

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

1959

Celebrating 50 Years of Service!

2009

Annual Financial Report
Fiscal Year Ended
September 30, 2009



www.npbcid.org

**NORTHERN PALM BEACH COUNTY
IMPROVEMENT DISTRICT**

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2009

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Principal District Officials	i
Units of Development – September 30, 2009	ii
FINANCIAL SECTION	
Independent Auditors’ Report	1-2
Management’s Discussion and Analysis	3-12
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	16
Statement of Revenues, Expenditures and Changes in fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	18
Notes to Basic Financial Statements	19-38
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule – General Fund	39
Note to Required Supplementary Information	40
COMBINING NONMAJOR FINANCIAL STATEMENTS:	
Combining Balance Sheets – Nonmajor Governmental Funds	41
Combining Nonmajor Special Revenue Funds	42-45
Combining Nonmajor Debt Service Funds	46-48
Combining Nonmajor Capital Projects Funds	49-50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	51
Combining Nonmajor Special Revenue Funds	52-55
Combining Nonmajor Debt Service Funds	56-58
Combining Nonmajor Capital Projects Funds	59-60
Other Supplementary Financial Data and Schedules	
Combined Schedule of Bonds Payable	61
Individual Schedule of Bonds Payable	
Exhibit A-1 to A-30	62-91

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

TABLE OF CONTENTS

(Continued)

	<u>PAGE</u>
COMPLIANCE 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 <i>Government Auditing Standards</i>	92-93
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	94-95

INTRODUCTORY SECTION

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

PRINCIPAL DISTRICT OFFICIALS

SEPTEMBER 30, 2009

Board of Supervisors

Deborah A. Diaz, CPA	President
Ronald M. Ash, PE	Vice President
Marilyn Lew-Jacobs, CPA	Supervisor
Matthew J. Boykin, CPA	Supervisor
Adrian M. Salee, CMC	Supervisor

Counsel to the District

Caldwell & Pacetti LLP
West Palm Beach, Florida

District Engineer

Arcadis US, Inc.
West Palm Beach, Florida

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

UNITS OF DEVELOPMENT – SEPTEMBER 30, 2009

UNIT 1	-	Gramercy Park (Cypress Run)	UNIT 20	-	Juno Isles
UNIT 2	-	Frenchman's Creek			20A - 20B - 20C - 20D
UNIT 2A	-	MacArthur Overlay	UNIT 21	-	Old Marsh
UNIT 2B	-	Dissolved 6/23/04	UNIT 22	-	Inactive (Western Business Park)
UNIT 2C	-	Scripps II/Briger	UNIT 23	-	The Shores
UNIT 3	-	Horseshoe Acres/Square Lake	UNIT 24	-	Ironhorse
UNIT 3A	-	Woodbine	UNIT 24A	-	Ironhorse Water/Sewer Sub-Unit
UNIT 4	-	West of Villages of Palm Beach Lakes	UNIT 25	-	Moroso Industrial Park
UNIT 5	-	Henry Rolf	UNIT 26	-	Eastpointe Lake Sealing Project
UNIT 5A	-	Vista Center of Palm Beach	UNIT 27	-	Jupiter High Tech Park
UNIT 5B	-	Baywinds	UNIT 27A	-	Inactive
UNIT 5C	-	RiverWalk	UNIT 27B	-	Botanica
UNIT 5D	-	Andros Isle	UNIT 28	-	Water Resource Program
UNIT 5E	-	Dissolved 9/28/01	UNIT 29	-	North Fork Development
UNIT 5F	-	Dissolved 5/27/98	UNIT 30	-	Moroso Motorsports
UNIT 6	-	Dissolved 5/27/98	UNIT 31	-	BallenIsles Country Club
UNIT 6A	-	Dissolved 12/21/94	UNIT 32	-	Palm Cove
UNIT 7	-	Dyer Boulevard	UNIT 32A	-	Palm Cove Sub-Unit
UNIT 7A	-	North County PUD	UNIT 33	-	Cypress Cove
UNIT 8	-	Inactive	UNIT 34	-	Hidden Key
UNIT 8A	-	Vavrus Ranch Sub-Unit	UNIT 35	-	(not created as yet)
UNIT 9	-	Admirals Cove West	UNIT 36	-	Cypress Drive
UNIT 9A	-	Abacoa I	UNIT 37	-	Dissolved 10/27/99
UNIT 9B	-	Abacoa II	UNIT 38	-	Harbour Isles
UNIT 10	-	Caloosa	UNIT 39	-	Mariner's Key
UNIT 11	-	PGA National	UNIT 40	-	Prosperity Bay Village
UNIT 11A	-	PGA National Sub-Unit	UNIT 41	-	Mystic Cove
UNIT 12	-	Highland Pines	UNIT 42	-	Inactive (Blue Green Enterprises)
UNIT 12A	-	Gardens Hunt Club Sub-Unit	UNIT 43	-	Mirasol
UNIT 13	-	Mecca Farms	UNIT 44	-	The Bear's Club
UNIT 14	-	Eastpointe	UNIT 45	-	Paseos
		14A - 14B	UNIT 46	-	Jupiter Country Club
UNIT 15	-	Villages of Palm Beach Lakes	UNIT 47	-	Jupiter Isles
UNIT 16	-	First Park of South Florida (f.k.a. Palm Beach Park of Commerce)	UNIT 47A	-	Dissolved 9/24/03
UNIT 16A	-	PB Park of Commerce Water & /Sewer Sub-Unit	UNIT 48	-	Dissolved 9/28/05
UNIT 17	-	Dissolved 3/26/03	UNIT 49	-	Northern Palm Beach County Business Park
UNIT 18	-	Ibis Golf & Country Club	UNIT 50	-	Balsamo
UNIT 19	-	Regional Center	UNIT 51	-	WCI Parcel 32
UNIT 19A	-	Irrigation	UNIT 52	-	Dissolved 2/28/07
			UNIT 53	-	Highland Dunes

