefited from the programs and \$17.6 million was financed through general revenues.



Business-type Activities

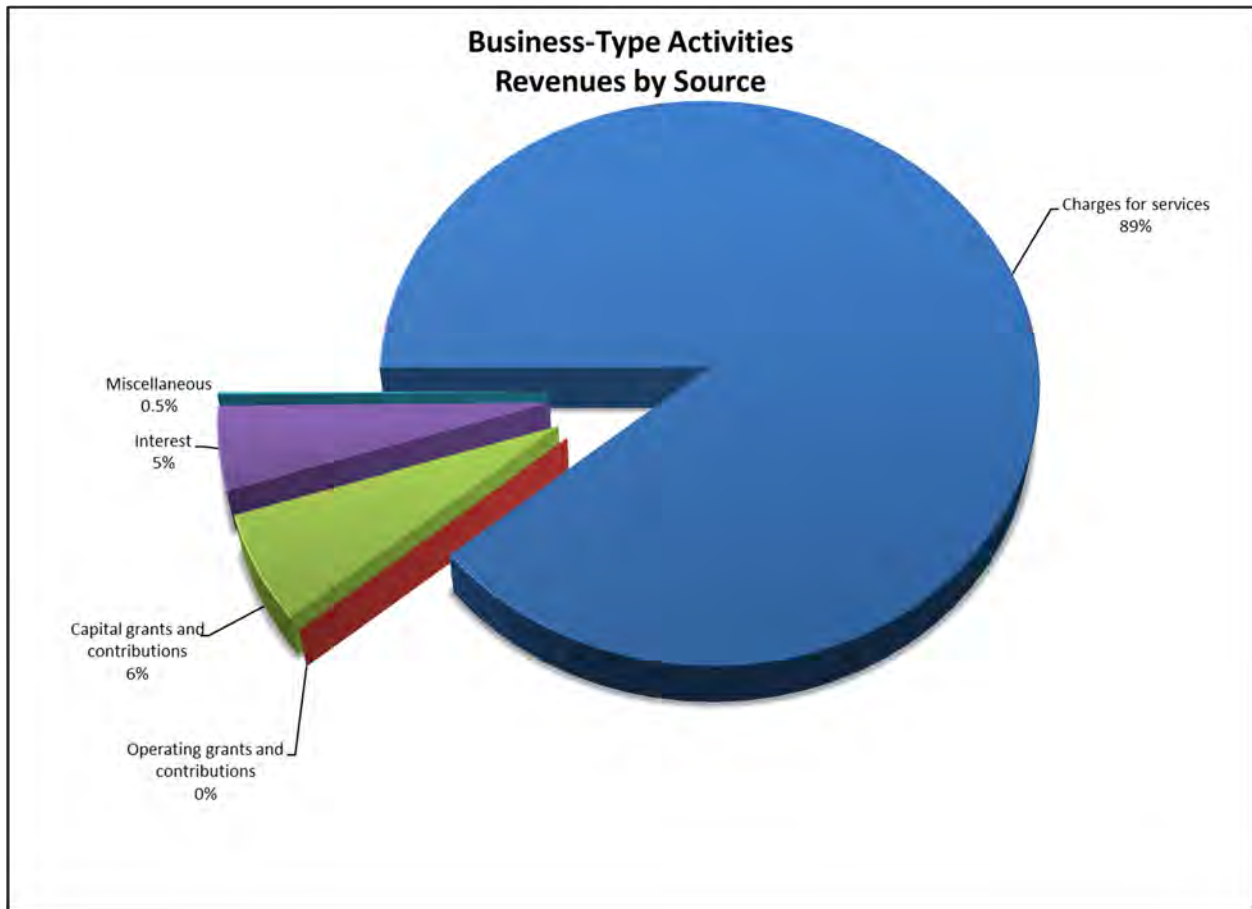
The net position of the proprietary funds (Water and Sewer Utility and Stormwater Utility) on September 30, 2023, was \$87.2 million. The cost of providing proprietary (business-type) activities this year was \$19.0 million, as shown in the Statement of Activities, this is an increase of \$2,891,441 compared to fiscal year 2022, this reflects the significant impact of GASB Statement No. 68 pension related expenses, increased wastewater treatment and disposal charges, coupled with increased staffing, insurance, and pension costs as well as electricity, fuel, repair costs and operating supply increases.

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

The Village Stormwater Utility was established in 2017 and ended the current year with a net position of \$4.0 million or \$1,041,462 over the fiscal year 2022. This increase reflects the stormwater fees collected via non-ad valorem assessment of \$524,325, interest earnings of \$37,626 and \$580,794 in funding from the American Rescue Plan for Stormwater Projects, less a small increased personnel costs with the addition of a Stormwater Coordinator.

Net position increased by \$6,361,073 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 increased by \$1,610,443 or 7%, which reflects the increase in water and sewer rates implemented in November for services used in October and increased demand with new developments. Operating Grants decreased by \$47,500 as the Village received a grant in fiscal year 2022 for a septic to sewer study that did not continue this fiscal year. Capital Grants and Contributions significantly increased by \$1,346,632 from capital contribution fees from new construction. Interest income increased \$1,143,840 as interest rates increased.



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 \$35,273,004, an increase of \$7,737,815, in comparison with the prior year. Revenues increased \$4,079,088. Tax revenue increased \$1,349,591 or 12.5%, the taxable value increased by 13% and utility taxes increased as the Village is experiencing new growth with recovery from the COVID decline. Permits and fees increased \$60,305 representing a decline in building permit fees from the prior year that included significant fees from a large development with growth this year in smaller developments and redevelopment of existing properties which is reflected in the increase including \$295,045 in impact fees. Intergovernmental revenues increased \$660,549, or 8.1%. State Revenue Sharing and Half-Cent Sales Tax contributed \$564,095 and One-Cent Sales Tax increased \$319,762. Grant revenues decreased \$209,989 compared to last fiscal year as the Village did not receive any funding from National Land Conservation or from the Solid Waste Authority (SWA) for a beautification grant. Charges for services increased by \$417,386 primarily due to the rate increase for garbage collection and disposal fees needed to cover the increase the Village incurred from the contractual rate increase from our waste hauler, we also saw increased participation in our village camp and leisure activity programs.

In fiscal year 2023 expenditures for the governmental funds increased by \$2,027,505 compared to fiscal year 2022. General Government expenditures increased \$225,875 or 6.1%, this included election related expenses, a consultant engaged to conduct a Village wide survey to establish a baseline of resident interests, concerns, and desires. Also, this year the village increased funding for a management team consultant to continue work on the visioning process and team development, we also offered on site education through the local state college training for our employees to learn Spanish and for English as a second language for our primary Spanish speaking employees and increased personnel costs.

Public Safety increased by \$883,239 or 8.4%, Planning, Zoning and Building increased \$172,099 due to increased contractual services for plan reviews, building inspectors and GIS services. Police expenditures increased \$711,140 or 7.4% of which \$619,330 for salary and related benefits, the remaining increases were in contractual services and operating costs including uniforms and education.

Physical Environment costs increased \$129,960 which reflects the mid-year rate increase from the contract renewal with our waste hauler.

Expenditures for Transportation increased \$633,888 compared to fiscal year 2022, personnel and benefit costs increased \$164,160, operating expenditures contributed \$129,342 to this increase including increases in contractual services, electricity and repair and maintenance. Capital outlay increased \$339,728 which included the completion of a material storage building, and design work on three projects including the intersection of Greenbrier and Davis as well as designs for a new entranceway at Greenbrier and Congress.

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

Culture/Recreation experienced an increase of \$295,648. Library expenditures increased \$38,772 with increased personnel expenses and increased library material purchases. Parks and Recreation including special events increased \$256,876 of this \$41,561 represents increased personnel and benefit increases, \$137,007 represents increases in operating expenses including professional fees for development of a new Parks and Recreation Master Plan, increased contractual services and operating supplies for expanded and enhanced special event activities, capital outlay increased \$78,308 with improvements to the offices, playground, and outdoor fitness equipment.

The governmental funds had a total fund balance of \$35,273,004 comprised of non-spendable fund balance of \$96,319 for inventory; restricted fund balances of \$11,289,368 (\$87,703 for law enforcement, \$265,655 for debt service, \$9,843,285 for infrastructure capital projects financed by the one-cent sales tax, \$508,053 for the CRA and \$584,672 for the American Rescue Plan); assigned fund balances of \$3,000,000 for disaster recovery; \$7,000,000 assigned for future capital projects and, \$1,889,611 for the 2023/2024 budget. The balance of \$11,997,706 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 No. 54 the unassigned fund balance of the General Fund was \$11,997,706, while the total fund balance was \$33,826,921. The unassigned fund balance in General Fund represents 31.3% of the fiscal year 2024 budgeted expenditures. The Village is anticipating rising costs of capital projects as inflation has impacted all supplies and related services. The parks and recreation master plan has presented new ideas and opportunities to develop facilities to meet the evolving interests of our community. The Village is also evaluating the best solution to the expansion needs of our police department. The unassigned fund balance at fiscal year-end 2022 represented 42.7% of the 2023 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 \$42.1 million at fiscal year-end, an increase of \$2,062,303 compared to the prior fiscal year. Charges for services revenues increased \$1,615,453 or 7.2% due primarily to the rate increase effective for services provided in October billed in November and increased demand from new developments.

Revenues from capital contributions increased \$1,346,632 as development and redevelopment is rebounding post-covid. Operating expenses increased \$1,980,723 primarily due to the significant impact of GASB Statement No. 68 pension related expenses, increased wastewater treatment and disposal charges, coupled with increased staffing, insurance, and pension costs as well as electricity, fuel, repair costs and operating supply increases. Total net position for the Water and Sewer Enterprise Fund was \$83.1 million at fiscal year-end, an increase of \$5,319,611 from the prior fiscal year. The increase in net position from operations was \$6,072,174 (operating income).

The Stormwater Utility, now in its sixth year of operations, had operating revenues of \$524,325 and operating expenses of \$101,283 for 2023. The Stormwater Utility net position increased by \$1,041,462 and ended the fiscal year at \$3,983,148.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget of \$32,758,044 remained the same for the fiscal year.

General Fund expenditures were \$10,164,766 less than the budget for fiscal year 2023. General government departments in total expended \$731,803 less than budgeted due to staff vacancies, and unexpended capital outlay, including some software projects that did not move forward and a few projects came in less than anticipated. Public Safety (Police department and the Planning, Zoning and Building Department) expended \$7,422,055 less than expected due to staff vacancies and unexpended capital outlay. In the police department we budgeted \$6,000,000 for the building expansion and only expended \$393,235 in architect fees and construction manager at risk fees. In planning, zoning, and building we budgeted \$88,500 for new permitting software and only expended \$80,500 as the project was not completed by fiscal year end. Physical environment expenditures were \$1,065 less than expected as the increase from our private hauler came in slightly less than anticipated. Expenditures in Transportation were \$764,062 less than anticipated with savings in personnel due to vacancies, operating costs from the planned traffic calming study that was not done and unexpended capital outlay for vehicles that were budgeted but the vendors could not deliver. Culture and Recreation expenditures were \$1,245,781 less than anticipated primarily due to capital projects budgeted in parks and recreation for renovation of the splash pad, and additional park improvements that did not progress as expected by fiscal year end and others that were intentionally put on hold waiting to see the results from the parks and recreation master plan study to determine the needs and wants of our community and better direct these resources.

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, 2023, amounts to \$71,204,105 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, improvements, machinery and equipment, library books, software, roads, sidewalks, bridges, drainage, intangible assets, leases (right-of-use assets) and new this year, subscription arrangements in compliance with GASB Statement No. 96. The governmental activities investment in capital assets, net of accumulated depreciation/amortization increased by \$850,347 or 4.4% compared to fiscal year 2022. The net change includes an increase in assets of \$2,196,441 less an increase of \$1,346,094 in accumulated depreciation/amortization.

Buildings increased \$598,896 for improvements to the north end of Village Hall adding offices to the previous open flex space area, added a studio for creative arts within the library and built a material storage building for public works on the main water treatment plant property.

Improvements other than buildings increased \$108,358 including park shade structures and equipment at Foxtail Palm Park, a new electrical panel and hurricane shutters at the library and additional flooring improvements at the Library and Village Hall offices.

Machinery and equipment increased \$568,317 including new audio/visual equipment in the Council Chambers, additional access control for the new offices in the built-out flex area, the police department purchased 3 police cars, 5 police SUV's, 1 transit van, upgraded access control for the police, new server, new camera surveillance equipment, video equipment for training and a new water heater. We added new air conditioning units to cool our IT and communication equipment rooms, purchased a new server and a new air conditioning unit for the library. Parks and Recreation purchased a new utility vehicle, a new Cushman hauler pro, added access control for the LAB (leisure activities building), replaced the air conditioner at the LAB and acquired the new outdoor warning system for lightning alerts.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

The Village recorded right-of-use assets – leases worth \$64,463 this includes primarily copiers leased throughout the Village and a postal machine. This is an increase of \$28,872 with multiple new copiers added. This category is generated by applying the GASB Statement No. 87 requirements.

This year the Village recorded subscription arrangements worth \$117,961. This includes software provided as a subscription service. This category is generated by applying the GASB Statement No. 96 requirements.

Construction in progress increased \$735,858 including buildings, intersection and entranceway improvements, park improvements and software system implementations that were all in progress at fiscal year-end. A total of 8 projects were in progress at fiscal yearend.

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 2023 the estimated maintenance costs were \$290,000 and the actual were \$162,648. More information on the Village’s Street System and condition rating can be found on page 103 of this report.

Business-type activities investment in capital assets increased by \$2,575,850 or 5.3% over fiscal year 2022. Assets increased by \$2,292,382 net a decrease in accumulated depreciation/amortization of \$283,468. Construction in progress increased in the Water and Sewer Enterprise fund by \$573,888 representing 18 projects underway at the end of fiscal year 2023. The Stormwater Enterprise fund had a decrease of \$164,214 in construction in progress at fiscal yearend representing 4 projects.

Additional detailed information regarding capital assets can be found in Note 4. Capital assets on September 30, 2023, and 2022 are summarized as follows:

Village of Palm Springs
Capital Assets Net of Depreciation/Amortization

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 729,641	\$ 729,641	\$ 379,987	\$ 379,987	\$ 1,109,628	\$ 1,109,628
Buildings	10,231,489	9,632,593	3,803,870	3,583,031	14,035,359	13,215,624
Improvements other than buildings	5,898,503	5,790,145	93,367,026	93,131,820	99,265,529	98,921,965
Machinery & Equipment	8,159,304	7,590,987	7,635,050	6,256,787	15,794,354	13,847,774
Software & Library Materials	719,512	681,333	34,188	34,188	753,700	715,521
Leases (Right-of-use assets)	64,463	35,591	18,168	10,827	82,631	46,418
Subscription arrangements	117,961	--	41,059	--	159,020	--
Infrastructure	5,532,268	5,532,268	940,646	940,646	6,472,914	6,472,914
Intangible Assets	--	--	7,174,063	7,174,063	7,174,063	7,174,063
Construction in Progress	2,641,620	1,905,762	5,956,433	5,546,759	8,598,053	7,452,521
Total Assets	34,094,761	31,898,320	119,350,490	117,058,108	153,445,251	148,956,428
Less Accumulated Depreciation/Amortization	(13,842,274)	(12,496,180)	(68,398,872)	(68,682,340)	(82,241,146)	(81,178,520)
Total	\$ 20,252,487	\$ 19,402,140	\$ 50,951,618	\$ 48,375,768	\$ 71,204,105	\$ 67,777,908

Debt: At fiscal year end, the Village had a total long-term debt outstanding of \$12,815,380 (excluding other postemployment benefits of \$884,891 and net pension liability of \$16,763,998), a decrease of \$810,664, or 5.9% as compared to fiscal year 2022. Detailed information on the Village’s long-term liabilities is presented in Notes 6, 9, and 10 to the financial statements. Long-term liabilities on September 30, 2023, and 2022 are summarized as follows:

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

Village of Palm Springs
Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General Obligation Bank Note	\$ 3,126,922	\$ 3,454,987	\$ --	\$ --	\$ 3,126,922	\$ 3,454,987
Note Payable	--	--	8,126,564	8,817,652	8,126,564	8,817,652
Compensated Absences	914,271	835,954	301,142	246,508	1,215,413	1,082,462
Financing lease (direct borrowing)	180,746	238,363	-	--	180,746	238,363
Leases (Right-of-use assets)	43,883	25,564	11,423	7,016	55,306	32,580
Subscription arrangements	94,529	--	15,900	--	110,429	--
Other postemployment benefits	615,679	564,384	269,212	249,230	884,891	813,614
Net Pension Liability	13,938,256	12,693,435	2,825,742	2,692,360	16,763,998	15,385,795
Total	\$ 18,914,286	\$ 17,812,687	\$ 11,549,983	\$ 12,012,766	\$ 30,464,269	\$ 29,825,453

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 60 of this report.

In accordance with GASB Statement No. 68 the Village reported a net pension liability of \$16,763,998 of which \$13,938,256 is related to governmental activities and \$2,825,742 is for business-type activities. For additional information on the Village’s pension plans see Note 9, beginning on page 68 of this report.

The liability for OPEB increased \$71,277 in 2023 to a total of \$884,891 and represents the implicit rate subsidy in retiree health insurance rates. The increase reflects the latest actuarial valuation dated October 1, 2022, performed in accordance with GASB Statement No. 75. Additional information on other postemployment benefits can be found in Note 10, beginning on page 89 of this report.

NEXT YEAR’S BUDGET AND ECONOMIC FACTORS

The Village’s assessed taxable value increased for the tenth consecutive year since the fiscal year 2008 recession. This fiscal year our taxable value increased \$193,203,404 or 13% over fiscal year 2022 for a total assessed value of \$1,678,378,924. We expect this trend to continue as the real estate and construction industry is recovering post-COVID, although the increase in interest rates may slow down real estate sales. Now that the Village has an operating CRA 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 \$213,385, an increase of \$125,491 over 2022 and as the CRA grows so will the impact to the General Fund.