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Northern Palm Beach County Improvement District
Palm Beach Gardens, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Palm Beach County Improvement District (the District), as of and for the fiscal year ended September 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Northern Palm Beach County Improvement District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Palm Beach County Improvement District, as of September 30, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 22, 2010, on our consideration of Northern Palm Beach County Improvement District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

- 1 -



MarcumRachlin a Division of Marcum LLP ■ marcumrachlin.com

One Southeast Third Avenue ■ Tenth Floor ■ Miami, Florida 33131 ■ Phone 305.377.4228 ■ Fax 305.377.8331

NEW YORK ■ NEW JERSEY ■ CONNECTICUT ■ PENNSYLVANIA ■ FLORIDA ■ GRAND CAYMAN

The Management's Discussion and Analysis on pages 3 through 12, and the budgetary comparison schedule on pages 39 and 40, are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor financial statements and other supplementary financial data and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor financial statements and other supplementary financial data and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



a division of Marcum LLP
West Palm Beach, Florida
February 22, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Northern Palm Beach County Improvement District would like to offer the readers of the District's financial statements this discussion and analysis of the District's financial activities during the fiscal year that ended on September 30, 2009. We encourage readers to consider the information presented in this discussion and analysis in conjunction with the District's financial statements, which follow this section.

FINANCIAL AND DISTRICT HIGHLIGHTS

Financial Highlights

- Net assets at the end of the year were approximately \$189,068,000. Of this amount, approximately \$11,524,000 (unrestricted net assets) may be used to meet the District's ongoing operations.
- Total net assets of the District decreased by approximately \$13,823,000 at September 30, 2009.
 - Net assets invested in capital assets, net of related debt decreased by approximately \$1,462,000. This was mainly due to donating the improvements to Indiantown Road financed through Unit of Development No. 46 to other governments and to paying down the existing debt used to finance capital assets.
 - Net assets restricted for debt service decreased by approximately \$12,522,000 due to principal payments on outstanding bonds decreasing debt outstanding and the associated deferred revenue.
 - Unrestricted net assets increased by approximately \$161,000 this year mainly due to building or replenishing reserves for several special revenue funds. Most notably, Unit of Development No. 16 is accumulating funds for a future weir replacement. In addition, Unit of Development No.4 is accumulating funds for future culvert cleaning.
- The District's total revenues (on an accrual basis) were approximately \$17,500,000 for the year ended September 30, 2009. This is a 23% decrease from the prior year primarily due to developer contributions and impact fees received in the prior year that were not repeated this year. Investment income decreased approximately 93% this year due to decreasing interest rates. Capital asset contributions from developers decreased by 97%. During 2008, a developer donated the landscape berm and mitigation area in Unit of Development No. 46 to the District.
- Total expenses for all of the District's activities were approximately \$31,400,000 for the year. This is a 2% or \$765,000 decrease from the prior year. This was essentially due to the Indiantown Road improvement project in Unit of Development No. 46 donated this year to other governments. In addition a loss of approximately \$785,000 was recorded due to the disposal and replacement of several large maintenance facilities resulting in a loss from the old asset being removed prior to full depreciation. Most notably, Unit of Development No. 5A roads were resurfaced and Unit of Development No. 9A lake liners were repaired. See pages 8 through 11 for further detail. Physical environment expenses decreased 1% this year due to savings on general insurance and restructuring the engineering program resulting in savings in engineering fees.
- Unit of Development No. 2C- Briger Tract started the pre-development and governmental approval process. The plan for this unit will be to build Scripps Phase II, a mixed use community focused on biotechnology and bioscience research industries.
- Unit of Development No. 4 received an NRCS grant for canal cleanup resulting from the effects of Tropical Storm Fay. The project cost was approximately \$62,000 with NRCS funding 75% of the project and Northern funding the remaining 25%.