The Village Council maintained the 2022 operating millage rate of 3.50 mills for 2023 and lowered the debt service millage rate by 11.6% to .2639. The Village Council maintained the operating millage rate of 3.50 mills for 2024 and lowered the debt service millage rate by 12.1% to .2319. Property tax collections increased \$665,722 or 12.2% over fiscal year 2022, while the taxable value increased 13%.

Ad valorem taxes represent 21% of total governmental activity revenues this fiscal year, which is 1% less than fiscal year 2022, capital grants, charges for services, miscellaneous revenues, franchise fees and utility service taxes all decreased 1% compared to fiscal year 2022, while investment earnings increased by 5% as the Village maximized the increasing interest rate environment. All other sources remained the same as fiscal year 2022.

The Village was awarded \$12,629,526 in American Rescue Plan funds. During this fiscal year the Village expended \$812,310 towards 4 stormwater improvements, IT infrastructure to improve connectivity between village facilities, 3 projects within the two CRA districts to help promote growth in those areas and attract re-development and air filtration improvements in 3 Village buildings.

VILLAGE OF PALM SPRINGS, FLORIDA
MANAGEMENT AND DISCUSSION AND ANALYSIS

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.

The General Fund's unassigned fund balance of \$11,997,706 on September 30, 2023, represents 31.3% of the 2024 adopted budget of \$38,359,824, which is slightly above our target range of 20-25%. The Village is anticipating rising costs of capital projects as inflation has impacted all supplies and related services. The parks and recreation master plan has presented new ideas and opportunities to develop facilities to meet the evolving interests of our community. The Village is also evaluating the best solution to the expansion needs of our police department.

The Village Council has prudently assigned \$3.0 million dollars of the General Fund's fund balance for disaster recovery and \$7.0 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, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 34,120,289	\$ 44,337,446	\$ 78,457,735
Cash and cash equivalents - restricted	11,552,591	--	11,552,591
Receivables:			
Accounts, net of allowance	103,648	3,542,448	3,646,096
Utility taxes	277,763	--	277,763
Franchise fees	336,713	--	336,713
Intergovernmental	557,583	--	557,583
Grants	223,745	--	223,745
Leases receivable	297,453	--	297,453
Inventory	96,319	758,461	854,780
Net pension asset	603,841	486,913	1,090,754
Capital assets:			
Capital assets, not being depreciated	8,903,529	7,277,065	16,180,594
Capital assets being depreciated/amortized	25,191,232	112,073,425	137,264,657
Accumulated depreciation/amortization	(13,842,274)	(68,398,873)	(82,241,147)
Total Assets	68,422,432	100,076,885	168,499,317
Deferred Outflows of Resources			
Deferred amount related to pensions	6,181,026	1,712,167	7,893,193
Deferred amount related to OPEB	265,412	110,954	376,366
Total Deferred Outflows of Resources	6,446,438	1,823,121	8,269,559
Liabilities			
Accounts payable and accrued liabilities	631,490	752,458	1,383,948
Contract retainage payable	15,103	55,700	70,803
Beginning of Year	15,139	98,357	113,496
Deposits	97,764	1,751,481	1,849,245
Unearned revenue	11,256,839	--	11,256,839
Noncurrent liabilities			
Due within one year:			
Notes payable	335,952	711,308	1,047,260
Compensated absences	96,178	17,917	114,095
Financing lease	58,913	--	58,913
Leases (right-of-use asset)	16,502	4,154	20,656
Subscription arrangements	35,874	15,900	51,774
Due in more than one year:			
Notes payable	2,790,970	7,415,256	10,206,226
Compensated absences	818,093	283,225	1,101,318
Financing lease	121,833	--	121,833
Leases (right-of-use asset)	27,381	7,269	34,650
Subscription arrangements	58,655	--	58,655
Total OPEB liability	615,679	269,212	884,891
Net pension liability	13,938,256	2,825,742	16,763,998
Total Liabilities	30,930,621	14,207,979	45,138,600
Deferred Inflows of Resources			
Leases	291,904	--	291,904
Deferred amount related to debt refunding	--	68,137	68,137
Deferred amount related to pensions	595,885	397,463	993,348
Deferred amount related to OPEB	121,580	50,899	172,479
Total Deferred Inflows of Resources	1,009,369	516,499	1,525,868
Net Position			
Net investment in capital assets	16,791,304	42,673,893	59,465,197
Restricted for:			
Net pension asset	603,841	486,913	1,090,754
Law enforcement	87,703	--	87,703
Debt service	265,655	--	265,655
Sales tax capital projects	9,843,285	--	9,843,285
Lake Worth Road CRA	255,105	--	255,105
Congress Ave CRA	252,948	--	252,948
American Rescue Plan Fund	584,672	--	584,672
Unrestricted	14,244,367	44,014,722	58,259,089
Total Net Position	\$ 42,928,880	\$ 87,175,528	\$ 130,104,408

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 4,136,272	\$ 1,302,773	\$ 49,001	\$ 30,748
Public safety	13,121,283	2,347,921	82,086	--
Physical environment	1,586,290	1,574,780	--	--
Transportation	2,853,355	--	125,120	--
Culture/recreation	2,561,413	166,587	12,845	251,333
Economic environment	221,748	--	--	1,025,695
Interest on long-term debt	102,292	--	--	--
Total Governmental Activities	24,582,653	5,392,061	269,052	1,307,776
Business-type Activities				
Water and sewer utility	18,947,014	23,941,298	--	1,695,706
Stormwater utility	101,283	524,325	--	--
Total Business-type Activities	19,048,297	24,465,623	--	1,695,706
Total	\$ 43,630,950	\$ 29,857,684	\$ 269,052	\$ 3,003,482

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

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

Governmental Activities	Business-type Activities	Total
\$ (2,753,750)	\$ --	\$ (2,753,750)
(10,691,276)	--	(10,691,276)
(11,510)	--	(11,510)
(2,728,235)	--	(2,728,235)
(2,130,648)	--	(2,130,648)
803,947	--	803,947
(102,292)	--	(102,292)
(17,613,764)	--	(17,613,764)
--	6,689,990	6,689,990
--	423,042	423,042
--	7,113,032	7,113,032
(17,613,764)	7,113,032	(10,500,732)
6,105,979	--	6,105,979
3,368,710	--	3,368,710
2,083,730	--	2,083,730
5,887,032	--	5,887,032
402,306	--	402,306
1,567,812	--	1,567,812
1,721,284	1,304,378	3,025,662
260,622	--	260,622
122,811	40,559	163,370
2,096,896	(2,096,896)	--
23,617,182	(751,959)	22,865,223
6,003,418	6,361,073	12,364,491
36,925,462	80,814,455	117,739,917
\$ 42,928,880	\$ 87,175,528	\$ 130,104,408

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

VILLAGE OF PALM SPRINGS, FLORIDA

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 33,256,359	\$ --	\$ 863,930	\$ 34,120,289
Cash and cash equivalents - restricted	--	11,552,591	--	11,552,591
Receivables:				
Accounts, net of allowance	103,648	--	--	103,648
Utility taxes	277,763	--	--	277,763
Franchise fees	336,713	--	--	336,713
Intergovernmental	557,583	--	--	557,583
Grants	223,745	--	--	223,745
Leases receivable	297,453	--	--	297,453
Inventory	96,319	--	--	96,319
Total Assets	\$ 35,149,583	\$ 11,552,591	\$ 863,930	\$ 47,566,104
Liabilities				
Accounts payable and accrued liabilities	\$ 628,801	\$ 170	\$ 2,519	\$ 631,490
Contract retainage payable	15,103	--	--	15,103
Deposits	97,764	--	--	97,764
Unearned revenue	--	10,967,749	--	10,967,749
Total Liabilities	741,668	10,967,919	2,519	11,712,106
Deferred Inflows of Resources				
Unavailable revenues	289,090	--	--	289,090
Beginning of Year	291,904	--	--	291,904
Total Deferred Inflows of Resources	580,994	--	--	580,994
Fund Balances				
Nonspendable:				
Inventory	96,319	--	--	96,319
Restricted for:				
Law enforcement	--	--	87,703	87,703
Debt service	--	--	265,655	265,655
Sales tax capital projects	9,843,285	--	--	9,843,285
Lake Worth Road CRA	--	--	255,105	255,105
Congress Ave CRA	--	--	252,948	252,948
American Rescue Plan Fund	--	584,672	--	584,672
Assigned to:				
Disaster recovery	3,000,000	--	--	3,000,000
Capital projects	7,000,000	--	--	7,000,000
Subsequent year's budget	1,889,611	--	--	1,889,611
Unassigned:				
General fund	11,997,706	--	--	11,997,706
Total Fund Balances	33,826,921	584,672	861,411	35,273,004
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 35,149,583	\$ 11,552,591	\$ 863,930	\$ 47,566,104

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, 2023

Total Governmental Fund Balances (page 23) \$ 35,273,004

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. 603,841

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

Cost of assets	\$ 34,094,761	
Accumulated depreciation/amortization	<u>(13,842,274)</u>	20,252,487

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

Deferred outflows of resources related to pensions	6,181,026	
Deferred inflows of resources related to pensions	(595,885)	
Deferred outflows of resources related to OPEB	265,412	
Deferred inflows of resources related to OPEB	<u>(121,580)</u>	5,728,973
Beginning of Year		

Long-term liabilities, including notes payable and leases, 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:

Notes payable	(3,126,922)	
Financing lease	(180,746)	
Leases (right-of-use asset)	(43,883)	
Subscription arrangement	(94,529)	
Accrued interest payable on long-term debt	(15,139)	
Compensated absences payable	(914,271)	
Other postemployment benefits liability	(615,679)	
Net pension liability	<u>(13,938,256)</u>	(18,929,425)

Total Net Position (page 20) **\$ 42,928,880**

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 11,531,891	\$ --	\$ 642,219	\$ 12,174,110
Permits and fees	1,772,609	--	--	1,772,609
Intergovernmental	8,030,917	812,310	--	8,843,227
Charges for services	3,106,868	--	--	3,106,868
Confiscated property	--	--	741	741
Fines and forfeitures	408,091	--	--	408,091
Contributions and donations	54,851	--	--	54,851
Investment income	1,164,984	533,391	22,909	1,721,284
Facility rental	333,080	--	--	333,080
Miscellaneous	70,759	--	3,555	74,314
Total Revenues	26,474,050	1,345,701	669,424	28,489,175
Expenditures				
Current:				
General government	3,571,219	--	--	3,571,219
Public safety	10,167,936	--	--	10,167,936
Physical environment	1,586,290	--	--	1,586,290
Transportation	2,546,234	--	--	2,546,234
Economic environment	--	--	204,210	204,210
Culture/recreation	2,004,560	--	--	2,004,560
Capital outlay	2,396,280	--	--	2,396,280
Debt service:				
Beginning of Year	101,485	--	328,065	429,550
Interest and other fiscal charges	5,889	--	97,991	103,880
Total Expenditures	22,379,893	--	630,266	23,010,159
Excess (deficiency) of revenues over expenditures	4,094,157	1,345,701	39,158	5,479,016
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	5,187	--	--	5,187
Lease (right-of-use asset) acquired	38,755	--	--	38,755
Subscription arrangements issued	117,961	--	--	117,961
Transfers in	2,701,275	--	421,316	3,122,591
Transfers out	(213,385)	(812,310)	--	(1,025,695)
Total Other Financing Sources (Uses)	2,649,793	(812,310)	421,316	2,258,799
Change in Fund Balances	6,743,950	533,391	460,474	7,737,815
Fund Balances - Beginning of Year	27,082,971	51,281	400,937	27,535,189
Fund Balances - End of Year	\$ 33,826,921	\$ 584,672	\$ 861,411	\$ 35,273,004

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

Change in Fund Balances - Total Governmental Funds (page 25) \$ 7,737,815

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/amortized over their estimated useful lives:

Expenditures for capital assets	\$ 2,396,030	
Less current year depreciation/amortization expense	<u>(1,536,566)</u>	859,464

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. (9,117)

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	(78,317)	
Other postemployment benefits	(48,845)	
Pension expense	<u>(2,732,004)</u>	(2,859,166)

The issuance of long term debt (e.g., bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position.

Leases (right-of-use assets) acquired	(38,755)	
Leases (right-of-use assets) principal payments	20,436	
Subscription arrangements acquired	(117,961)	
Subscription arrangements principal payments	23,432	
Financing lease principal payments	57,617	
Principal payments on long-term debt	<u>328,065</u>	272,834

Net effect of accrued interest on long-term debt (difference between amount accrued in prior year and current year accrual) 1,588

Change in Net Position of Governmental Activities (page 22) **\$ 6,003,418**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
SEPTEMBER 30, 2023

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Assets			
Current Assets			
Cash and cash equivalents	\$ 42,409,424	\$ 1,928,022	\$ 44,337,446
Accounts receivable, net of allowance	3,542,448	--	3,542,448
Inventory	758,461	--	758,461
Total Current Assets	46,710,333	1,928,022	48,638,355
Noncurrent Assets			
Net pension asset	486,913	--	486,913
Capital assets not being depreciated	5,953,451	1,323,614	7,277,065
Capital assets being depreciated/amortized	111,326,672	746,753	112,073,425
Accumulated depreciation/amortization	(68,395,426)	(3,447)	(68,398,873)
Total Noncurrent Assets	49,371,610	2,066,920	51,438,530
Total Assets	96,081,943	3,994,942	100,076,885
Deferred Outflows of Resources			
Deferred amount related to pensions	1,710,736	1,431	1,712,167
Deferred amount related to OPEB	110,954	--	110,954
Beginning of Year	1,821,690	1,431	1,823,121
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	749,373	3,085	752,458
Contract retainage payable	55,700	--	55,700
Accrued interest on note payable	98,357	--	98,357
Current portion of lease liability	4,154	--	4,154
Current portion of subscriptions payable	15,900	--	15,900
Current portion of note payable	711,308	--	711,308
Current portion of compensated absences payable	17,917	--	17,917
Total Current Liabilities	1,652,709	3,085	1,655,794
Noncurrent Liabilities			
Customer deposits	1,751,481	--	1,751,481
Lease liability	7,269	--	7,269
Note payable	7,415,256	--	7,415,256
Compensated absences payable	281,849	1,376	283,225
Total OPEB liability	269,212	--	269,212
Net pension liability	2,817,323	8,419	2,825,742
Total Noncurrent Liabilities	12,542,390	9,795	12,552,185
Total Liabilities	14,195,099	12,880	14,207,979
Deferred Inflows of Resources			
Deferred amount on refunding	68,137	--	68,137
Deferred amount related to pensions	397,118	345	397,463
Deferred amount related to OPEB	50,899	--	50,899
Total Deferred Inflows of Resources	516,154	345	516,499
Net Position			
Net investment in capital assets	40,606,973	2,066,920	42,673,893
Restricted:			
Net pension asset	486,913	--	486,913
Unrestricted	42,098,494	1,916,228	44,014,722
Total Net Position	\$ 83,192,380	\$ 3,983,148	\$ 87,175,528

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Fund	Nonmajor Fund	Total
	Water and Sewer Utility	Stormwater Utility	Enterprise Funds
Operating Revenues			
Water revenues	\$ 9,836,760	\$ --	\$ 9,836,760
Wastewater revenues	13,087,587	--	13,087,587
Stormwater revenues	--	524,325	524,325
Other operating revenues	1,016,951	--	1,016,951
Total Operating Revenues	23,941,298	524,325	24,465,623
Operating Expenses			
Personal services	5,666,304	70,065	5,736,369
Operating expenses	9,243,439	28,002	9,271,441
Depreciation/amortization	2,959,381	3,216	2,962,597
Total Operating Expenses	17,869,124	101,283	17,970,407
Operating Income	6,072,174	423,042	6,495,216
Non-Operating Revenues (Expenses)			
Investment income	1,266,752	37,626	1,304,378
Miscellaneous revenues	40,559	--	40,559
Loss on disposal of capital assets	(841,376)	--	(841,376)
Interest expense and fiscal charges	(236,514)	--	(236,514)
Total Non-Operating Revenues (Expenses)	229,421	37,626	267,047
Income Before Contributions and Transfers	6,301,595	460,668	6,762,263
Beginning of Year			
Capital contributions	1,695,706	--	1,695,706
Transfers in	7,169	580,794	587,963
Transfers out	(2,684,859)	--	(2,684,859)
Change in Net Position	5,319,611	1,041,462	6,361,073
Net Position - Beginning of Year	77,872,769	2,941,686	80,814,455
Net Position - End of Year	\$ 83,192,380	\$ 3,983,148	\$ 87,175,528

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Cash Flows from Operating Activities			
Cash received from customers	\$ 23,598,324	\$ 527,319	\$ 24,125,643
Cash paid to suppliers for goods and services	(9,409,344)	(28,002)	(9,437,346)
Cash paid to employees for services	(5,353,315)	(59,845)	(5,413,160)
Other receipts	40,559	--	40,559
Net Cash Provided by Operating Activities	8,876,224	439,472	9,315,696
Cash Flows from Noncapital Financing Activities			
Transfer in	7,169	580,794	587,963
Transfers out	(2,684,859)	--	(2,684,859)
Net Cash Provided (Used) by Noncapital Financing Activities	(2,677,690)	580,794	(2,096,896)
Cash Flows from Capital and Related Financing Activities			
Principal paid on loan	(691,088)	--	(691,088)
Principal paid on leases	(4,424)	--	(4,424)
Beginning of Year	(24,659)	--	(24,659)
Interest paid on long-term debt	(251,148)	--	(251,148)
Interest paid on leases	(156)	--	(156)
Interest paid on subscription arrangements	(686)	--	(686)
Acquisition and construction of capital assets	(5,843,871)	(598,580)	(6,442,451)
Capital contributions from customers	1,695,706	--	1,695,706
Net Cash Used by Capital and Related Financing Activities	(5,120,326)	(598,580)	(5,718,906)
Cash Flows from Investing Activities			
Investment income	1,266,752	37,626	1,304,378
Net Cash Provided by Investing Activities	1,266,752	37,626	1,304,378
Net Increase in Cash and Cash Equivalents	2,344,960	459,312	2,804,272
Cash and Cash Equivalents - Beginning of Year	40,064,464	1,468,710	41,533,174
Cash and Cash Equivalents - End of Year	\$ 42,409,424	\$ 1,928,022	\$ 44,337,446