- Due to the volatility of the financial markets ending September 30, 2009, the District was affected in several ways. One way was the 93% drop in interest earnings from the prior year. Another way was the Local Government Investment Pool (“State Pool”) run by the State Board of Administration (“SBA”) disclosed that they were invested in downgraded or credit-stressed securities in the latter part of 2008. The State Pool experienced significant withdrawals as a result as investors were unsure of the liquidity of the State Pool. The District withdrew its entire allowable balance of approximately \$8.6 million in December 2008, paying a 2% penalty of approximately \$133,000. Effective, January 23, 2009, the District’s investment policy was modified to prohibit additional local government investment pool investments without Board direction and approval. The District has made withdrawals from the State Pool to the full extent as balances become available. The District’s balance in the Pool was approximately \$375,000 with a fair value of approximately \$200,000 at September 30, 2009.
- The debt proceeds received during the year totaled \$1,000,000 for Unit of Development No. 9B for the construction of Donald Ross Road improvements.
- The District expended approximately \$2,900,000 on capital projects during the year, mainly in Units of Development No. 5A and 9B. This is a significant drop from prior year levels due to the area within Northern Palm Beach County Improvement District approaching build out.
- GASB (Governmental Accounting Standards Board) issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in June 2004. The Statement is effective for Northern for the fiscal year ended September 30, 2009. Northern is required to report the cost of benefits to retired employees during the time of their employment and how those benefits will be funded. Northern hired an actuary to compute the expense and accrued liability to date for those benefits. The State requires local governments to provide health care insurance to all retirees either funded by the government or by the retiree at the rate that all remaining employees are charged. The rate charged by insurance companies is blended rather than tiered by age. Thus, a retired employee is charged the same rate as a younger employee creating an implicit benefit. This benefit should be expensed, if material, and disclosed in the financial statement. At September 30, 2009, Northern employed 18 people and had no retirees on the health insurance plan. The actuarially determined annual required contribution and expense under GASB 45 was \$4,000. The actuarial accrued liability to date is \$29,000. Since these amounts are not material, the District will not record them in the financial statement or the notes.

USING THIS ANNUAL REPORT

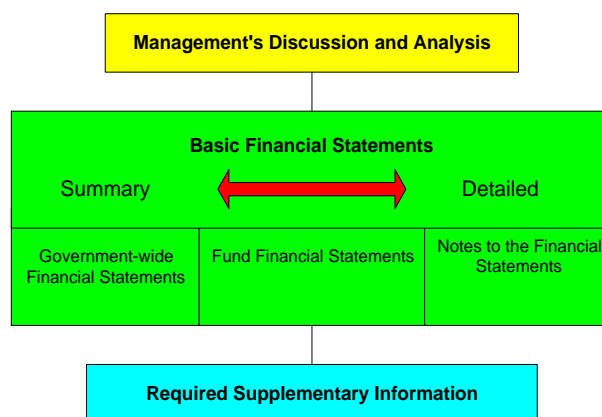
This discussion and analysis is intended to serve as an introduction to Northern Palm Beach County Improvement District’s basic financial statements. The District’s basic financial statements provide information on both the District as a whole (government-wide) and on the individual major funds. The District’s annual report consists of *three sections: the introductory section, the financial section* which includes management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents the combining statements for nonmajor governmental funds and other financial data and schedules and *the compliance section*. The basic financial statements themselves consist of three components: government-wide financial statements, fund financial statements and notes to the financial statements. These statements present different views of the District:

- The first two statements are ***government-wide financial statements*** that provide both long-term and short-term information about the District’s *overall* financial status. This statement format combines and consolidates the governmental funds’ current financial resources (short-term spendable resources) with capital assets (including infrastructure) and long-term obligations.

- The *fund financial statements* focus on individual parts of the District, reporting the District’s operations in *more detail* than the government-wide statements. This is the manner in which the budget is typically developed. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses of liquid resources.
- The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the basic financial statements are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in single columns in the basic financial statements.

**Figure A-1
Required components of Northern Palm Beach County Improvement
District’s Basic Financial Statements**



Government-wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the District’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The statement of net assets presents information on all of the District’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the District is improving or deteriorating. The District’s policy is to construct capital improvements for landowners and as they are completed, donate some of those improvements to other governments as a part of a Unit of Development’s Plan of Improvement. As a result, the District’s net assets may have significant swings due solely to the amount of capital assets donated during a fiscal year. Other non-financial factors should be considered as well, such as the condition of the District’s capital assets (canals, roads, pump stations, etc.) to assess the overall health of the District.