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Cash Flows from Operating Activities			
Operating income	\$ 6,072,174	\$ 423,042	\$ 6,495,216
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	2,959,381	3,216	2,962,597
Provision for uncollectible accounts	14,356	--	14,356
Miscellaneous revenues	40,559	--	40,559
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(415,107)	2,994	(412,113)
Inventory	(187,526)	--	(187,526)
Net pension asset	(486,913)	--	(486,913)
Deferred outflows related to pensions	445,154	(1,431)	443,723
Deferred outflows related to OPEB	3,042	--	3,042
(Decrease) increase in:			
Accounts payable and accrued liabilities	21,621	2,887	24,508
Compensated absences payable	53,258	--	53,258
Customer deposits	57,777	--	57,777
Total OPEB liability	19,982	--	19,982
Net pension liability	124,963	8,419	133,382
Deferred inflows related to OPEB	(3,995)	--	(3,995)
Beginning of Year	157,498	345	157,843
Total adjustments	2,804,050	16,430	2,820,480
Net Cash Provided by Operating Activities	\$ 8,876,224	\$ 439,472	\$ 9,315,696

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

Amortization of deferred amount on refunding	\$ 7,110	\$ --	\$ 7,110
Loss on disposal of assets	\$ (841,376)	\$ --	\$ (841,376)
Lease (right-of-use asset) initiations	\$ (8,831)	\$ --	\$ (8,831)
Subscription Arrangement initiations	\$ (40,559)	\$ --	\$ (40,559)

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, 2023

	Employee Pension Funds
Assets	
Cash and cash equivalents	\$ 2,036,504
Receivables:	
Interest and dividends	76,560
Investments:	
U.S. Treasury securities	5,018,732
Mortgage and asset-backed securities	7,621,898
Domestic corporate bonds	867,407
International fixed income mutual fund	2,667,835
Foreign Fixed Income	18,413,270
Domestic equity securities and mutual fund	24,412,165
Real estate investment account	7,438,790
Total investments	66,440,097
Total Assets	68,553,161
Liabilities	
Accounts payable	56,987
Total Liabilities	56,987
Net position restricted for pension benefits	\$ 68,496,174

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Employee Pension Funds
Additions	
Contributions	
Employer	\$ 950,376
Plan members	129,565
State of Florida	223,107
Total Contributions	1,303,048
Investment Income	
Interest	463,960
Dividends	1,392,389
Net appreciation in fair value of investments	4,293,824
Total Investment Income	6,150,173
Less: Investment expenses	(65,912)
Net Investment Income	6,084,261
Total Additions	7,387,309
Deductions	
Administration expenses	146,821
Benefits paid	3,262,640
Total Deductions	3,409,461
Change in Net Position	3,977,848
Net Position Restricted for Pension Benefits	
Beginning of Year	64,518,326
End of Year	\$ 68,496,174

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 GAAP, 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. Component units are included in the reporting entity as blended or as discretely presented. Blended component units, although legally separate entities, are, in substance, part of the Village’s operations. Accordingly, data from these component units are combined with data of the primary government. The Village has met the criteria as having the operational and financial responsibilities as noted above for the blended component unit listed below and has been included in the Village’s financial reporting entity.

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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. *FINANCIAL REPORTING ENTITY (CONTINUED)*

The Village Council approves the CRA's annual budget and all debt obligations of the CRA, if any. Accordingly, the CRA is considered a blended component unit of the Village. This is the third year of the CRA's operations.

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 funds 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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 (income), 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 (income), 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Village reports 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 restricted 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.

Additionally, the Village reports the following fund types:

Nonmajor Governmental Funds

The *Special Revenue Funds* are used to account for the proceeds of specific restricted 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Nonmajor Governmental Funds (Continued)

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.

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/amortization restricted on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

Capital assets, which include property, plant, and equipment, intangible assets, leases (right-of-use assets), subscription arrangements (i.e. information technology), 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.

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/amortization, is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 Village are depreciated/amortized 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 103.

6. Leases (Right-of-use Assets)

The leases (right-of-use assets) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-of-use assets) are amortized on a straight-line basis over the life of the related lease agreement.

7. Subscription-Based Information Technology Arrangement (“SBITA”)

The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Lease Receivable

The Village's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

9. 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.

10. 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. 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 expenses.

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.

12. 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 assets 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 post-employment benefits liabilities.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets 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 leases, 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Deferred Outflows / Inflows of Resources (Continued)

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.

13. 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 unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Fund Balances (continued)

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.

14. 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.

15. 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Property Taxes (continued)

The assessed value of property within the corporate limits of the Village at January 1, 2022, upon which the 2022/2023 levy was based, was approximately \$1.678 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 2022/2023 Village millage rate to 6.5419.

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 fiscal year ended September 30, 2023, was 3.5000 and the debt service millage was 0.2639, for a total millage of 3.7639. 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, 2023, 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 (2021/2022) 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Property Taxes (continued)

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, 2023, the Village adopted an operating millage rate of 3.5000, resulting in a total tax levy of \$6,318,133 for 2023, and increase of approximately 12.3% from the operating property tax levy for 2022.

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

16. On-behalf Payments

The Village received on-behalf payments of \$223,107 from the State of Florida for the Police Officers Pension Plan for the fiscal year ended September 30, 2023. The on-behalf payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the government-wide and General Fund financial statements.

17. 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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

18. Implementation of GASB Statements

The Governmental Accounting Standards Board has issued new Statements effective in the current year and future years that may apply to the Village. Management has not completed its analysis of the effects, if any, of these GASB statements which become effective in future years on the financial statements of 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 was implemented by the Village for the fiscal year ending September 30, 2023; however, there was no impact to the Village.
- 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 was implemented by the Village for the fiscal year ending September 30, 2023; however, there was no impact to the Village.
- 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 was implemented by the Village for the fiscal year ending September 30, 2023.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will be effective for the Village for the fiscal year ending September 30, 2024.
- GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will be effective for the Village for the fiscal year ending September 30, 2025.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

18. Implementation of GASB Statements (continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, the primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement will be effective for the Village for the fiscal year ending September 30, 2025.

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	\$ 45,672,880	\$ --	\$ 45,672,880
Business-type activities	44,337,446	--	44,337,446
Total Statement of Net Position	90,010,326	--	90,010,326
Fiduciary Funds	2,036,504	66,440,097	68,476,601
Total Deposits and Investments	\$92,046,830	\$66,440,097	\$ 158,486,927

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.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

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;
- 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS

The reported value of the Village’s and the Pension Trust Funds cash and cash equivalents at September 30, 2023 is as follows:

Investment Type	Village Unrestricted	Pension Trust Funds
Cash and Cash Equivalents		
Petty cash	\$ 2,148	\$ --
Deposits with financial institutions	41,129,979	934,815
Investments in State Board of Administration		
Florida PRIME Fund	48,878,199	--
Money market mutual funds	--	1,101,689
Total Cash and Cash Equivalents	\$90,010,326	\$ 2,036,504

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, 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, 2023, 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 fiscal year ended September 30, 2023.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023. The fair value of the Pension Trust Funds investments at September 30, 2023 is summarized as follows:

	Level 1	Level 2	Level 3	Total
Equity Investments				
Domestic equity securities and mutual fund	\$ 36,917,561	\$ --	\$ --	\$ 36,917,561
Foreign equity securities and mutual fund	5,907,874	--	--	5,907,874
Total Equity Securities	42,825,435	--	--	42,825,435
Fixed Income Investments				
U.S. Treasury	--	5,018,732	--	5,018,732
Mortgage and asset-backed securities	--	7,621,898	--	7,621,898
Domestic corporate bonds	--	867,406	--	867,406
International fixed income mutual funds	2,667,835	--	--	2,667,835
Total Fixed Income Securities	2,667,835	13,508,036	--	16,175,871
Total Investments by Level	\$45,493,270	\$13,508,036	\$ --	59,001,306
Investment Measured at NAV				
Real estate investment account				7,438,791
Total Fair Value				\$66,440,097

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 and Pension Trust Funds investment policies requires that pension investments in fixed income securities must be rated as investment grade (BBB or better) by a NRSRO. The money market mutual funds and fixed income mutual fund are not rated. The Village and Pension Trust Funds utilize ratings from Standard and Poor’s and Moody’s Investor Services for its investments. The NRSRO ratings for the Village and Pension Trust Fund investments at September 30, 2023 are summarized as follows:

<u>Investment Type</u>	<u>NRSRO Rating</u>	<u>Reported Value</u>
Village Investments		
State Board of Administration Florida PRIME Fund	AAAm	\$ 48,878,199
Pension Trust Fund Investments		
U.S. Treasury	AAA	5,018,732
Mortgage and asset-backed securities	Not Rated	7,621,898
Domestic corporate bonds	A	867,406
Total		\$ 62,386,235

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, 2023.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

	Fair Value of Investment Maturities				Total
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years	
Pension Fund Investments					
U.S. Treasury	\$ --	\$ 1,896,402	\$ 3,122,330	\$ --	\$ 5,018,732
Mortgage and asset-backed securities	--	--	--	7,621,898	7,621,898
Domestic corporate bonds	--	--	867,406	--	867,406
Total	\$ --	\$ 1,896,402	\$ 3,989,736	\$ 7,621,898	\$ 13,508,036

The SBA Florida PRIME Fund had a weighted average maturity of 35 days at September 30, 2023. The fair value and weighted average maturity of the international fixed income mutual funds were \$2,667,835 and 6.60 years, respectively, at September 30, 2023.

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, 2023, 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. Investments held by the Pension Trust Funds are held in custodial accounts in the name of the respective Pension Trust.

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, 2023, three mutual fund investments of the Police Officers Pension Fund represented approximately 27.90%, 14.22%, and 13.88% of that Plan's net position and three mutual fund investments of the General Employees Pension Fund represented approximately 25.98%, 13.51%, and 11.85% 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023 are summarized as follows:

	Governmental Activities	Business-type Activities	Total
Receivables			
Accounts and other receivables	\$ 718,124	\$ 3,648,626	\$ 4,366,750
Intergovernmental and grants	781,328	--	781,328
Leases receivable	297,453	--	297,453
Gross Receivables	1,796,905	3,648,626	5,445,531
Less: allowance for uncollectible accounts	--	(106,178)	(106,178)
Net Receivables	\$1,796,905	\$ 3,542,448	\$ 5,339,353

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – RECEIVABLES (CONTINUED)

LEASES RECEIVABLE

On June 26, 2003, the Village, as a lessor, entered into a lease agreement for the use of land for 226 Cypress Lane MetroPCS. Effectively October 1, 2021, the Village implemented GASB 87. As of September 30, 2023, the lease agreement has 36 months remaining. An initial lease receivable was recorded in the amount of \$52,357. Subsequently, during fiscal year ended September 30, 2023, the agreement was extended, of which increased the lease receivable by an additional \$112,853. As of September 30, 2023, the value of the lease receivable is \$104,471. The lessee is required to make monthly fixed payments of approximately \$2,915. The lease agreement has an implicit interest rate of 0.3280%. The value of the deferred inflow of resources as of September 30, 2023 was \$98,922, and the Village recognized lease revenue of \$32,974 during the fiscal year.

On April 30, 1998, the Village, as a lessor, entered into a lease agreement for the use of land for the Crown Castle's cell tower. Effectively October 1, 2021, the Village implemented GASB 87. As of September 30, 2023, the lease agreement has 58 months remaining. An initial lease receivable was recorded in the amount of \$63,983. Subsequently, during fiscal year ended September 30, 2023, the agreement was extended, of which increased the lease receivable by an additional \$199,636. As of September 30, 2023, the value of the lease receivable is \$192,982. The lessee is required to make monthly fixed payments of \$3,354. The lease agreement has an implicit interest rate of 0.3280%. The value of the deferred inflow of resources as of September 30, 2023 was \$192,982, and the Village recognized lease revenue of \$35,738 during the fiscal year. The lessee has an extension option at the end of this term, for two additional extension periods of 60 months each.

The following schedule represents the future principal and interest revenue to be received:

Fiscal Year Ending	Principal	Interest	Total
September 30,			
2024	\$ 74,386	\$ 864	\$ 75,250
2025	74,631	620	75,251
2026	74,876	374	75,250
2027	40,069	181	40,250
2028	<u>33,491</u>	<u>50</u>	<u>33,541</u>
Total	<u>\$ 297,453</u>	<u>\$ 2,089</u>	<u>\$ 299,542</u>

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2023 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	1,905,762	1,467,664	(731,806)	2,641,620
Total Capital Assets Not Being Depreciated	8,167,671	1,467,664	(731,806)	8,903,529
Capital Assets Being Depreciated/Amortized				
Buildings	9,632,593	598,896	--	10,231,489
Improvements other than Buildings	5,790,145	108,358	--	5,898,503
Machinery and equipment	7,590,987	721,276	(152,959)	8,159,304
Library materials and software	681,333	75,174	(36,995)	719,512
Leases (Right-of-use assets)	35,591	38,507	(9,635)	64,463
Subscription arrangements	5,903	112,058	--	117,961
Total Capital Assets Being Depreciated/Amortized	23,736,552	1,654,269	(199,589)	25,191,232
Less: Accumulated Depreciation/Amortization for				
Buildings	(4,485,267)	(256,333)	--	(4,741,600)
Improvements other than Buildings	(2,417,862)	(334,157)	--	(2,752,019)
Machinery and equipment	(5,126,590)	(822,261)	143,842	(5,805,009)
Library materials and software	(456,613)	(91,369)	36,995	(510,987)
Leases (Right-of-use assets)	(9,848)	(18,590)	9,635	(18,803)
Subscription arrangements	--	(13,856)	--	(13,856)
Total Accumulated Depreciation/Amortization	(12,496,180)	(1,536,566)	190,472	(13,842,274)
Governmental Activities Capital Assets, Net	\$ 19,408,043	\$ 1,585,367	\$ (740,923)	\$ 20,252,487

*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB Statement No. 96.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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	940,646	--	--	940,646
Construction in progress	5,546,759	5,916,802	(5,507,129)	5,956,432
Total Capital Assets Not Being Depreciated	6,867,392	5,916,802	(5,507,129)	7,277,065
Capital Assets Being Depreciated/Amortized				
Buildings	3,583,031	224,418	(3,578)	3,803,871
Improvements other than Buildings	93,131,820	4,099,587	(3,864,381)	93,367,026
Intangible assets	7,174,063	--	--	7,174,063
Equipment and software	6,290,975	1,597,625	(219,362)	7,669,238
Leases (Right-of-use assets)	10,827	8,831	(1,490)	18,168
Subscription arrangements	31,632	9,427	--	41,059
Total Capital Assets Being Depreciated/Amortized	110,222,348	5,939,888	(4,088,811)	112,073,425
Less: Accumulated Depreciation/Amortization for				
Buildings	(2,709,719)	(61,561)	2,517	(2,768,763)
Improvements other than Buildings	(54,508,602)	(2,438,503)	3,067,717	(53,879,388)
Intangible assets	(6,968,642)	--	--	(6,968,642)
Equipment and software	(4,491,688)	(434,123)	174,341	(4,751,470)
Leases (Right-of-use assets)	(3,689)	(4,494)	1,490	(6,693)
Subscription arrangements	--	(23,917)	--	(23,917)
Total Accumulated Depreciation/Amortization	(68,682,340)	(2,962,598)	3,246,065	(68,398,873)
Business-type Activities Capital Assets, Net	\$ 48,407,400	\$ 8,894,092	\$(6,349,875)	\$ 50,951,617

*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB Statement No. 96.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense for the fiscal year ended September 30, 2023 was charged to functions as follows:

Governmental Activities	
General government	\$ 248,878
Public safety	671,058
Transportation	150,980
Culture/recreation	465,650
Total Depreciation/Amortization Expense - Governmental Activities	\$ 1,536,566
Business-type Activities	
Water & sewer	\$ 2,959,381
Stormwater utility	3,216
Total Depreciation/Amortization Expense - Business-type Activities	\$ 2,962,597

NOTE 5 – LONG-TERM DEBT

CHANGES IN LONG-TERM DEBT

Changes in long-term debt for the fiscal year ended September 30, 2023 are summarized as follows:

	Beginning Balances*	Additions	Deletions	Ending Balances	Due Within One Year
Governmental Activities					
General obligation note	\$ 3,454,987	\$ --	\$ (328,065)	\$ 3,126,922	\$ 335,952
Compensated absences	835,954	1,188,913	(1,110,596)	914,271	96,178
Financing lease (direct borrowing)	238,363	--	(57,617)	180,746	58,913
Leases (Right-of-use assets)	25,564	38,755	(20,436)	43,883	16,502
Subscription arrangements	5,903	112,058	(23,432)	94,529	35,874
Total Governmental Activities	4,560,771	1,339,726	(1,540,146)	4,360,351	543,419
Business-type Activities					
Promissory note	8,817,652	--	(691,088)	8,126,564	711,308
Compensated absences	246,508	384,778	(330,144)	301,142	17,917
Leases (Right-of-use assets)	7,016	8,831	(4,424)	11,423	4,154
Subscription arrangements	31,632	8,927	(24,659)	15,900	15,900
Total Business-type Activities	9,102,808	402,536	(1,050,315)	8,455,029	749,279
Totals	\$ 13,663,579	\$ 1,742,262	\$ (2,590,461)	\$ 12,815,380	\$ 1,292,698

*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB Statement No. 96.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT (CONTINUED)

GOVERNMENTAL ACTIVITIES

The governmental activities long-term debt consisted of the following at September 30, 2023:

\$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			
2024	\$ 335,952	\$ 88,404	\$ 424,356
2025	344,030	78,588	422,618
2026	352,301	68,535	420,836
2027	360,771	58,240	419,011
2028	369,445	47,698	417,143
2029-2032	1,364,423	80,208	1,444,631
Total	\$ 3,126,922	\$ 421,673	\$ 3,548,595

General obligation debt is generally liquidated by the Debt Service Fund. Financing lease, leases (right-of-use assets), subscription arrangements, compensated absences, pension liabilities, and OPEB liabilities are generally liquidated by the General Fund.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 fiscal year ended September 30, 2023:

\$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			
2024	\$ 711,308	\$ 230,929	\$ 942,237
2025	732,120	210,117	942,237
2026	753,541	188,696	942,237
2027	775,588	166,649	942,237
2028	798,281	143,956	942,237
2029-2033	4,355,726	355,463	4,711,189
Total	\$ 8,126,564	\$ 1,295,810	\$ 9,422,374

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023 the Village was in compliance with the debt covenants.

LEASES (RIGHT-OF-USE ASSETS)

The Village has entered into multiple lease agreements as a lessee. The lease agreements qualify as other than a short-term lease under GASB 87 and therefore; have been recorded at the present value of the future minimum lease payments as of the date of their inception. A summary of the leases by governmental activities and business-type activities is summarized below:

Governmental activities: The Village has 13 active lease agreements as a Lessee as of September 30, 2023, which range in duration from 12 months to 60 months. As of September 30, 2023, the value of the lease liability was \$43,883. Principal and interest payments made during the fiscal year totaled \$20,962. Required monthly fixed payments range from approximately \$55 to \$635. The value of the leases (right-to-use assets) as of September 30, 2023 is \$64,463 with accumulated amortization of \$18,803.

Business-type activities: The Village has 5 active lease agreements as a Lessee as of September 30, 2023, which range in duration from 12 months to 48 months. As of September 30, 2023, the value of the lease liability was \$11,423. Principal and interest payments made during the fiscal year totaled \$4,580. Required monthly fixed payments range from approximately \$25 to \$135. The value of the leases (right-to-use assets) as of September 30, 2023 is \$18,168 with accumulated amortization of \$6,693.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT (CONTINUED)

LEASES (RIGHT-OF-USE ASSETS) (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, are as follows:

Fiscal Year Ending	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
September 30						
2024	\$ 16,502	\$ 958	\$ 17,460	\$ 4,154	\$ 208	\$ 4,362
2025	14,796	592	15,388	2,961	137	3,098
2026	6,334	240	6,574	2,883	67	2,950
2027	4,108	108	4,216	1,425	12	1,437
2028	2,143	23	2,166	--	--	--
Total	\$ 43,883	\$ 1,921	\$ 45,804	\$ 11,423	\$ 424	\$ 11,847

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (“SBITA”)

The Village has entered into multiple subscription arrangements. The subscription arrangements qualify as other than a short-term lease under GASB 96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception.

Governmental activities: The Village entered into 6 subscription arrangements which range in duration from 12 months to 36 months. An initial subscription arrangements liability was recorded in the amount of \$117,961 during the fiscal year ended September 30, 2023. As of September 30, 2023, the value of the subscription arrangements liability was \$94,529. Principal and interest payments made during the fiscal year totaled \$23,432. Required monthly fixed payments range from approximately \$25 to \$2,555. The value of the subscription arrangements as of September 30, 2023 is \$117,961 with accumulated amortization of \$13,856.

Business-type activities: The Village entered into 2 subscription arrangements which range in duration from 12 months to 20 months. An initial subscription arrangements liability was recorded in the amount of \$40,559 during the fiscal year ended September 30, 2023. As of September 30, 2023, the value of the subscription arrangements liability was \$15,900. Principal and interest payments made during the fiscal year totaled \$25,345. Required monthly fixed payments range from approximately \$745 to \$1,370. The value of the subscription arrangements as of September 30, 2023 is \$41,059 with accumulated amortization of \$23,917.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT (CONTINUED)

***SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (“SBITA”)
(CONTINUED)***

The future minimum subscription arrangement obligations and the net present value of these minimum subscription arrangement payments as of September 30, 2023, are as follows:

Fiscal Year Ending	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
September 30,						
2024	\$ 35,874	\$ 690	\$ 36,564	\$ 15,900	\$ 517	\$ 16,417
2025	28,888	1,784	30,672	--	--	--
2026	29,767	905	30,672	--	--	--
Total	\$ 94,529	\$ 3,379	\$ 97,908	\$ 15,900	\$ 517	\$ 16,417

FINANCING LEASES (DIRECT BORROWING)

The Village has entered into lease purchase agreements for financing the acquisition of body cameras in the General Fund. The lease agreements qualify as financing leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the inception date.

Assets	
Machinery & Equipment	\$294,711
Accumulated depreciation	<u>(117,884)</u>
Carrying Value	<u><u>\$176,827</u></u>

Future minimum lease payments and the present value of net minimum lease payments as of September 30, 2023 are as follows:

Fiscal Year Ending September 30,	
2024	\$ 62,980
2025	62,980
2026	<u>62,980</u>
Total minimum lease payments	188,940
Less: amount representing interest	<u>8,194</u>
Total principal outstanding amount	<u><u>\$180,746</u></u>

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT (CONTINUED)

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 \$9,422,374 at September 30, 2023. Utility net revenues available for debt service (as defined by the Series 2013 Note debt resolution) were \$12,041,741.

INTEREST EXPENSE AND ARBITRAGE

Total interest costs incurred and paid on all Village debt for the fiscal year ended September 30, 2023 were \$102,292 and \$103,880, respectively, for governmental activities and \$236,514 and \$251,990, 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.

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, 2023, the intangible rights had a net book value of \$205,421 and were recorded with capital assets.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – INTERFUND TRANSACTION

Interfund transfers for the fiscal year ended September 30, 2023 were as follows:

Fund	Transfers	Transfers
	In	Out
General Fund	\$ 2,701,275	\$ 213,385
American Rescue Plan Fund	--	812,310
Lake Worth Road CRA Fund	244,559	--
Congress Ave CRA Fund	176,757	--
Water and Sewer Utility Fund	7,169	2,684,859
Stormwater Utility Fund	580,794	--
Total	\$ 3,710,554	\$ 3,710,554

Transfers from the Water & Sewer Utility Fund to the General Fund consisted of payments in lieu of taxes in the amount of \$2,684,859. Transfers from the American Rescue Plan Fund to the General Fund consisted of costs related to IT network and security improvements in the amount of \$16,416. Transfers from the American Rescue Plan Fund to the Enterprise Funds consisted of costs related to construction projects and IT network improvements in the amount of \$587,963. Transfers from the American Rescue Plan Fund to the Palm Springs CRA funds consisted in the amount of \$207,931. Transfers from the General Fund to the Palm Springs CRA Funds consisted of tax increment financing of \$213,385 that are not payments for services.

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 was no reduction in insurance coverage from coverage in the prior year and there were no settlements that exceeded insurance coverage for each of the past three fiscal years.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, deferred outflows and inflows of resources and pension expense (income) related to these retirement plans at September 30, 2023 are summarized as follows:

	General				
	Employees	Police Officers	FRS	HIS	
	Pension Plan	Pension Plan	Pension Plan	Pension Plan	Total
Net Pension Liability (Asset)	\$ (1,090,754)	\$ 1,862,726	\$ 10,979,346	\$ 3,921,926	\$ 15,673,244
Deferred outflows of resources	2,061,613	1,702,943	3,568,688	559,949	7,893,193
Deferred inflows of resources	460,264	--	184,031	349,053	993,348
Pension Expense (Income)	(497,984)	1,008,354	1,061,356	1,408,313	2,980,039

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS

The Village sponsored two separate single-employer defined benefit plans for fiscal year 2023: 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 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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	10/1/2023	10/1/2022		
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	26	9		
Retirees and beneficiaries	56	42		
Terminated vested	37	10		
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, 2021 actuarial valuation date. Relevant information is as follows:

Actuarial Contributions (as a Percentage of Covered Payroll)		
Village	30.3%	34.3%
State	N/A	20.1%
Participants	3.0%	6.6%
Required contributions	\$ 514,342	\$ 477,253
Contributions made	\$ 570,220	\$ 603,263

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 (loss) 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 (loss) based on the valuation of investments. Investment earnings (losses) 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, 2023. The asset allocation policy adopted by each pension plans’ Board at September 30, 2023 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Summary of Significant Accounting Policies

Rate of Return: For the fiscal year ended September 30, 2023, the annual money-weighted rate return on each pension plans' investments, net of investment expenses, was 5.75% 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, 2023 was \$282,072. 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, 2023 and October 1, 2022, respectively, were as follows:

	<u>General Employees</u>	<u>Police Officers</u>
Total pension liability	\$ 29,842,488	\$ 39,425,659
Less: Plan fiduciary net position	(30,933,242)	(37,562,933)
Net Pension Liability (Asset)	\$ (1,090,754)	\$ 1,862,726
Plan fiduciary net position as a percentage of the total pension liability	103.7%	95.3%

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Net Pension Liability (Asset) (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, 2023 and October 1, 2022, 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	10/1/2023	10/1/2022
Measurement date	9/30/2023	9/30/2023
Cost method	Entry age normal	Entry age normal
Assumptions		
Investment earnings (with inflation, net of expenses)	6.0% / year	6.75% / year
Salary increases (with inflation)	4.6% - 8.3% / year	4.5% - 5.5% / year
Inflation	2.0% / year	2.5% / 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
Open/Closed	Closed	Closed

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Net Pension Liability (Asset) (continued)

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 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, 2023 (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 bonds	2.5	2.5
International bonds	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% (6.00% in 2022) and the Police Officers Pension Plan was 6.75% (6.75% in 2022). 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 fiscal year ended September 30, 2023:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
General Employees Pension Plan			
Balances at October 1, 2022	\$30,155,977	\$29,116,226	\$ 1,039,751
Changes for the current year:			
Service cost	364,141	--	364,141
Interest	1,798,473	--	1,798,473
Difference between expected and actual experience	(1,380,792)	--	(1,380,792)
Change of assumptions	--	--	--
Contributions - Village	--	570,220	(570,220)
Contributions - employee	--	56,436	(56,436)
Net investment income	--	2,346,287	(2,346,287)
Benefit payments, including refunds of employee contributions	(1,095,311)	(1,095,311)	--
Administration expenses	--	(60,616)	60,616
Net Changes	(313,489)	1,817,016	(2,130,505)
Balances at September 30, 2023	\$29,842,488	\$30,933,242	\$ (1,090,754)

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 fiscal year ended September 30, 2023:

	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
			(Asset)
Police Officers Pension Plan			
Balances at October 1, 2022	\$37,982,120	\$35,407,837	\$ 2,574,283
Changes for the current year:			
Service cost	334,782	--	334,782
Interest	2,561,142	--	2,561,142
Difference between expected and actual experience	714,944	--	714,944
Change of assumptions	--	--	--
Contributions - Village	--	380,156	(380,156)
Contributions - State of Florida	--	223,107	(223,107)
Contributions - employee	--	73,129	(73,129)
Net investment income	--	3,718,261	(3,718,261)
Benefit payments, including refunds of employee contributions	(2,167,329)	(2,167,329)	--
Administration expenses	--	(72,228)	72,228
Net Changes	1,443,539	2,155,096	(711,557)
Balances at September 30, 2023	\$39,425,659	\$37,562,933	\$ 1,862,726

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, 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	\$ 3,101,074	\$ (1,090,754)	\$ (4,528,587)
Police Officers Pension Plan	\$ 7,038,033	\$ 1,862,726	\$ (2,377,477)

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

General Employees Pension Plan: For the fiscal year ended September 30, 2023, the Village recognized pension expense (income) of \$(497,984). At September 30, 2023, the Village reported deferred inflows/outflows of resources related to the General Employees pension from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ --	\$ 460,264
Net difference between projected and actual investment earnings on pension plans	2,061,613	--
Balances at September 30, 2023	\$ 2,061,613	\$ 460,264

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

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

Police Officers Pension Plan: For the year ended September 30, 2023, the Village recognized pension expense of \$1,008,354. At September 30, 2023, the Village reported deferred inflows/outflows of resources related to the Police Officers pension from the following sources:

	Deferred Outflows	Deferred Inflows
Police Officers Pension Plan		
Net difference between projected and actual investment earnings on pension plans	\$ 1,702,943	\$ --
Balances at September 30, 2023	\$ 1,702,943	\$ --

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		
2024	\$ (34,976)	\$ 195,808
2025	523,763	384,568
2026	1,235,602	1,398,805
2027	(123,040)	(276,238)
Total	\$ 1,601,349	\$ 1,702,943

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, are as follows:

	Statement of Fiduciary Net Position	
	General	Police
	Employees	Officers
Assets		
Cash and cash equivalents	\$ 1,471,772	\$ 564,732
Receivables:		
Interest and dividends	41,522	35,038
Investments:		
U.S. Treasury securities	2,560,078	2,458,654
Mortgage and asset-backed securities	3,716,107	3,905,791
Domestic corporate bonds	486,622	380,785
International fixed income mutual fund	1,217,598	1,450,237
Foreign fixed income	18,413,270	--
Domestic equity securities and mutual fund	--	24,412,165
Real estate investment account	3,050,652	4,388,138
Total investments	29,444,327	36,995,770
Total Assets	30,957,621	37,595,540
Liabilities		
Accounts payable	24,379	32,608
Total Liabilities	24,379	32,608
Net Position Restricted for Pension Benefits	\$30,933,242	\$37,562,932

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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	\$ 570,220	\$ 380,156
Plan members	56,436	73,129
State contributions	--	223,107
Total Contributions	626,656	676,392
Investment income:		
Interest	256,624	207,336
Dividends	425,380	967,009
Net appreciation in fair value of investments	1,710,502	2,583,322
Total Investment Income:	2,392,506	3,757,667
Less: Investment expenses	(35,369)	(30,543)
Net Investment Income	2,357,137	3,727,124
Total Additions	2,983,793	4,403,516
Deductions		
Administration	71,466	75,355
Benefits	1,095,311	2,167,329
Total Deductions	1,166,777	2,242,684
Change In Plan Net Position	1,817,016	2,160,832
Net Position Restricted for Pension Benefits		
at October 1, 2022	29,116,226	35,402,100
Net Position Restricted for Pension Benefits		
at September 30, 2023	\$30,933,242	\$37,562,932

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 FRS Pension Plan and the 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 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 11.91% of annual covered payroll for employees covered in the regular class, 31.57% for senior management class, 27.83% for special risk class (police officers), 57.00% for elected officials and 18.60% 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 2.00%. The Village's contributions to FRS and HIS for the fiscal year ended September 30, 2023 were \$1,594,501, 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, the Village reported a liability of \$10,979,346 and \$3,921,926 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 for FRS and July 1, 2022 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, 2023, the Village's FRS proportion was .027553872 percent, which was an increase of .002570038 percent from its proportion measured as of June 30, 2022. The HIS proportion was .024695192 percent at June 30, 2023, which was an increase of .001320370 percent from its proportion measured as of June 30, 2022.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, the Village recognized pension expense of \$2,469,669 for FRS and HIS. At September 30, 2023, 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	\$ 1,030,866	\$ --
Assumption changes	715,725	--
Net difference between projected and actual earnings on pension plan investments	458,527	--
Change in proportion and differences between Village contributions and proportionate share of contributions	958,299	184,031
Village contributions subsequent to the measurement date	405,271	--
Balances at September 30, 2023	\$ 3,568,688	\$ 184,031

At September 30, 2023 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	\$ 57,414	\$ 9,205
Assumption changes	103,106	339,848
Net difference between projected and actual earnings on pension plan investments	2,025	--
Change in proportion and differences between Village contributions and proportionate share of contributions	344,117	--
Village contributions subsequent to the measurement date	53,287	--
Balances at September 30, 2023	\$ 559,949	\$ 349,053

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 \$458,558 resulting from Village contributions subsequent to the measurement date of June 30, 2023 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 (income) as follows:

	FRS	HIS
Fiscal Year Ending September 30,		
2024	\$ 490,996	\$ 62,843
2025	44,743	68,364
2026	2,002,318	35,229
2027	350,970	(12,464)
2028	90,359	(832)
Thereafter	--	4,469
Total	\$ 2,979,386	\$ 157,609

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023	July 1, 2022
Measurement date	June 30, 2023	June 30, 2023
Actuarial cost method	Individual Entry	Individual Entry
	Age	Age
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Equivalent single amortization period	30 years	30 years
Asset valuation method	5-year smoothed	5-year smoothed
Discount rate	6.7%	3.65%
Inflation	2.4%	2.4%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of of investment expenses	6.7%	N/A
Municipal bond rate	N/A	3.54%
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, 2023 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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 discount rate for HIS increased from 3.54% for 2022 to 3.65% for 2023.

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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash equivalents	2.9%
Fixed income	4.4
Global equity	7.1
Private equity	8.8
Real estate	6.6
Strategic investments	6.1

Discount Rate: The discount rate used to measure the total pension liability of FRS at June 30, 2023 was 6.70% for FRS and 3.65% 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 3.65% was used to determine the total pension liability.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 to Changes in the Discount Rate: The following table presents the Village’s proportionate share of the net pension liability of FRS and HIS at September 30, 2023, calculated using the current discount rate, as well as what the Village’s proportionate share of the net pension liability 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%	Discount	1.0%	1.0%	Discount	1.0%
Decrease	Rate	Increase	Decrease	Rate	Increase
(5.70%)	(6.70%)	(7.70%)	(2.65%)	(3.65%)	(4.65%)
\$ 18,754,958	\$ 10,979,346	\$ 4,474,116	\$ 4,474,305	\$ 3,921,926	\$ 3,464,040

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, 2023.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 \$741 to a maximum of \$1,549.

PLAN MEMBERSHIP

Membership in the Plan was comprised of the following at September 30, 2023 (measurement date), the date of the latest census data utilized for the actuarial valuation with an actuarial date of October 1, 2022:

Active employees	169
Retirees and beneficiaries receiving benefits	8
Inactive employees	--
Total Members	177

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

TOTAL OPEB LIABILITY

The Village’s total OPEB liability of \$884,891 was reported as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2022.