The statement of activities presents information showing how the government’s net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Government-wide Financial Statements can be found on pages 13-14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. The District's funds are all categorized as governmental funds.

The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the District's operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences between government-wide activities (reported in the statement of net assets and the statement of activities) and governmental funds are reconciled on separate schedules.

The District's governmental funds are further divided into three fund types: special revenue funds, debt service funds and capital project funds.

Special revenue funds generally account for the maintenance activities in the various Units of Development. Revenues mainly come from special assessments, interest earnings and loan proceeds. Expenses are for maintenance activities in established Units of Development. These expenses are typically for canal and lake maintenance, mowing, chemical weed control, road maintenance and repair projects.

Debt service funds account for the debt service for bonds and loans of the District. Generally the debt accounted for in these funds is from larger capital projects. Revenues are from special assessments, new or refunded debt and interest earnings. Expenses are for debt service, trustee fees and refunding costs.

Capital project funds account for the larger construction projects in various Units of Development. These projects typically span multiple years and run concurrent with a Unit of Development's Plan of Improvement. Revenues are from debt issuance or landowner contributions and interest earnings. Expenses are for capital outlay.

The District maintains 91 individual governmental funds: 48 special revenue funds, 28 debt service funds, 14 capital project funds and the general fund. Some funds are required by State law, however, the District establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting its legal responsibilities for using certain taxes and other money. The fund financial statements provide detailed information about *the most significant funds* (major funds), not the District as a whole. Accordingly, three major funds, in addition to the general fund, are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances. The remaining governmental funds (non-major funds) are reported in these statements as a combined total.

The Fund Financial Statements can be found on pages 15 - 18 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Notes to the financial statements can be found on pages 19 – 38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes combining financial statements and schedules, as well as other supplementary financial data and schedules which can be found on pages 41 through 91 of this report.

Infrastructure Assets

Historically, a government's largest group of assets, infrastructure, (roads, water control structures, surface water management systems, etc.) have not been reported nor depreciated in governmental fund financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the governmental activities column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over the estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The District has elected to implement the depreciation method.

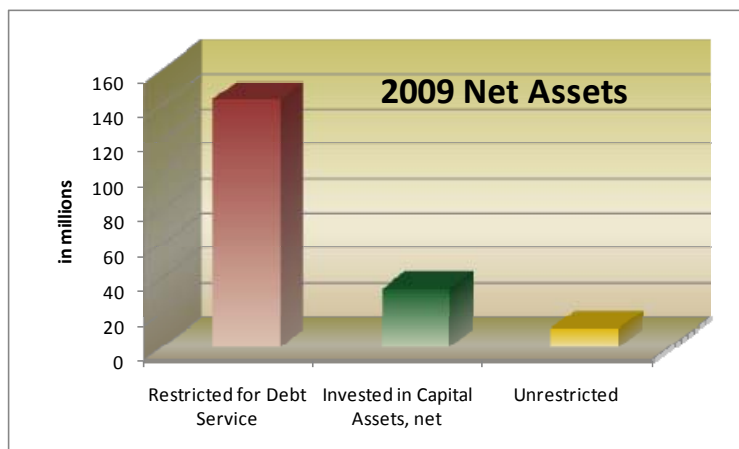
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets

The District's net assets decreased by 6.8% and were \$189,068,141 and \$202,890,902 in 2009 and 2008 respectively. Assets decreased by 6.6% in part due the reduction in assessments receivable as a result of collections that are used for scheduled debt service payments on outstanding debt reducing the amount of debt outstanding and the corresponding assessments receivable to pay off that debt. Capital assets decreased by approximately 7% due to the completion and subsequent donation to other governments of roadway improvements to Indiantown Road because of development in Unit of Development No. 46 as well as roadway milling and overlay projects in Unit of Development No. 5A. Liabilities decreased by 6.4% due to a reduction in contracts and retainage payable associated with the above mentioned capital projects. In addition, long-term debt outstanding decreased as noted above due to scheduled debt service payments and no new significant debt issued.

The largest portion of the District's net assets (\$143,290,788 or 76%) represents net assets restricted for debt service. An additional portion of the District's net assets (\$34,253,372 or 18%) represents investment in capital assets (infrastructure, buildings, machinery and equipment, etc.) less any related outstanding debt used to acquire or construct those assets. The District uses capital assets to provide services to its residents; accordingly, these assets are not available for future spending. This portion of net assets decreased mainly due to the completion and subsequent donation of several large construction projects as noted above. The remaining unrestricted net assets (\$11,523,981) may be used to meet the District's ongoing operations.