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	10/1/2022 with 9/30/2023 measurement date
Actuarial cost method	Entry age normal, level percent of pay

Assumptions

Asset valuation method	N/A ⁽¹⁾
Discount Rate	4.87% ⁽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	2.5%
Projected salary increases	3.0%
Mortality rates	“PUB2010” mortality table MP-2021 projection

Amortization

Method	Average of expected future working lifetime of the active group
Remaining amortization period	10 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, 2023.

(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, 2023.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023:

Total OPEB Liability at October 1, 2022	\$ 813,614
Changes for the Current Year	
Service cost	46,099
Interest	37,846
Difference between expected and actual experience	34,913
Change in assumptions	(7,186)
Benefit payments	(40,395)
Net Changes	71,277
Balances at September 30, 2023	\$ 884,891

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 4.87%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.87%) or one percentage point higher (5.87%) than the current rate:

	Current	
1.0%	Discount	1.0%
Decrease	Rate	Increase
(3.87%)	(4.87%)	(5.87%)
\$ 963,756	\$ 884,891	\$ 813,606

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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%)
\$ 797,944	\$ 884,891	\$ 985,663

Changes in Actuarial Assumptions: The discount rate increased from 4.77% for 2022 to 4.87% for 2023.

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

For the year ended September 30, 2023, the Village recognized OPEB expense of \$67,874. At September 30, 2023, 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	\$ 315,439	\$ 2,200
Changes in assumptions	60,927	170,279
Balances at September 30, 2023	\$ 376,366	\$ 172,479

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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
2024	\$ 24,324
2025	24,324
2026	24,324
2027	24,324
2028	24,324
Thereafter	82,267
Total	\$ 203,887

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 FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONTRACT COMMITMENTS

Contract commitments consisted of the following at September 30, 2023:

	Total Project Authorization	Expended through September 30, 2023	Contract Retainage Payable at September 30, 2023	Balance to Complete
Governmental Activities				
Task# 255 - Pathway Park	\$ 1,739,143	\$ 1,647,981	\$ 15,103	\$ 76,058
Task# 269 - Police Building Expansion	887,958	642,598	--	245,361
Task# 314 - Intersection Imp - Davis & Greenbrier	40,280	39,567	--	714
Task# 215 - Entranceway Imp - Greenbrier & Congress	47,942	47,225	--	718
Task# 319 - Swale/Drainage Imp Alameda & Davis	31,200	20,100	--	11,100
Task# 318 - MaintStar - Code Enforcement Software	39,500	15,000	--	24,500
Task# 320 - Splashpad Improvements	323,430	--	--	323,430
Task# PZB - MaintStar Permit Software	141,000	125,500	--	15,500
Total Governmental Activities	\$ 3,250,453	\$ 2,537,970	\$ 15,103	\$ 697,380

Business-type Activities

Water and Sewer Fund

Task# 226 - SCADA Pratt WTP	\$ 282,287	\$ 94,788	\$ --	\$ 187,499
Task# 233 - L/S Rehab	1,376,939	320,356	9,564	1,047,018
Task# 238 - MIEX Regen Pratt WTP	1,671,355	1,608,559	--	62,796
Task# 240 - Vacuum Station #1 Building Safety Imp	239,783	134,258	4,082	101,443
Task# 242 - Water Well #10 Replacement	1,143,649	778,756	35,214	329,679
Task# 262 - Well #9 Replacement	116,380	59,367	--	57,013
Task# 266 - Fixed Emergency Generator Vac St #1	181,986	37,153	702	144,131
Task# 268 - MIEX Regen System Upgrade Main WTP	2,083,345	2,031,557	--	51,787
Task# 278 - Vac Station #1 Vac Pump Replacement	209,536	204,736	4,800	--
Task# 295 - Water Main FL Mango Phase II - PBC	154,028	126,930	--	27,098

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONTRACT COMMITMENTS (CONTINUED)

	Total Project Authorization	Expended through September 30, 2023	Contract Retainage Payable at September 30, 2023	Balance to Complete
Water and Sewer Fund (continued)				
Task# 296 - New Generator Pratt WTP	424,760	61,406	1,339	362,015
Task# 304 - Well #13 Rehab	60,892	899	--	59,994
Task# 316 - Well #14 Replacement	122,972	11,849	--	111,123
Task# 317 - Kudza Lift Station Emergency Generator	29,950	15,419	--	14,531
Task# 321 - Main WTP - Replacement of Ammonia Feed System	86,720	14,566	--	72,154
Task# 322 - Pratt WTP - Replacement of Ammonia Feed System	86,720	14,200	--	72,520
Task# 323 - Emergency Generator for Well #14 & Well #13	30,743	2,962	--	27,781
Task# 324 - Access Control Main WTP Gate (ARPA)	46,540	--	--	46,540
Total Water and Sewer Fund	8,348,585	5,517,764	55,700	2,775,121
Stormwater Fund				
Task# 291 - Davis Rd Stormwater (Canal Rd to 10th Ave N)	185,167	144,056	--	41,111
Task# 293 - Lakewood Stormwater (W of Kirk Rd)	1,407,866	76,307	--	1,331,559
Task# 311 - 2nd Ave Stormwater Improvement	490,025	128,060	--	361,965
Task# 326 - Replace Stormwater Drainage Pipe Sandra Ln & Sherry Rd	7,763	5,605	--	2,158
Total Stormwater Fund	2,090,821	354,027	--	1,736,794
Total Business-type Activities	\$ 10,439,406	\$ 5,871,791	\$ 55,700	\$ 4,511,915

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes				
Ad valorem taxes	\$ 5,644,353	\$ 5,644,353	\$ 5,677,145	\$ 32,792
Franchise fees	1,694,920	1,694,920	2,083,730	388,810
Utility service taxes	2,984,989	2,984,989	3,368,710	383,721
Business taxes	413,000	413,000	402,306	(10,694)
Total taxes	10,737,262	10,737,262	11,531,891	794,629
Permits				
Building permits	950,000	950,000	1,505,695	555,695
Other permits	127,000	127,000	266,914	139,914
Total permits	1,077,000	1,077,000	1,772,609	695,609
Intergovernmental				
State revenue sharing	1,284,135	1,284,135	1,567,812	283,677
Alcoholic beverage licenses	8,500	8,500	10,002	1,502
Municipal fuel tax refund	11,000	11,000	12,165	1,165
Local option gas tax	436,640	436,640	456,179	19,539
County occupational licenses	50,000	50,000	60,484	10,484
Half-cent sales tax	2,334,230	2,334,230	2,777,239	443,009
Local option sales tax	2,119,308	2,119,308	2,631,447	512,139
Grant revenue	569,238	569,238	394,898	(174,340)
Other intergovernmental revenue	50,000	50,000	120,691	70,691
Total intergovernmental	6,863,051	6,863,051	8,030,917	1,167,866
Charges for services				
General government	1,001,360	1,001,360	1,094,965	93,605
Public safety	373,134	373,134	312,095	(61,039)
Physical environment	1,532,227	1,532,227	1,574,780	42,553
Transportation	19,980	19,980	31,490	11,510
Culture/recreation	113,250	113,250	93,538	(19,712)
Total charges for services	3,039,951	3,039,951	3,106,868	66,917
Fines and forfeitures				
Judgements and fines	82,000	82,000	151,470	69,470
Other	166,000	166,000	256,621	90,621
Total fines and forfeitures	248,000	248,000	408,091	160,091
Contributions and donations	47,000	47,000	54,851	7,851

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Miscellaneous				
Investment income	\$ 75,000	\$ 75,000	\$ 1,164,984	\$ 1,089,984
Facility rental	331,380	331,380	333,080	1,700
Miscellaneous revenue	42,436	42,436	75,946	33,510
Total miscellaneous	448,816	448,816	1,574,010	1,125,194
Total Revenues	\$ 22,461,080	\$ 22,461,080	\$ 26,479,237	\$ 4,018,157
Expenditures				
General government				
Legislative:				
Personal services	\$ 48,045	\$ 48,220	\$ 47,330	\$ 890
Operating	133,999	144,403	105,424	38,979
Capital outlay	50,000	42,421	34,047	8,374
Non-operating	406,000	193,725	6,000	187,725
Total legislative	638,044	428,769	192,801	235,968
Executive:				
Personal services	856,886	848,686	816,354	32,332
Operating	121,262	141,402	105,859	35,543
Debt Service - Principal	--	1,557	1,576	(19)
Debt Service - Interest	--	3	3	--
Total executive	978,148	991,648	923,792	67,856
Financial administration:				
Personal services	844,789	844,789	806,304	38,485
Operating	35,221	34,265	20,623	13,642
Capital outlay	--	5,850	5,850	--
Debt Service - Principal	--	882	880	2
Debt Service - Interest	--	74	73	1
Total financial administration	880,010	885,860	833,730	52,130
Legal:				
Operating	171,000	188,000	163,053	24,947
Total legal	171,000	188,000	163,053	24,947
Information technology:				
Personal services	681,057	681,057	542,733	138,324
Operating	445,063	449,063	364,185	84,878
Capital outlay	150,000	150,000	80,534	69,466
Debt Service - Principal	--	--	14,466	(14,466)
Total information technology	1,276,120	1,280,120	1,001,918	278,202
Other general government:				
Personal services	1,000	1,000	364	636
Operating	255,663	260,010	234,874	25,136
Capital outlay	100,000	210,000	195,050	14,950
Debt Service - Principal	--	846	847	(1)
Debt Service - Interest	--	7	6	1
Total other general government	356,663	471,863	431,141	40,722

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Human Resources:				
Personal services	\$ 280,973	\$ 265,973	\$ 251,923	\$ 14,050
Operating	93,006	124,606	106,193	18,413
Capital outlay	12,000	8,400	7,912	488
Debt Service - Principal	--	--	971	(971)
Debt Service - Interest	--	--	2	(2)
Total human resources	385,979	398,979	367,001	31,978
Total General Government	4,685,964	4,645,239	3,913,436	731,803
Public safety				
Planning, zoning and building:				
Personal services	739,310	658,611	548,610	110,001
Operating	572,243	643,199	350,515	292,684
Capital outlay	88,500	96,000	175,276	(79,276)
Non-operating	100,000	100,000	--	100,000
Debt Service - Principal	--	2,233	8,193	(5,960)
Debt Service - Interest	--	10	6	4
Total planning, zoning and building	1,500,053	1,500,053	1,082,600	417,453
Law enforcement:				
Personal services	9,846,674	9,740,404	8,416,316	1,324,088
Operating	908,423	886,591	843,345	43,246
Capital outlay	6,501,100	6,562,700	928,796	5,633,904
Non-operating	12,000	12,000	9,150	2,850
Debt Service - Principal	--	59,623	60,481	(858)
Debt Service - Interest	--	6,879	5,507	1,372
Total law enforcement	17,268,197	17,268,197	10,263,595	7,004,602
Total Public Safety	18,768,250	18,768,250	11,346,195	7,422,055
Physical environment				
Sanitation services:				
Operating	1,587,355	1,587,355	1,586,290	1,065
Total sanitation services	1,587,355	1,587,355	1,586,290	1,065
Total physical environment	1,587,355	1,587,355	1,586,290	1,065
Transportation				
Personal services	1,988,566	1,986,566	1,758,191	228,375
Operating	937,043	888,405	788,043	100,362
Capital outlay	700,000	819,950	384,656	435,294
Debt Service - Principal	--	597	567	30
Debt Service - Interest	--	91	90	1
Total transportation	3,625,609	3,695,609	2,931,547	764,062

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture/recreation				
Library:				
Personal services	\$ 630,861	\$ 630,861	\$ 587,911	\$ 42,950
Operating	200,231	244,111	197,859	46,252
Capital outlay	135,515	90,292	94,247	(3,955)
Debt Service - Principal	--	1,340	4,401	(3,061)
Debt Service - Interest	--	3	57	(54)
Total library	966,607	966,607	884,475	82,132
Parks and recreation:				
Personal services	623,365	609,579	579,572	30,007
Operating	707,464	712,000	513,079	198,921
Capital outlay	1,475,080	1,422,580	489,912	932,668
Debt Service - Principal	--	9,104	9,103	1
Debt Service - Interest	--	146	145	1
Total parks and recreation	2,805,909	2,753,409	1,591,811	1,161,598
Special events:				
Operating	104,965	128,190	126,139	2,051
Total special events	104,965	128,190	126,139	2,051
Total culture/recreation	3,877,481	3,848,206	2,602,425	1,245,781
Total Expenditures	\$ 32,544,659	\$ 32,544,659	\$ 22,379,893	\$ 10,164,766
Excess (Deficiency) of Revenues				
over Expenditures	(10,083,579)	(10,083,579)	4,099,344	(6,146,609)
Other Financing Sources (Uses)				
Lease (right-of-use asset) acquired	\$ --	\$ --	\$ 38,755	\$ 38,755
SBITA's liabilities issued	--	--	117,961	
Transfer in	2,804,199	2,804,199	2,701,275	(102,924)
Subsequent year appropriation	693,503	693,503	--	(693,503)
Appropriated from restricted for sales tax	6,799,262	6,799,262	--	(6,799,262)
Transfer out	(213,385)	(213,385)	(213,385)	--
Total Other Financing Sources (Uses)	\$ 10,083,579	\$ 10,083,579	\$ 2,644,606	\$ (7,556,934)
Net Change in Fund Balance	\$ --	\$ --	6,743,950	\$ 6,743,950
Fund Balance - Beginning of Year			27,082,971	
Fund Balance - End of Year			\$ 33,826,921	

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ --	\$ --	\$ 812,310	\$ 812,310
Investment income	20,000	20,000	533,391	513,391
Total Revenues	20,000	20,000	1,345,701	1,325,701
Expenditures				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues over Expenditures	20,000	20,000	1,345,701	1,325,701
Other Financing Sources (Uses)				
Transfer out	(7,340,000)	(7,340,000)	(812,310)	6,527,690
Appropriation of prior year's assets	7,320,000	7,320,000	--	(7,320,000)
Total Other Financing Sources (Uses)	(20,000)	(20,000)	(812,310)	(792,310)
Net Change in Fund Balance	\$ --	\$ --	533,391	\$ 533,391
Fund Balance - Beginning			51,281	
Fund Balance - Ending			\$ 584,672	

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, American Rescue Plan 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 for the General Fund and American Rescue Plan Fund. There were supplemental appropriations for the Palm Springs CRA fund in the amount of \$106,016, respectively, adopted for the year ended September 30, 2023. 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, 2023.

VILLAGE OF PALM SPRINGS, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 – BUDGET AND ACTUAL COMPARISON

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 actual column (page 97) reflect \$5,187 more than the revenues reported on the basis of GAAP in the accompanying statement of revenues, expenditures and changes in fund balances.

VILLAGE OF PALM SPRINGS, FLORIDA
CONDITION RATING OF THE VILLAGE’S STREET SYSTEM
SEPTEMBER 30, 2023

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:

Fiscal Year Ended September 30,	Needed	Actual	Difference
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
2022	342,000	178,618	163,382
2023	290,000	162,648	127,352
Total	\$ 3,952,727	\$ 2,656,122	\$ 1,296,605

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 fiscal year 2023 we are in year 2 of the seventh 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 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)	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	\$ 364,141	\$ 386,688	\$ 366,284	\$ 357,165	\$ 379,392
Interest	1,798,473	1,748,479	1,761,821	1,794,729	1,776,251
Differences between expected and actual experience	(1,380,792)	(138,581)	(916,750)	(877,264)	(561,920)
Changes of assumptions	--	--	896,257	(745,073)	913,998
Benefit payments, including refunds	(1,095,311)	(1,188,292)	(1,094,834)	(1,097,195)	(1,106,461)
Net Change in Total Pension Liability (Asset)	(313,489)	808,294	1,012,778	(567,638)	1,401,260
Total Pension Liability, Beginning of Fiscal Year	30,155,977	29,347,683	28,334,905	28,902,543	27,501,283
Total Pension Liability, End of Fiscal Year (a)	\$ 29,842,488	\$ 30,155,977	\$ 29,347,683	\$ 28,334,905	\$ 28,902,543
Plan Fiduciary Net Position					
Contributions					
Employer	\$ 570,220	\$ 703,494	\$ 1,057,688	\$ 933,633	\$ 831,216
Plan members	56,436	59,980	57,475	55,317	53,804
Other	--	2,135	--	--	--
Net investment income (loss)	2,346,287	(4,746,812)	5,373,469	2,179,210	808,285
Benefit payments, including refunds	(1,095,311)	(1,188,292)	(1,094,834)	(1,097,195)	(1,106,461)
Administrative expense	(60,616)	(62,174)	(128,202)	(64,400)	(62,854)
Net Change in Plan Fiduciary Net Position	1,817,016	(5,231,669)	5,265,596	2,006,565	523,990
Plan Fiduciary Net Position, Beginning of Fiscal Year	29,116,226	34,347,895	29,082,299	27,075,734	26,551,744
Plan Fiduciary Net Position, End of Fiscal Year (b)	\$ 30,933,242	\$ 29,116,226	\$ 34,347,895	\$ 29,082,299	\$ 27,075,734
Net Pension Liability (Asset), End of Fiscal Year [(a)-(b)]	\$ (1,090,754)	\$ 1,039,751	\$ (5,000,212)	\$ (747,394)	\$ 1,826,809
Plan Fiduciary Net Position as a					
Percentage of Total Pension Liability (Asset)	103.7%	96.6%	117.0%	102.6%	93.7%
Covered Payroll	\$ 1,881,211	\$ 1,999,311	\$ 1,915,795	\$ 1,843,880	\$ 1,793,426
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(58.0)%	52.0%	(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.

	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)	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	\$ 334,782	\$ 411,452	\$ 500,477	\$ 332,692	\$ 339,484
Interest	2,561,142	2,330,268	2,409,210	2,313,118	2,205,109
Differences between expected and actual experience	714,944	123,716	(603,931)	852,542	(264,614)
Changes of assumptions	--	--	1,891,247	(709,083)	197,669
Benefit payments, including refunds	(2,167,329)	(2,118,739)	(1,062,865)	(1,009,708)	(1,020,976)
Net Change in Total Pension Liability	1,443,539	746,697	3,134,138	1,779,561	1,456,672
Total Pension Liability, Beginning of Fiscal Year	37,982,120	37,235,423	34,101,285	32,321,724	30,865,052
Total Pension Liability, End of Fiscal Year (a)	\$ 39,425,659	\$ 37,982,120	\$ 37,235,423	\$ 34,101,285	\$ 32,321,724
Plan Fiduciary Net Position					
Contributions					
Employer and State	\$ 603,263	\$ 777,422	\$ 665,125	\$ 945,003	\$ 1,576,472
Plan members	73,129	79,142	103,033	109,215	106,132
Net investment income (loss)	3,718,261	(5,564,799)	7,436,354	3,261,422	1,488,942
Benefit payments, including refunds	(2,167,329)	(2,118,739)	(1,062,865)	(1,009,708)	(1,020,976)
Administrative expense	(66,491)	(63,736)	(60,122)	(67,813)	(52,501)
Other	(5,737)	--	--	--	--
Net Change in Plan Fiduciary Net Position	2,155,096	(6,890,710)	7,081,525	3,238,119	2,098,069
Plan Fiduciary Net Position, Beginning of Fiscal Year	35,407,837	42,298,547	35,217,022	31,978,903	29,880,834
Plan Fiduciary Net Position, End of Fiscal Year (b)	\$ 37,562,933	\$ 35,407,837	\$ 42,298,547	\$ 35,217,022	\$ 31,978,903
Net Pension Liability (Asset), End of Fiscal Year [(a)-(b)]	\$ 1,862,726	\$ 2,574,283	\$ (5,063,124)	\$ (1,115,737)	\$ 342,821
Plan Fiduciary Net Position as a					
Percentage of Total Pension Liability (Asset)	95.3%	93.2%	113.6%	103.3%	98.9%
Covered Payroll	\$ 1,108,024	\$ 1,199,124	\$ 1,561,115	\$ 1,654,766	\$ 1,608,072
Net Pension Liability (Asset) as a Percentage of Covered Payroll	168.1%	214.7%	(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.

	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 - PENSION TRUST FUNDS

General Employees Pension Fund

September 30,	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 514,342	\$ 429,329	\$ 928,740	\$ 887,452	\$ 809,354	\$ 801,394
Contributions in relation to actuarially determined contribution	570,220	703,494	1,057,688	933,633	831,216	862,047
Contribution Deficiency (Excess)	\$ (55,878)	\$ (274,165)	\$ (128,948)	\$ (46,181)	\$ (21,862)	\$ (60,653)
Covered Payroll	\$ 1,881,211	\$ 1,999,311	\$ 1,915,795	\$ 1,843,880	\$ 1,793,426	\$ 1,995,144
Contributions as a Percentage of Covered Payroll	30.3%	35.2%	55.2%	50.6%	46.3%	43.2%

Police Officers Pension Fund

September 30,	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 477,253	\$ 666,528	\$ 458,891	\$ 758,756	\$ 1,029,719	\$ 1,235,835
Contributions in relation to actuarially determined contribution	603,263	777,422	665,125	945,003	1,576,472	1,552,848
Contribution Deficiency (Excess)	\$ (126,010)	\$ (110,894)	\$ (206,234)	\$ (186,247)	\$ (546,753)	\$ (317,013)
Covered Payroll	\$ 1,108,024	\$ 1,199,124	\$ 1,561,115	\$ 1,654,766	\$ 1,608,072	\$ 1,572,925
Contributions as a Percentage of Covered Payroll	54.4%	64.8%	42.6%	57.1%	98.0%	98.7%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of October 1, 2021, which provides the actuarially determined contribution for the fiscal year ended September 30, 2023.

	General Employees	Police Officers
Valuation date:	10/1/2021	10/1/2021

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%	2.50%
Salary increases (with inflation), per year	4.6% - 8.3%	4.5% - 5.5%
Investment rate of return	6.00%	6.75%
Cost of living adjustments	3.0%	3.0%
Retirement age	Age 62 with 5 years service	Experience-based rates specific to eligibility
Mortality	PubG.H-2010(B)	PUB-2010 Headcount Weighted

This schedule is presented as required by accounting principles generally accepted in the United States of America.

2017	2016	2015	2014
\$ 777,969	\$ 948,927	\$ 963,970	\$ 1,017,458
828,922	1,088,264	1,061,229	1,158,775
\$ (50,953)	\$ (139,337)	\$ (97,259)	\$ (141,317)
\$ 2,134,889	\$ 2,403,161	\$ 2,691,095	\$ 2,880,000
38.8%	45.3%	39.4%	40.2%

2017	2016	2015	2014
\$ 1,284,202	\$ 1,341,587	\$ 1,455,934	\$ 1,421,664
1,543,986	1,540,740	1,499,908	1,424,890
\$ (259,784)	\$ (199,153)	\$ (43,974)	\$ (3,226)
\$ 1,759,837	\$ 1,878,665	\$ 1,783,252	\$ 1,850,346
87.7%	82.0%	84.1%	77.0%

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,	2023	2022	2021	2020	2019
Village's proportion of the net pension liability	0.02755%	0.02498%	0.02330%	0.02389%	0.02507%
Village's proportionate share of the net pension liability	\$ 10,979,346	\$ 9,295,994	\$ 1,760,243	\$ 10,354,989	\$ 8,634,342
Village's covered payroll	\$ 9,715,611	\$ 8,091,992	\$ 7,755,670	\$ 7,506,842	\$ 7,035,255
Village's proportionate share of the net pension liability as a percentage of Village covered payroll	113.0%	114.9%	22.7%	137.9%	122.7%
Plan fiduciary net position as a percentage of the total pension liability	82.4%	82.9%	96.4%	78.8%	82.6%

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

September 30th,	2023	2022	2021	2020	2019
Contractually required Village contribution	\$ 1,417,183	\$ 1,127,639	\$ 932,724	\$ 800,120	\$ 799,161
Contributions in relation to the contractually required Village contribution	1,417,183	1,127,639	932,724	800,120	799,161
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
Village covered payroll	\$ 10,143,963	\$ 8,334,264	\$ 7,910,743	\$ 7,525,485	\$ 7,248,956
Contributions as a percentage of Village covered payroll	14.0%	13.5%	11.8%	10.6%	11.0%

This schedule is presented as required by accounting principles generally accepted in the United States of America.

2018	2017	2016	2015	2014
0.02345%	0.02335%	0.02208%	0.01871%	0.01658%
\$ 7,064,764	\$ 6,905,580	\$ 5,574,897	\$ 2,416,813	\$ 1,011,427
\$ 6,322,362	\$ 6,039,789	\$ 5,488,748	\$ 4,800,805	\$ 4,411,337
111.7%	114.3%	101.6%	50.3%	22.93%
84.3%	83.9%	84.9%	92.0%	96.1%

2018	2017	2016	2015	2014
\$ 682,850	\$ 617,847	\$ 568,454	\$ 474,857	\$ 363,102
682,850	617,847	568,454	474,857	363,102
\$ --	\$ --	\$ --	\$ --	\$ --
\$ 6,401,551	\$ 6,250,249	\$ 5,586,304	\$ 4,952,601	\$ 4,412,822
10.7%	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,	2023	2022	2021	2020	2019
Village's proportion of the net pension liability	0.02470%	0.02337%	0.02203%	0.02168%	0.02103%
Village's proportionate share of the net pension liability	\$ 3,921,926	\$ 2,475,767	\$ 2,702,347	\$ 2,647,593	\$ 2,353,345
Village's covered payroll	\$ 9,715,611	\$ 8,091,992	\$ 7,755,670	\$ 7,506,842	\$ 7,035,255
Village's proportionate share of the net pension liability as a percentage of Village covered payroll	40.4%	30.6%	34.8%	35.3%	33.5%
Plan fiduciary net position as a percentage of the total pension liability	4.1%	4.8%	3.6%	3.0%	2.6%

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

September 30th,	2023	2022	2021	2020	2019
Contractually required Village contribution	\$ 177,318	\$ 146,656	\$ 132,070	\$ 125,265	\$ 120,348
Contributions in relation to the contractually required Village contribution	177,318	146,656	132,070	125,265	120,348
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --
Village covered payroll	\$ 10,143,963	\$ 8,334,264	\$ 7,910,743	\$ 7,525,485	\$ 7,248,956
Contributions as a percentage of Village covered payroll	1.7%	1.8%	1.7%	1.7%	1.7%

This schedule is presented as required by accounting principles generally accepted in the United States of America.

2018	2017	2016	2015	2014
0.01938%	0.01902%	0.01783%	0.01594%	0.01446%
\$ 2,051,623	\$ 2,034,112	\$ 2,078,426	\$ 1,625,362	\$ 1,351,759
\$ 6,322,362	\$ 6,039,789	\$ 5,488,748	\$ 6,039,789	\$ 4,411,337
32.5%	33.7%	37.9%	26.9%	30.64%
2.1%	1.6%	1.0%	0.5%	1.0%

2018	2017	2016	2015	2014
\$ 106,426	\$ 101,046	\$ 95,521	\$ 60,923	\$ 49,525
106,426	101,046	95,521	60,923	49,525
\$ --	\$ --	\$ --	\$ --	\$ --
\$ 6,401,551	\$ 6,250,249	\$ 5,586,304	\$ 4,952,601	\$ 4,412,822
1.7%	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
2023	5.75 %	6.10 %
2022	5.75 %	6.10 %
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.

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

September 30, (Report Date)	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 46,099	\$ 66,483	\$ 28,412	\$ 24,075	\$ 25,178	\$ 23,702
Interest	37,846	12,960	18,941	16,602	16,054	15,113
Differences between expected and actual experience	34,913	353,518	--	(3,180)	--	2,109
Changes of assumptions	(7,186)	(204,764)	--	88,007	--	--
Benefit payments	(40,395)	(40,395)	--	(21,563)	(15,519)	(14,609)
Net Change in Total OPEB Liability	71,277	187,802	47,353	103,941	25,713	26,315
Total OPEB Liability, Beginning of Fiscal Year	813,614	625,812	578,459	474,518	448,805	422,490
Total OPEB Liability, End of Fiscal Year	\$ 884,891	\$ 813,614	\$ 625,812	\$ 578,459	\$ 474,518	\$ 448,805
Village Covered Employee Payroll	\$ 13,239,074	\$ 12,766,420	\$ 10,515,039	\$ 10,382,123	\$ 9,984,483	\$ 9,399,015
Total OPEB Liability as a Percentage of Village Covered Employee Payroll	6.7%	6.4%	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 - 2023	4.87%
Discount rate - 2022	4.77%
Discount rate - 2020 and 2021	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, 2023

	Special Revenue				Total Nonmajor Governmental Funds
	Law Enforcement Fund	Lake Worth Road CRA	Congress Ave CRA	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 87,724	\$ 256,295	\$ 254,130	\$ 265,781	\$ 863,930
Total Assets	\$ 87,724	\$ 256,295	\$ 254,130	\$ 265,781	\$ 863,930
Liabilities					
Accounts payable	\$ 21	\$ 1,190	\$ 1,182	\$ 126	\$ 2,519
Total Liabilities	21	1,190	1,182	126	2,519
Fund Balances					
Restricted for:					
Law enforcement	87,703	--	--	--	87,703
Lake Worth Road CRA	--	255,105	--	--	255,105
Congress Ave CRA	--	--	252,948	--	252,948
Debt service	--	--	--	265,655	265,655
Total Fund Balances	87,703	255,105	252,948	265,655	861,411
Total Liabilities and Fund Balances	\$ 87,724	\$ 256,295	\$ 254,130	\$ 265,781	\$ 863,930

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue				Total Nonmajor Governmental Funds
	Law Enforcement Fund	Lake Worth Road CRA	Congress Ave CRA	Debt Service Fund	
Revenues					
Taxes	\$ --	\$ 117,362	\$ 96,023	\$ 428,834	\$ 642,219
Investment income	1,776	5,703	5,226	10,204	22,909
Confiscated property	741	--	--	--	741
Miscellaneous	3,555	--	--	--	3,555
Total Revenues	6,072	123,065	101,249	439,038	669,424
Expenditures					
Current:					
Economic environment	--	73,136	131,074	--	204,210
Debt service:					
Principal	--	--	--	328,065	328,065
Interest and other fiscal charges	--	--	--	97,991	97,991
Total Expenditures	--	73,136	131,074	426,056	630,266
Excess (Deficiency) of Revenues over Expenditures	6,072	49,929	(29,825)	12,982	39,158
Other Financing Sources					
Transfers in	--	244,559	176,757	--	421,316
Change in Fund Balances	6,072	294,488	146,932	12,982	460,474
Fund Balances - Beginning of Year	81,631	(39,383)	106,016	252,673	400,937
Fund Balances - End of Year	\$ 87,703	\$ 255,105	\$ 252,948	\$ 265,655	\$ 861,411

VILLAGE OF PALM SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - PALM SPRINGS CRA
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 213,385	\$ 213,385	\$ 213,385	\$ --
Investment income	--	--	10,929	10,929
Total Revenues	213,385	213,385	224,314	10,929
Expenditures				
Economic environment:				
Operating	2,224,826	2,330,842	204,210	2,126,632
Capital outlay	80,000	80,000	--	80,000
Non-operating	148,636	148,636	--	148,636
Total Expenditures	2,453,462	2,559,478	204,210	2,355,268
Excess (Deficiency) of Revenues over Expenditures	(2,240,077)	(2,346,093)	20,104	2,366,197
Other Financing Sources				
Transfer in	2,240,077	2,240,077	421,316	(1,818,761)
Appropriation of prior year's fund balance	--	106,016	--	(106,016)
Total Other Financing Sources	2,240,077	2,346,093	421,316	(1,924,777)
Net Change in Fund Balance	\$ --	\$ --	441,420	\$ 441,420
Fund Balance - Beginning			66,633	
Fund Balance - Ending			\$ 508,053	

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, 2023

	General Employees Pension Fund	Police Officers Pension Fund	Total Pension Funds
Assets			
Cash and cash equivalents	\$ 1,471,772	\$ 564,732	\$ 2,036,504
Receivables:			
Interest and dividends	41,522	35,038	76,560
Investments:			
U.S. Treasury securities	2,560,078	2,458,654	5,018,732
Mortgage and asset-backed securities	3,716,107	3,905,791	7,621,898
Domestic corporate bonds	486,622	380,785	867,407
International fixed income mutual fund	1,217,598	1,450,237	2,667,835
Foreign fixed income	18,413,270	--	18,413,270
Domestic equity securities and mutual fund	--	24,412,165	24,412,165
Real estate investment account	3,050,652	4,388,138	7,438,790
Total investments	29,444,327	36,995,770	66,440,097
Total Assets	30,957,621	37,595,540	68,553,161
Liabilities			
Accounts payable	24,379	32,608	56,987
Total Liabilities	24,379	32,608	56,987
Net Position Restricted for Pension Benefits	\$ 30,933,242	\$ 37,562,932	\$ 68,496,174

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General Employees Pension Fund	Police Officers Pension Fund	Total Pension Funds
Additions			
Contributions			
Employer	\$ 570,220	\$ 380,156	\$ 950,376
Plan members	56,436	73,129	129,565
State of Florida	--	223,107	223,107
Total Contributions	626,656	676,392	1,303,048
Investment Income			
Interest	256,624	207,336	463,960
Dividends	425,380	967,009	1,392,389
Net appreciation in fair value of investments	1,710,502	2,583,322	4,293,824
Total Investment Income:	2,392,506	3,757,667	6,150,173
Less: Investment expenses	(35,369)	(30,543)	(65,912)
Net Investment Income	2,357,137	3,727,124	6,084,261
Total Additions	2,983,793	4,403,516	7,387,309
Deductions			
Administration expenses	71,466	75,355	146,821
Benefits paid	1,095,311	2,167,329	3,262,640
Total Deductions	1,166,777	2,242,684	3,409,461
Change in Plan Net Position	1,817,016	2,160,832	3,977,848
Net Position Restricted for Pension Benefits			
Beginning of Year	29,116,226	35,402,100	64,518,326
End of Year	\$ 30,933,242	\$ 37,562,932	\$ 68,496,174

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, 2023

Fiscal Year Ending September 30,	Governmental Activities		Business-type Activities		Total
	General Obligation Note Payable		Promissory Note Payable		
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		204,865		942,237	1,147,102
2033		--		942,241	942,241
Total	\$	3,548,594	\$	9,422,374	\$ 12,970,968

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

Fiscal Year Ending 30,	Principal		Interest		Total	Interest Rate
	February 1	August 1	February 1	August 1		
2024	\$ 166,978	\$ 168,974	\$ 45,416	\$ 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	--	2,932	--	204,865	2.905
Total	\$ 1,655,740	\$ 1,471,182	\$ 222,861	\$ 198,811	\$ 3,548,594	

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
	February 1	May 1	November 1	May 1		
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	464,378	13,392	6,745	942,241	2.905
Total	\$ 4,033,986	\$ 4,092,578	\$ 677,199	\$ 618,611	\$ 9,422,374	