The following chart highlights the components of net assets as of September 30, 2009:



The following table highlights the net assets as of September 30, 2009 and September 30, 2008:

	<u>2009</u>	<u>2008</u>	<u>Percentage Change</u>
<i>ASSETS</i>			
Cash and cash equivalents	\$ 31,776,501	\$ 31,668,100	0.3%
Investments	200,266	1,865,412	-89.3%
Receivables	180,744,744	193,691,845	-6.7%
Prepaid items	187,017	26,306	610.9%
Unamortized bond costs	4,399,589	4,705,765	-6.5%
Capital assets	144,353,729	155,253,039	-7.0%
Total assets	361,661,846	387,210,467	-6.6%
<i>LIABILITIES</i>			
Accounts, contracts and retainage payable	684,791	1,274,682	-46.3%
Other liabilities	1,766,770	1,917,247	-7.8%
Long term debt:			
Due within one year	12,682,693	11,585,810	9.5%
Due in more than one year	157,459,451	169,541,826	-7.1%
Total liabilities	172,593,705	184,319,565	-6.4%
<i>NET ASSETS</i>			
Invested in capital assets, net of related debt	34,253,372	35,715,686	-4.1%
Restricted for debt service	143,290,788	155,812,514	-8.0%
Unrestricted	11,523,981	11,362,702	1.4%
Total net assets	\$ 189,068,141	\$ 202,890,902	-6.8%

Changes in Net Assets

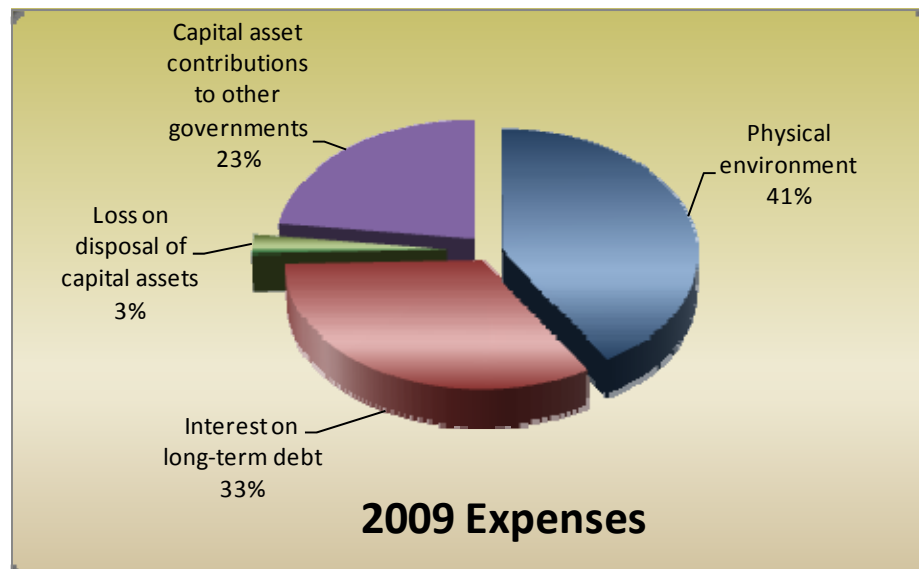
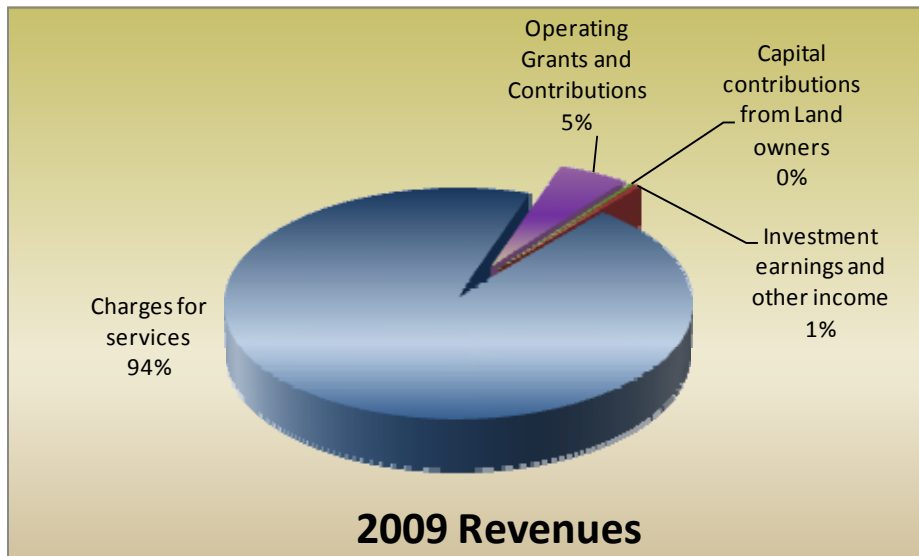
The following table highlights the changes in net assets for the years ended September 30, 2009 and September 30, 2008:

	<u>2009</u>	<u>2008</u>	<u>Percentage Change</u>
Revenues:			
Program revenues			
Charges for services	\$ 16,561,055	\$ 15,443,287	7%
Capital contributions from Land Owners	58,383	2,244,954	-97%
Operating Grants and Contributions	898,740	1,556,188	-42%
General revenues			
Investment earnings	81,917	1,099,027	-93%
Capital asset contribution from developer	-	2,604,524	-100%
Total revenues	\$ 17,600,095	\$ 22,947,980	-23%
Program expenses:			
Physical environment	12,971,005	13,041,923	-1%
Interest on long-term debt	10,441,290	10,904,651	-4%
Loss on disposal of capital assets	784,700	40,637	1831%
Capital asset contributions to other governments	7,225,862	8,201,067	-12%
Total expenses	31,422,857	32,188,278	-2%
Change in net assets	(13,822,761)	(9,240,298)	50%
Net assets, beginning of year	202,890,902	212,131,200	-4%
Net assets, end of year	\$ 189,068,141	\$ 202,890,902	-7%

The District's total revenues (including general revenues) decreased by approximately \$5,348,000 or 23% from 2008 to 2009. Capital contributions from landowners decreased due to the completion of the Indiantown Road improvements in Unit of Development No. 46 that were funded by the landowners per contractual agreement after the planned exhaustion of bond funds. In 2008, the District received a donation of a landscape berm and mitigation area from the same landowner that was not repeated in 2009. In addition, investment earnings decreased by approximately \$1,017,000 or 93% due to interest rates dropping throughout the year to near historic levels.

Total expenses decreased by approximately \$765,000 or 2%. Capital asset contributions to other governments decreased by 12% due to less completed and donated than in the prior year. Loss on the disposal of assets increased due to several large maintenance projects completed resulting in a loss from the old asset being removed prior to full depreciation. Interest on long-term debt decreased by 4% as scheduled interest payments were made. Maintenance activity expenses remained relatively unchanged.

The following graphs present the revenues and expenses for the fiscal year:



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, Northern Palm Beach County Improvement District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements as well as control and manage resources for specific purposes. The following is a discussion of the major funds of the District for fiscal year ended September 30, 2009 compared to the fiscal year ended September 30, 2008.

The general fund is the primary fund for tracking administrative and operation costs associated with the daily management of the District. Unreserved, undesignated fund balance in the general fund was approximately \$498,000 at September 30, 2009. This was a decrease of approximately \$183,000 from the prior year mainly due to interest earnings received that were greatly reduced from the prior year as well as insurance premiums paid for the next fiscal year and presented as a prepaid item.

The debt service fund for Unit of Development No. 9A had an approximate \$66,000 decrease in fund balance during this fiscal year. The debt service fund for Unit of Development 9B had an approximate \$119,000 decrease in fund balance. The debt service fund for Unit of Development No. 43 had a decrease of approximately \$86,000 in fund balance during the year. As noted above, for each fund the primary reason for the decrease was due to the decreased interest earnings received during this fiscal year. A portion of fund balance was used to pay the interest and principal due during the year rather than funding the entire payment through assessments.

BUDGETARY HIGHLIGHTS

The District adopted the fiscal year 2008/2009 budget on August 27, 2008. There were no budget amendments made to the budget. Total expenditures budgeted for the fiscal year ended September 30, 2009 were approximately \$29,797,000. Total assessment revenue budgeted was approximately \$28,336,000. The remaining funds were planned to come from funds carried over from prior years, intergovernmental revenues (agreement fees) and interest earnings.

As presented in the Budgetary Comparison Schedule, total revenue budgeted for the general fund was \$3,516,256 including transfers in. Actual revenue was approximately \$205,400 less than budgeted revenue due to total budgeted expenditures that were less than budgeted by approximately the same amount. "Transfers in" reimburse the general fund for expenses incurred within the general fund. Since general fund expenses were less than budgeted, the amount of transfers in to reimburse the general fund were less as well. Total budgeted expenses in the general fund were \$3,516,033. Actual expenses were approximately \$177,000 less than budgeted expenses due to contracting with a new district engineer and modifying the engineering program as well as insurance costs lower than anticipated due to rate decreases from adjustments in property values as a result of an insurance reappraisal.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the beginning of the fiscal year ended September 30, 2009, the District had \$155,253,039, net of accumulated depreciation, invested in a broad range of capital assets, including land, surface water management systems, roadway improvements, etc. A net decrease of \$10,899,309 decreased the total to \$144,353,730, net of accumulated depreciation, by the end of the fiscal year. The components of the change in capital assets included \$2,873,001 of construction completed or new machinery added during this fiscal year and \$8,521,017 of capital assets disposed of or donated to other governments. Depreciation expense was \$5,756,552.

The more significant changes to capital assets included the following:

- Unit of Development No. 5A- Road overlay and swale work completed with a total cost of \$790,279.
- Unit of Development No. 9A/9B-Widening of Donald Ross Road. Construction in progress at the close of the fiscal year was \$2,919,842. The total construction cost of the project is \$2,979,000.

The following table summarizes the District's capital assets, net of accumulated depreciation, for the year ended September 30, 2009 and September 30, 2008:

	<u>2009</u>	<u>2008</u>
Land	\$ 20,145,911	\$ 20,145,911
Lakes and canal improvements	9,612,544	9,612,544
Preserve improvements	8,850,619	8,844,489
Construction in progress	6,408,148	10,240,241
Buildings and improvements	5,453,053	5,782,868
Parks and facilities	6,977,642	7,458,390
Machinery and equipment	1,028,217	1,055,296
Roadway improvements	30,795,673	35,376,177
Storm water pump stations	4,358,966	4,792,151
Surface water management system	39,688,625	40,651,375
Water control structures	9,083,188	9,202,653
Water, sewer and irrigation facilities	1,951,144	2,090,944
<u>Total Capital Assets</u>	<u>\$ 144,353,730</u>	<u>\$ 155,253,039</u>

Additional information on the District's capital assets can be found in Note 3 on pages 27-28 of this report.

Debt

At September 30, 2009 the District had a total of \$170,142,144 in bonds and notes outstanding, net of bond premiums and discounts and deferred amount on refundings. New debt was issued for Unit of Development No. 9B in the form of a line of credit during the prior fiscal year. During this fiscal year, the District made two draws totaling \$1,000,000. The debt was fully repaid on September 23, 2009.

The following table presents the District's total outstanding debt for the fiscal year ended September 30, 2009 and September 30, 2008:

	<u>2009</u>	<u>2008</u>
Limited obligation bonds, net	\$ 163,486,431	\$ 173,150,382
Notes payable	<u>6,246,155</u>	<u>7,604,567</u>
Total bonds and notes payable	<u>\$ 170,142,144</u>	<u>\$ 180,754,949</u>

Additional information on the District's long-term debt can be found in Note 4 on pages 28-35 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following highlights were considered in creating the 2009/2010 budget:

- Unit of Development No. 2- EPB-3 Pilot Project- Suction Dredging.
- Unit of Development No. 3- EPB-6 East of Military Trail Shoal Removal.
- Unit of Development No. 3A- Catch Basin Inspections.
- Unit of Development No. 5A- Catch Basin Inspections.
- Unit of Development No. 9A- Lake Slope/Liner Maintenance
- Unit of Development No. 11- Culvert Repairs, Sidewalk Conversion Program and Swale Restoration.
- Unit of Development No. 14- Installation of one new aerator.
- Unit of Development No. 15- OS-1 Shoal Removal.
- Unit of Development No. 16- Drainage Easement Cleaning, Road Repairs and Culvert Repairs.
- Unit of Development No. 18- Road Repairs and Culvert Repairs.
- Unit of Development No. 21- F-1 Structure Conversion to Operable Gates.
- Unit of Development No. 24- Pump Station roof replacement.
- Unit of Development No. 31- Road and Concrete Repairs and Culvert Inspections.
- Unit of Development No. 38- Bridge Inspections.
- Unit of Development No. 44- Final Lift of Asphalt.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Executive Director, O'Neal Bardin, Jr., 359 Hiatt Drive, Palm Beach Gardens, Florida 33418.

BASIC FINANCIAL STATEMENTS

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

<u>ASSETS</u>	
Cash and cash equivalents	\$ 31,776,501
Investments	200,266
Receivables	180,744,744
Prepaid items	187,017
Unamortized bond issue costs	4,399,589
Capital assets not being depreciated	45,017,222
Capital assets being depreciated, net	<u>99,336,508</u>
Total assets	<u>361,661,846</u>
 <u>LIABILITIES</u>	
Accounts payable	590,844
Contracts and retainage payable	93,947
Accrued bond interest payable	1,638,617
Unearned revenue	128,153
Long-term debt:	
Due within one year	12,682,693
Due in more than one year	<u>157,459,451</u>
Total liabilities	<u>172,593,705</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	34,253,372
Restricted for debt service	143,290,788
Unrestricted	<u>11,523,981</u>
Total net assets	<u>\$ 189,068,141</u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>(Expense)</u>
		<u>Services</u>	<u>Grants and</u>	<u>Contributions</u>	<u>Revenue</u>
			<u>Contributions</u>	<u>from</u>	<u>and</u>
				<u>Land</u>	<u>Changes in</u>
				<u>Owners</u>	<u>Net Assets</u>
Governmental activities:					
Physical environment	\$ 12,971,004	\$ 16,561,055	\$ 898,740	\$ 58,383	\$ 4,547,174
Interest on long-term debt	<u>10,441,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,441,290)</u>
Total governmental activities	<u>\$ 23,412,294</u>	<u>\$ 16,561,055</u>	<u>\$ 898,740</u>	<u>\$ 58,383</u>	<u>(5,894,116)</u>
General revenues:					
Unrestricted investment earnings					81,917
Loss on sale/disposal of capital assets					(784,700)
Capital contributions to other governments					<u>(7,225,862)</u>
Total general revenues					<u>(7,928,645)</u>
Change in net assets					(13,822,761)
Net assets, beginning of year					<u>202,890,902</u>
Net assets, end of year					<u>\$ 189,068,141</u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service 9A	Debt Service 9B	Debt Service 43		
<u>ASSETS</u>						
Cash and cash equivalents	\$ 551,522	\$ 840,892	\$ 2,635,423	\$ 2,332,905	\$ 25,415,759	\$ 31,776,501
Investments	14,202	776	385	479	184,424	200,266
Receivables:						
Assessments	2,090,000	37,365,000	23,010,000	21,187,136	96,870,737	180,522,873
Interest	-	7	22	19	139	187
Accounts	5,327	19,543	11,155	9,377	176,282	221,684
Prepaid items	174,318	-	-	-	12,699	187,017
Due from other funds	10,959	-	-	-	-	10,959
Total assets	<u>\$2,846,328</u>	<u>\$38,226,218</u>	<u>\$25,656,985</u>	<u>\$23,529,916</u>	<u>\$ 122,660,040</u>	<u>\$ 212,919,487</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 83,606	\$ -	\$ -	\$ -	\$ 507,238	\$ 590,844
Contracts and retainage payable	-	-	-	-	93,947	93,947
Due to other funds	-	-	-	-	10,959	10,959
Unearned revenue	-	-	-	-	128,153	128,153
Deferred revenue	2,090,000	37,365,000	23,010,000	21,187,136	96,870,737	180,522,873
Total liabilities	<u>2,173,606</u>	<u>37,365,000</u>	<u>23,010,000</u>	<u>21,187,136</u>	<u>97,611,034</u>	<u>181,346,776</u>
Fund balances:						
Reserved for prepaid items	174,318	-	-	-	12,699	187,017
Unreserved, undesignated, reported in:						
General fund	498,404	-	-	-	-	498,404
Debt service funds	-	861,218	2,646,985	2,342,780	15,703,337	21,554,320
Special revenue funds	-	-	-	-	6,848,529	6,848,529
Capital project funds	-	-	-	-	2,484,441	2,484,441
Total fund balances	<u>672,722</u>	<u>861,218</u>	<u>2,646,985</u>	<u>2,342,780</u>	<u>25,049,006</u>	<u>31,572,711</u>
Total liabilities and fund balances	<u>\$2,846,328</u>	<u>\$38,226,218</u>	<u>\$25,656,985</u>	<u>\$23,529,916</u>	<u>\$ 122,660,040</u>	<u>\$ 212,919,487</u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

Total governmental fund balances (Page 15) \$ 31,572,711

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Cost of assets	\$ 190,065,640	
Accumulated depreciation	<u>(45,711,910)</u>	144,353,730

The focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (assessments receivable) are offset by deferred revenue in the governmental funds and thus are not included in fund balance.

Adjustment of deferred revenue		180,522,872
--------------------------------	--	-------------

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The amount borrowed is received in the governmental funds and increases fund balance, whereas the amount escrowed for payment of the old debt reduces fund balance. The difference between those amounts as well as the bond issuance costs will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the refunded debt. Balances at year-end consist of:

Bonds and notes payable	(180,830,169)	
Less deferred amount on refunding	11,097,583	
Less unamortized bond costs	4,399,589	
Accrued interest payable on long-term debt	(1,638,617)	
Compensated absences	<u>(409,558)</u>	<u>(167,381,172)</u>

Total net assets (Page 14)		<u>\$ 189,068,141</u>
----------------------------	--	-----------------------

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service 9A	Debt Service 9B	Debt Service 43		
Revenues:						
Non-ad valorem assessments	\$ 495,616	\$ 2,985,609	\$ 1,704,061	\$