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.....	124-136
<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	137-141
<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.....	142-145
<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.....	146-147
<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	148-153
<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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities				
Net investment in capital assets	\$ 8,549,304	\$ 8,975,454	\$ 9,045,692	\$ 9,696,530
Restricted	199,423	220,651	265,623	1,413,016
Unrestricted (deficit)	<u>5,896,704</u>	<u>(1,336,279)</u>	<u>128,127</u>	<u>724,425</u>
Total Governmental Activities Net Position	<u>\$ 14,645,431</u>	<u>\$ 7,859,826</u>	<u>\$ 9,439,442</u>	<u>\$ 11,833,971</u>
Business-type Activities				
Net investment in capital assets	\$ 33,752,308	\$ 36,619,254	\$ 35,225,407	\$ 34,619,498
Restricted	--	--	--	--
Unrestricted	<u>12,361,298</u>	<u>11,936,786</u>	<u>18,310,727</u>	<u>23,050,351</u>
Total Business-type Activities Net Position	<u>\$ 46,113,606</u>	<u>\$ 48,556,040</u>	<u>\$ 53,536,134</u>	<u>\$ 57,669,849</u>
Primary government				
Net investment in capital assets	\$ 42,301,612	\$ 45,594,708	\$ 44,271,100	\$ 44,316,028
Restricted	199,423	220,651	265,622	1,413,016
Unrestricted	<u>18,258,002</u>	<u>10,600,507</u>	<u>18,438,854</u>	<u>23,774,776</u>
Total Primary Government Net Position	<u>\$ 60,759,037</u>	<u>\$ 56,415,866</u>	<u>\$ 62,975,576</u>	<u>\$ 69,503,820</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 10,168,421	\$ 12,007,314	\$ 14,490,482	\$ 15,376,403	\$ 15,677,381	\$ 16,791,304
2,694,732	3,790,452	4,476,498	13,909,949	8,340,259	11,893,209
<u>3,340,999</u>	<u>4,593,586</u>	<u>5,442,274</u>	<u>1,565,541</u>	<u>12,907,822</u>	<u>14,244,367</u>
<u>\$ 16,204,152</u>	<u>\$ 20,391,352</u>	<u>\$ 24,409,254</u>	<u>\$ 30,851,893</u>	<u>\$ 36,925,462</u>	<u>\$ 42,928,880</u>
\$ 35,346,033	\$ 36,936,597	\$ 37,408,106	\$ 37,241,000	\$ 39,309,778	\$ 42,673,893
--	--	--	2,341,869	--	486,913
<u>26,410,896</u>	<u>29,391,851</u>	<u>32,816,459</u>	<u>35,918,194</u>	<u>41,504,677</u>	<u>44,014,722</u>
<u>\$ 61,756,929</u>	<u>\$ 66,328,448</u>	<u>\$ 70,224,565</u>	<u>\$ 75,501,063</u>	<u>\$ 80,814,455</u>	<u>\$ 87,175,528</u>
\$ 45,514,454	\$ 48,943,911	\$ 51,898,588	\$ 52,617,403	\$ 54,987,159	\$ 59,465,197
2,694,732	3,790,452	4,476,498	16,251,818	8,340,259	12,380,122
<u>29,751,895</u>	<u>33,985,437</u>	<u>38,258,733</u>	<u>37,483,735</u>	<u>54,412,499</u>	<u>58,259,089</u>
<u>\$ 77,961,081</u>	<u>\$ 86,719,800</u>	<u>\$ 94,633,819</u>	<u>\$ 106,352,956</u>	<u>\$ 117,739,917</u>	<u>\$ 130,104,408</u>

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

Fiscal Year	2014	2015	2016
Expenses			
Governmental activities:			
General government	\$ 1,934,046	\$ 1,926,924	\$ 2,066,477
Public safety	7,743,529	7,519,632	8,503,036
Physical environment	942,471	936,986	966,071
Transportation	1,258,994	1,278,825	1,703,726
Economic environment	--	--	--
Culture/recreation	1,940,040	1,940,121	1,998,486
Interest on long-term debt	143,255	136,871	130,337
Total Governmental Activities Expenses	<u>13,962,335</u>	<u>13,739,359</u>	<u>15,368,133</u>
Business-type activities:			
Water and Sewer Utility	12,031,302	11,916,368	12,980,353
Stormwater Utility	--	--	--
Total Business-type Activities Expenses	<u>12,031,302</u>	<u>11,916,368</u>	<u>12,980,353</u>
Total Primary Government Expenses	<u>25,993,637</u>	<u>25,655,727</u>	<u>28,348,486</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	609,849	761,725	595,521
Public safety	908,282	1,410,893	1,297,305
Physical environment	971,312	977,800	1,078,923
Culture/recreation	369,651	406,639	353,494
Operating grants and contributions:			
General government	931	12,789	6,269
Public safety	60,303	200,830	97,117
Physical environment	20,530	15,180	12,553
Transportation	71,833	73,985	76,203
Culture/recreation	20,840	28,194	29,510
Capital grants and contributions:			
General government	20,351	100	27,642
Public safety	25,037	24,453	38,173
Transportation	7,495	--	6,288
Economic environment	--	--	--
Culture/recreation	144,796	231,224	--
Total Governmental Activities Program Revenues	<u>3,231,210</u>	<u>4,143,812</u>	<u>3,618,998</u>
Business-type activities:			
Charges for services:			
Water/Sewer Utility	15,681,023	16,916,445	18,010,253
Stormwater Utility	--	--	--
Operating grants and contributions:			
Water/Sewer Utility	--	--	--
Stormwater	--	--	--
Capital grants and contributions:			
Water and Sewer Utility	1,263,195	928,503	1,479,734
Total Business-type Activities Program Revenues	<u>16,944,218</u>	<u>17,844,948</u>	<u>19,489,987</u>
Total Primary Government Program Revenues	<u>20,175,428</u>	<u>21,988,760</u>	<u>23,108,985</u>
Net (Expense)/Revenue			
Governmental activities	(10,731,125)	(9,595,547)	(11,749,135)
Business-type activities	4,912,916	5,928,580	6,509,634
Total Primary Government Net Expense	<u>\$ (5,818,209)</u>	<u>\$ (3,666,967)</u>	<u>\$ (5,239,501)</u>

2017	2018	2019	2020	2021	2022	2023
\$ 2,294,992	\$ 2,211,693	\$ 2,835,997	\$ 2,879,926	\$ 2,999,956	\$ 3,677,147	\$ 4,136,272
8,797,959	8,839,413	9,970,520	9,446,884	8,375,773	10,186,285	13,121,283
1,119,815	1,067,111	1,075,033	1,173,626	1,317,299	1,456,330	1,586,290
2,214,506	1,787,841	2,093,367	2,201,178	2,126,730	2,414,448	2,853,355
--	--	--	--	63,160	343,657	221,748
1,925,521	1,875,636	1,986,225	1,644,442	1,602,340	2,165,153	2,561,413
<u>123,644</u>	<u>133,395</u>	<u>133,416</u>	<u>124,680</u>	<u>115,737</u>	<u>121,693</u>	<u>102,292</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>	<u>20,364,713</u>	<u>24,582,653</u>
13,870,807	14,465,968	15,383,962	15,595,379	15,044,454	16,155,764	18,947,014
<u>109,848</u>	<u>125,644</u>	<u>87,898</u>	<u>12,885</u>	<u>120</u>	<u>1,092</u>	<u>101,283</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>16,156,856</u>	<u>19,048,297</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>	<u>36,521,569</u>	<u>43,630,950</u>
640,371	772,038	866,346	938,452	1,138,393	1,141,981	1,302,773
1,335,980	1,492,961	1,997,624	1,055,961	1,589,620	2,462,350	2,347,921
1,090,501	1,109,491	1,133,848	1,147,017	1,157,652	1,180,423	1,574,780
383,402	267,262	285,825	102,789	137,533	187,916	166,587
47,206	7,281	368,408	69,606	57,459	41,191	49,001
70,454	31,083	35,217	38,517	32,822	62,761	82,086
22,208	5,731	2,015	461	--	16,391	--
104,519	107,930	111,168	114,504	117,939	121,476	125,120
26,173	22,159	25,188	17,166	16,528	7,676	12,845
292	9,936	6,993	16,578	59,729	27,644	30,748
--	34,779	30,446	35,840	26,362	47,057	--
148,881	--	97,305	84,103	--	--	--
--	--	--	--	68,307	937,451	1,025,695
<u>--</u>	<u>--</u>	<u>247,522</u>	<u>882,802</u>	<u>307,714</u>	<u>452,362</u>	<u>251,333</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>	<u>6,686,679</u>	<u>6,968,889</u>
19,159,149	19,920,293	20,955,084	21,095,572	21,563,348	22,325,845	23,941,298
366,756	382,799	382,253	519,265	525,456	529,335	524,325
--	--	--	--	--	47,500	--
--	--	--	6,902	70,941	--	--
<u>779,774</u>	<u>544,508</u>	<u>732,102</u>	<u>134,188</u>	<u>663,691</u>	<u>349,074</u>	<u>1,695,706</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>23,251,754</u>	<u>26,161,329</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>	<u>29,938,433</u>	<u>33,130,218</u>
(12,606,450)	(12,054,438)	(12,886,653)	(12,966,940)	(11,890,937)	(13,678,034)	(17,613,764)
<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>7,094,898</u>	<u>7,113,032</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>	<u>\$ (6,583,136)</u>	<u>\$ (10,500,732)</u>

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

Fiscal Year	2014	2015	2016	2017
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 2,821,713	\$ 2,998,529	\$ 3,548,352	\$ 3,875,182
Utility service taxes	2,344,161	2,434,013	2,756,176	2,701,235
Franchise fees	1,185,784	1,280,301	1,426,438	1,469,041
Sales and use taxes	1,850,102	1,996,947	2,095,247	3,225,861
Business taxes	304,853	309,652	343,981	362,931
Intergovernmental, unrestricted	669,279	783,950	853,427	890,179
Investment revenues	--	5,648	3,933	21,112
Impact fees	--	--	--	--
Sale of capital assets	--	--	--	--
Miscellaneous	29,118	133,277	67,163	76,907
Transfers	<u>1,876,539</u>	<u>1,935,796</u>	<u>2,234,034</u>	<u>2,378,531</u>
Total Governmental Activities	<u>11,081,549</u>	<u>11,878,113</u>	<u>13,328,751</u>	<u>15,000,979</u>
Business-type activities:				
Investment revenues	75,522	129,029	120,205	143,781
Miscellaneous	165,131	259,680	584,289	43,441
Transfers	<u>(1,876,539)</u>	<u>(1,935,796)</u>	<u>(2,234,034)</u>	<u>(2,378,531)</u>
Total Business-type Activities	<u>(1,635,886)</u>	<u>(1,547,087)</u>	<u>(1,529,540)</u>	<u>(2,191,309)</u>
Total Primary Government	<u>9,445,663</u>	<u>10,331,026</u>	<u>11,799,211</u>	<u>12,809,670</u>
Changes in Net Position				
Governmental activities	350,424	2,282,566	1,579,616	2,394,529
Business-type activities	<u>3,277,030</u>	<u>4,381,493</u>	<u>4,980,094</u>	<u>4,133,715</u>
Total Primary Government	<u>\$ 3,627,454</u>	<u>\$ 6,664,059</u>	<u>\$ 6,559,710</u>	<u>\$ 6,528,244</u>

2018	2019	2020	2021	2022	2023
\$ 4,326,702	\$ 4,593,448	\$ 4,905,214	\$ 5,282,944	\$ 5,440,257	\$ 6,105,979
2,746,260	2,782,726	2,790,188	2,900,695	3,044,674	3,368,710
1,523,434	1,547,089	1,505,749	1,564,478	1,831,837	2,083,730
3,984,756	4,055,851	3,792,719	4,375,231	5,214,492	5,887,032
395,733	386,375	394,669	408,662	419,767	402,306
918,574	952,709	851,029	1,015,662	1,327,514	1,567,812
107,903	233,021	110,534	14,685	172,511	1,721,284
--	--	--	24,559	109,732	260,622
--	--	--	--	27,780	--
135,819	107,496	144,641	97,508	162,624	122,811
<u>2,423,338</u>	<u>2,415,138</u>	<u>2,490,099</u>	<u>2,649,152</u>	<u>2,000,415</u>	<u>2,096,896</u>
<u>16,562,519</u>	<u>17,073,853</u>	<u>16,984,842</u>	<u>18,333,576</u>	<u>19,751,603</u>	<u>23,617,182</u>
214,215	326,288	186,550	68,545	160,538	1,304,378
71,805	62,790	52,003	78,243	58,371	40,559
<u>(2,423,338)</u>	<u>(2,415,138)</u>	<u>(2,490,099)</u>	<u>(2,649,152)</u>	<u>(2,000,415)</u>	<u>(2,096,896)</u>
<u>(2,137,318)</u>	<u>(2,026,060)</u>	<u>(2,251,546)</u>	<u>(2,502,364)</u>	<u>(1,781,506)</u>	<u>(751,959)</u>
<u>14,425,201</u>	<u>15,047,793</u>	<u>14,733,296</u>	<u>15,831,212</u>	<u>17,970,097</u>	<u>22,865,223</u>
4,508,081	4,187,200	4,017,902	6,442,639	6,073,569	6,003,418
<u>4,118,670</u>	<u>4,571,519</u>	<u>3,896,117</u>	<u>5,276,498</u>	<u>5,313,392</u>	<u>6,361,073</u>
<u>\$ 8,626,751</u>	<u>\$ 8,758,719</u>	<u>\$ 7,914,019</u>	<u>\$ 11,719,137</u>	<u>\$ 11,386,961</u>	<u>\$ 12,364,491</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
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
2022	5,440,257	3,044,674	1,831,837	5,214,492	419,767	15,951,027
2023	6,105,979	3,368,710	2,083,730	5,887,032	402,306	17,847,757

⁽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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable:					
Inventory	\$ 25,056	\$ 20,999	\$ 39,648	\$ 69,969	\$ 84,622
Restricted					
Sales tax capital projects	--	--	--	1,141,086	2,419,381
Assigned to:					
Disaster recovery	1,500,000	1,500,000	1,500,000	1,500,000	3,000,000
Capital projects	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Library	38,407	38,851	38,240	37,488	36,651
Subsequent year's budget	--	--	1,227,384	1,625,101	1,471,258
Unassigned	<u>3,172,150</u>	<u>4,308,087</u>	<u>4,208,075</u>	<u>4,523,176</u>	<u>5,741,431</u>
Total General Fund	<u>\$ 6,235,613</u>	<u>\$ 7,367,937</u>	<u>\$ 8,513,347</u>	<u>\$ 10,396,820</u>	<u>\$ 14,253,343</u>
All Other Governmental Funds					
Restricted for:					
Law enforcement	\$ 67,356	\$ 61,393	\$ 73,907	\$ 51,890	\$ 44,309
Debt service	132,067	159,258	191,716	220,040	231,042
American Rescue Plan	--	--	--	--	--
Palm Springs CRA	--	--	--	--	--
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total All Other Governmental Funds	<u>\$ 199,423</u>	<u>\$ 220,651</u>	<u>\$ 265,623</u>	<u>\$ 271,930</u>	<u>\$ 275,351</u>

2019	2020	2021	2022	2023
\$ 85,456	\$ 70,539	\$ 91,665	\$ 89,863	\$ 96,319
3,488,534	4,712,367	5,819,242	7,809,275	9,843,285
3,000,000	300,000	3,000,000	3,000,000	3,000,000
1,500,000	1,500,000	1,500,000	1,500,000	7,000,000
36,651	--	--	--	--
2,338,399	1,183,000	1,443,578	693,503	1,889,611
<u>6,307,593</u>	<u>8,095,194</u>	<u>9,523,008</u>	<u>13,990,330</u>	<u>11,997,706</u>
<u>\$ 16,756,633</u>	<u>\$ 15,861,100</u>	<u>\$ 21,377,493</u>	<u>\$ 27,082,971</u>	<u>\$ 33,826,921</u>
\$ 54,669	\$ 54,669	\$ 44,670	\$ 81,631	\$ 87,703
247,249	249,462	250,842	252,673	265,655
--	--	--	51,281	584,672
--	--	73,728	145,399	508,053
<u>--</u>	<u>--</u>	<u>--</u>	<u>(78,766)</u>	<u>--</u>
<u>\$ 301,918</u>	<u>\$ 304,131</u>	<u>\$ 369,240</u>	<u>\$ 452,218</u>	<u>\$ 1,446,083</u>

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

Fiscal Year	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 6,656,511	\$ 7,022,495	\$ 7,869,639	\$ 8,499,637	\$ 9,083,377
Permits	370,268	806,590	665,536	690,965	909,219
Intergovernmental	2,783,893	3,204,028	3,261,846	4,597,449	5,176,714
Confiscated property	13,006	16,493	16,785	1,280	2,703
Charges for services	1,791,823	1,878,058	1,914,794	2,021,952	1,940,784
Fines and forfeitures	344,128	485,486	389,492	370,904	431,063
Contributions and donations	10,437	17,917	8,249	14,729	23,378
Investment income	--	5,648	3,933	21,112	107,903
Facility rental	277,394	280,365	288,091	291,873	266,395
Miscellaneous	27,220	137,825	90,042	73,782	149,544
Total Revenues	<u>12,274,680</u>	<u>13,854,905</u>	<u>14,508,407</u>	<u>16,583,683</u>	<u>18,091,080</u>
Expenditures					
General government	1,790,739	1,828,984	1,832,467	1,974,447	1,875,696
Public safety	7,508,307	7,774,189	8,344,900	8,679,630	8,935,301
Physical environment	920,662	936,986	966,071	1,119,815	1,067,111
Transportation	1,152,511	1,201,392	1,549,616	2,009,735	1,607,774
Economic environment	--	--	--	--	--
Culture/recreation	1,756,672	1,876,357	1,841,391	1,674,011	1,568,223
Capital outlay	414,008	644,337	608,924	1,285,469	1,180,940
Debt service					
Principal	264,908	271,279	277,800	284,480	291,319
Interest and other fiscal charges	143,783	137,411	130,890	124,211	131,962
Total Expenditures	<u>13,951,590</u>	<u>14,670,935</u>	<u>15,552,059</u>	<u>17,151,798</u>	<u>16,658,326</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,676,910)</u>	<u>(816,030)</u>	<u>(1,043,652)</u>	<u>(568,115)</u>	<u>1,432,754</u>
Other Financing Sources (Uses)					
Proceeds from the sale of capital assets	--	--	--	79,364	3,852
Lease (right-of-use asset) acquired	--	--	--	--	--
Initiation of Financing Lease	--	--	--	--	--
Subscription arrangements issued	--	--	--	--	--
Transfers in	1,876,539	1,935,796	2,234,034	2,378,531	2,423,338
Transfers out	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>1,876,539</u>	<u>1,935,796</u>	<u>2,234,034</u>	<u>2,457,895</u>	<u>2,427,190</u>
Net Change in Fund Balances	<u>\$ 199,629</u>	<u>\$ 1,119,766</u>	<u>\$ 1,190,382</u>	<u>\$ 1,889,780</u>	<u>\$ 3,859,944</u>
Debt Service as a Percentage of Non-Capital Expenditures	3.02%	2.91%	2.73%	2.58%	2.73%

2019	2020	2021	2022	2023
\$ 9,332,450	\$ 9,595,820	\$ 10,225,087	\$ 10,824,519	\$ 12,174,110
1,265,557	617,014	808,381	1,712,304	1,772,609
5,983,674	5,918,164	5,987,404	8,182,678	8,843,227
10,357	--	--	31,882	741
2,400,465	2,142,807	2,596,331	2,689,482	3,106,868
220,837	170,208	327,518	279,918	408,091
36,729	20,602	28,164	45,970	54,851
233,021	110,534	14,685	172,763	1,721,284
274,923	260,495	265,865	322,407	333,080
131,419	105,112	141,047	148,164	74,314
<u>19,889,432</u>	<u>18,940,756</u>	<u>20,394,482</u>	<u>24,410,087</u>	<u>28,489,175</u>
2,370,836	2,592,658	3,074,577	3,429,229	3,571,219
9,725,185	8,992,315	9,052,444	9,482,747	10,167,936
1,075,033	1,173,626	1,317,299	1,456,330	1,586,290
1,903,355	2,055,397	2,170,808	2,252,731	2,546,234
--	--	63,160	343,657	204,210
1,683,120	1,493,489	1,476,280	1,758,484	2,004,560
2,630,253	3,484,721	2,058,602	1,758,633	2,396,280
298,323	305,496	312,841	386,738	429,550
134,138	125,420	116,494	114,105	103,880
<u>19,820,243</u>	<u>20,223,122</u>	<u>19,642,505</u>	<u>20,982,654</u>	<u>23,010,159</u>
<u>69,189</u>	<u>(1,282,366)</u>	<u>751,977</u>	<u>3,427,433</u>	<u>5,479,016</u>
45,530	58,947	20,373	30,306	5,187
--	--	--	35,590	38,755
--	--	--	294,712	--
--	--	--	--	117,961
2,415,138	2,490,099	2,717,733	2,935,026	3,122,591
--	--	(68,581)	(934,611)	(1,025,695)
<u>2,460,668</u>	<u>2,549,046</u>	<u>2,669,525</u>	<u>2,361,023</u>	<u>2,258,799</u>
<u>\$ 2,529,857</u>	<u>\$ 1,266,680</u>	<u>\$ 3,421,502</u>	<u>\$ 5,788,456</u>	<u>\$ 7,737,815</u>
2.52%	2.57%	2.44%	2.61%	2.66%

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>
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
2022	5,440,257	3,044,674	1,831,837	4,765,126	419,767	15,501,661
2023	6,105,979	3,368,709	2,083,730	5,408,686	402,306	17,369,410

⁽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			
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
2022	1,410,052,742	75,122,778	1,485,175,520	3.7994	1,563,342,653
2023	1,594,937,543	83,441,381	1,678,378,924	3.7639	1,766,714,656

⁽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
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
2022	3.5000	0.2994	3.7994	6.8750	4.8149	3.4581	1.6386	20.5860
2023	3.5000	0.2639	3.7639	6.5190	4.7439	3.4581	1.5390	20.0239

-
- 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

	2023			Percentage of Total Taxes Levied
	Taxable Assessed Valuation	Taxes	Rank	
Morguard Emerald Apartments LLC	\$ 43,791,935	\$ 164,828	1	2.61 %
Oxygen Holdings LLC	32,649,400	122,889	2	1.95
Coronado Springs LLC	29,105,918	109,552	3	1.73
Florida Power & Light Co	28,238,423	106,287	4	1.68
Phillips Lake Worth	21,003,165	79,054	5	1.25
Regency Centers LP	20,817,443	78,355	6	1.24
Jerjo, Inc	20,016,114	75,339	7	1.19
Woodhaven LLC	16,838,605	63,379	8	1.00
Shoppes of Forest Hill LLC	16,255,058	61,182	9	0.97
Four FLA Shopping Center Prop Ltd	15,379,728	57,888	10	0.92
555 Kirk LLC	--	--	-	-
Equity One, Inc	--	--	-	-
Walmart Stores East LP	--	--	-	-
Portofino Associates, Ltd	--	--	-	-
Advenir at Pines LLC	--	--	-	-
Totals	<u>\$ 244,095,789</u>	<u>\$ 918,752</u>		<u>14.54%</u>

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

2014

Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
\$ --	\$ --	-	- %
15,991,967	73,750	2	3.03
		-	-
16,597,268	76,542	1	3.15
8,500,000	39,199	7	1.61
		-	-
		-	-
6,768,455	31,214	10	1.28
		-	-
7,800,000	35,971	9	1.48
14,545,926	67,081	3	2.76
12,854,554	59,281	4	2.44
9,728,557	44,865	5	1.85
9,500,000	43,811	6	1.80
7,801,208	35,977	8	1.48
<u>\$ 110,087,935</u>	<u>\$ 507,691</u>		<u>19.08%</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
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
2022	5,625,830	5,435,299	96.61	4,958	5,440,257	96.70
2023	6,318,133	6,092,566	96.43	13,413	6,105,979	96.64

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 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⁾	
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
2022	1,360,495	25.69	13,852	1,199,952	41.85	12,765
2023	1,400,505	27.79	13,167	1,240,751	45.24	12,225

⁽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.

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 Note Payable	Leases (Right-of-use assets)	Financing Leases	Subscription Arrangements	Water & Sewer Notes Payable	Leases (Right-of-use assets)	Subscription Arrangements			
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
2022	3,454,987	25,564	238,363	--	8,817,652	7,016	--	12,543,582	1.20	526
2023	3,126,922	43,883	180,746	94,529	8,126,564	11,423	15,900	11,599,967	0.96	427

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
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	--
2022	--	--	--	1,485,175,520	0.00	23,867	--
2023	--	--	--	1,678,378,924	0.00	26,904	--

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, 2023

	Total Outstanding	Percentage Applicable to Village of Palm Springs ⁽¹⁾	Amount Applicable to Village of Palm Springs
Direct:			
Village of Palm Springs	\$ 3,446,080	100.00%	\$ 3,446,080
Overlapping:			
Palm Beach County	16,370,000	0.54%	88,398
Palm Beach County School District	--	0.54%	--
Total overlapping debt	16,370,000		88,398

Total Direct and Overlapping Debt
Payable from Ad Valorem Taxes \$ 3,534,478

Estimated population 26,904

Total Direct and Overlapping Debt Per Capita **\$ 131.37**

⁽¹⁾ Estimates based on 2023 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
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
2022	23,021,705	12,878,916	10,142,789	942,237	10.76
2023	26,951,484	14,909,743	12,041,741	942,237	12.78

* 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⁾
2014	22,130	\$ 31,481	\$ 696,674,530	43.2	N/A	183,000	5.1
2015	22,282	32,690	728,398,580	44.0	N/A	188,808	4.9
2016	22,458	37,047	832,001,526	37.1	N/A	193,000	4.4
2017	23,193	35,732	828,732,276	44.5	N/A	174,000	3.0
2018	23,250	39,508	918,561,000	44.7	N/A	176,000	2.9
2019	23,448	40,888	958,741,824	44.8	N/A	169,250	7.0
2020	23,560	39,933	940,821,480	44.9	N/A	167,378	5.0
2021	23,867	43,733	1,043,775,511	45.0	N/A	167,560	6.5
2022	23,867	43,733	1,043,775,511	45.0	N/A	167,560	6.5
2023	26,904	44,257	1,190,690,328	45.4	N/A	209,325	2.9

Data Sources:

⁽¹⁾ The population for 2013 through 2022 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	2023 ⁽¹⁾			2014 ⁽¹⁾		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Palm Beach County School District	22,426	1	N/A	21,499	1	N/A
Palm Beach County	5,753	2	N/A	5,330	3	N/A
Tenet Healthcare Corp.	5,734	3	N/A	6,100	2	N/A
NextEra Energy (formerly FPL)	5,330	4	N/A	3,804	4	N/A
Florida Atlantic University	5,059	5	N/A	2,980	6	N/A
Boca Raton Regional Hospital	3,135	6	N/A	2,250	10	N/A
Veterans Health Administration	2,600	7	N/A	2,700	8	N/A
Hospital Corp of America - HCA	2,419	8	N/A	2,714	7	N/A
The Breakers	2,300	9	N/A	--	--	N/A
Baptist Health South Florida	2,282	10	N/A	--	--	N/A
Bethesda Memorial Hospital	--	--	N/A	2,643	9	N/A
G4S Secure Solutions	--	--	N/A	3,000	5	N/A
Totals	<u>57,038</u>			<u>53,020</u>		

⁽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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	15	15	15.5	15.5	11.5	17.5	18	21.5	19	23
Public safety (a)										
Building official	-	1	1	1	-	-	-	-	-	-
Planning, zoning &										
building	5	5	6	6	6.5	7	6	6	6	8
Police officers	40	41	42	42	43	38	43	43	39	42
Civilian police	18.5	19.5	19	21	19	25	23.5	21	23	23
Transportation	13	13	12	18	16	19	18	20	21	22
Culture/recreation										
Library	10	10	10.5	10	10.5	9	9	7	9	8.5
Parks & recreation	12.5	13.5	6	7	7.5	6.5	6	6	6	6
Economic Development	-	-	-	-	-	-	-	-	-	1
Water & Sewer Utility	63.5	64	65	59.5	59.5	59.5	60	61	55	55
Stormwater Utility	-	-	-	-	-	-	-	-	-	1
Total	177.5	182.0	177.0	180.0	173.5	181.5	183.5	185.5	178.0	189.5

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		2014	2015	2016	2017
	Function				
Public Safety					
Police					
	Physical arrests	964	1,084	1,005	815
	Parking violations	15	23	19	38
	Traffic violations	6,533	7,143	10,501	5,928
Fire (a)					
Sanitation (b)					
Roads and Streets					
	Street resurfacing (miles)	1.2	3.3	3.93	3.1
	Pot holes repaired	800	848	973	52
Culture/Recreation					
Library					
	Circulation	71,855	59,976	49,159	37,613
	Active cardholders	4,019	3,549	3,475	3,245
	Reference questions	43,490	41,405	40,945	32,736
	Programs offered	430	435	335	360
	Program attendance	4,333	3,944	876	9,170
	Total library visitors	92,768	86,648	80,498	78,896
Parks and Recreation					
	Baseball participants	129	122	80	83
	Soccer participants	188	209	165	161
	Flag football participants	242	236	234	187
	Cheerleading participants	14	--	--	--
	Basketball participants	258	236	255	220
	Youth athletic participants	831	803	734	651
	Adult flag football	168	--	--	--
	Camp program participants	452	550	486	394
	Travel Club members	230	229	196	115
	Special event participants	6,000	6,200	7,380	2,610
	Facility rentals	1,250	1,200	1,150	237
Water/Sewer Utility					
	Water accounts	12,568	12,536	12,588	12,604
	Water customers	20,121	20,140	20,152	20,178
	Water main breaks	82	17	4	10
	Sewer accounts	11,069	11,247	11,590	11,653
	Sewer customers	18,333	18,567	18,921	19,028
	Avg daily water consumption (thousands of gallons)	3,800	3,919	3,926	3,960

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.

2018	2019	2020	2021	2022	2023
759	543	434	457	517	608
16	15	23	95	146	73
4,153	4,612	5,000	6,392	6,167	9,336
2.1	1.3	1.2	1.32	1.04	1.04
48	35	27	17	20	29
31,175	26,519	13,642	15,913	21,796	27,236
3,262	4,001	6,380	18,682	14,119	6,535
39,272	36,024	17,942	5,386	5,806	9,093
350	242	268	197	354	425
9,329	5,174	6,495	4,227	5,318	10,298
70,553	61,505	31,102	26,035	39,673	35,783
68	52	--	--	--	--
147	101	210	154	--	156
156	156	141	70	15	42
--	--	--	--	--	--
170	162	--	93	72	57
541	471	351	317	87	255
--	--	--	--	--	--
696	892	272	374	597	229
146	119	59	38	55	54
6,085	6,480	3,750	3,000	5,000	6,500
133	157	79	130	710	713
12,658	12,982	13,037	13,089	13,851	13,167
19,985	20,251	20,300	20,413	20,334	20,561
3	--	3	6	5	4
11,606	12,043	12,100	12,152	12,765	12,225
18,770	19,274	19,239	19,332	19,279	19,540
3,627	3,561	3,397	3,843	3,727	3,837

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

Fiscal Year	Function	2014	2015	2016	2017
Public Safety					
Police					
	Stations	1	1	1	1
	Patrol units	58	60	61	61
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	76.19	76.29	78.08	77.76
Culture/Recreation					
Library					
	Books	57,802	47,619	51,928	44,420
Leisure Services					
	Ballfields - lighted	4	4	4	4
	Basketball courts	2	3	3	3
	Soccer fields	3	4	4	4
	Tennis courts	4	4	4	4
	Pickleball courts	-	-	-	-
	Futsal courts	-	-	-	-
	Volleyball Courts	-	-	-	-
	Mini-golf course	1	1	1	1
	Outdoor Fitness Areas	-	-	-	-
	Parks	9	10	10	10
Water/Sewer Utility					
	Water mains (miles)	130	130.11	130.11	135.3
	Sanitary sewers (miles)	103.5	105.6	105.6	114.8
	Storm sewers (miles)	24.5	25.66	25.66	14.6
	Fire hydrants	992	993	993	984
	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.

2018	2019	2020	2021	2022	2023
1 63	1 64	1 65	1 70	1 73	1 74
1 1	1 1	1 1	1 1	- 1	- 1
81 77.76	81 77.76	82 77.76	82 77.76	82 77.76	82 77.76
53,738	40,878	34,816	34,411	39,854	39,661
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	4 3 4 2 2 1 - 1 - 12	2 3 4 2 2 1 2 1 3 10
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	137.07 107.82 14.8 985	139 118 22 993
10,000	10,000	10,000	10,000	10,000	10,000

VILLAGE OF PALM SPRINGS, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2023

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	\$35,831,071
FMIT#0459	SEGL 1013	General liability	Village property	\$1,000,000 \$2,000,000
FMIT#0459	AL 1019 APD 1016	Automobile liability Physical damage	Any Village- Owned vehicles	\$1,000,000 per schedule
FMIT#0459	ECLE1021	Crime	Employee theft, dishonesty, forgery	\$1,000,000
FMIT#0459	CYBER 1022	Breach Response & Cyber Liability	Data & Network	\$1,000,000
FMIT#0459	105185397	Fiduciary bond	Chief Financial Officer	\$1,000,000
FMIT#0459	EO 1009 LE 1007	Professional liability Professional liability	Law enforcement Public officials	\$1,000,000
Hartford Fire Insurance Company	20-GTA-101194	Statutory Accidental Death & Dismemberment	Village employees	\$75,000/ \$225,000
FMIT#0459	WC EL 1015	Workers compensation	Village employees	Florida Statutes
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 (*Government Auditing Standards*), the 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 fiscal year ended September 30, 2023, 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 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village'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, FL
March 27, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of Palm Springs, Florida (the "Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the fiscal year ended September 30, 2023. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Village's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements. We issued our report thereon dated March 27, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marcum LLP

West Palm Beach, FL
March 27, 2024

VILLAGE OF PALM SPRINGS

Schedule of Expenditures and Federal Awards

Fiscal Year Ended September 30, 2023

Federal Agency, Pass-through Entity Federal Program	ALN	Contract/ Grant No.	Total Expenditures
<u>United States Department of Housing and Urban Development</u>			
Indirect Program:			
Passed through Awards from Palm Beach County, Florida			
Community Development Block Grants/Entitlement Grants (Cluster)	14.218	R-2021-1613	\$ 251,333
Total United States Department of Housing and Urban Development			<u>251,333</u>
<u>United States Department of the Treasury</u>			
Indirect Program:			
Passed through State of Florida - Florida Division of Emergency Management -			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5254	812,310
Total United States Department of the Treasury			<u>812,310</u>
Total Expenditures of Federal Awards			<u>\$ 1,063,643</u>

Note: No amounts provided to subrecipients.

See notes to Schedule of Expenditures of Federal Awards.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditures activity of all federal awards of the Village of Palm Springs, Florida (the “Village”) for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Village.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Village has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

VILLAGE OF PALM SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditors’ report issued on compliance for major program: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Federal Major Program:

ALN
21.027

Federal Program:
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes No

VILLAGE OF PALM SPRINGS, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – SUMMARY SCHEULE OF PRIOR AUDIT FINDINGS

There were no findings reported in the prior fiscal year.

**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, 2023, and have issued our report thereon dated March 27, 2024.

Auditors’ 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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*; Independent Auditors’ Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated March 27, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Village 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. The financial condition 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 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 determined that the special district component unit provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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 has 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 the 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, FL
March 27, 2024



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

To the Honorable Mayor, Village Council and Village Manager
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, 2023. 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.

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

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, 2023.

This report is intended 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, FL
March 27, 2024



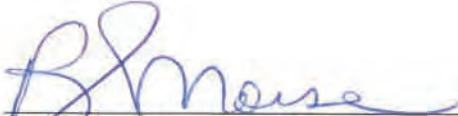
Village of Palm Springs
Department of Finance
226 Cypress Lane, Palm Springs, Fl. 33461-1699

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 13th day of March, 2024.



NOTARY PUBLIC
Print Name SANDRA L. DELANEY

Personally known _____ or produced identification

Type of identification produced: FLORIDA DRIVER'S LICENSE

My Commission Expires:
5/13/26

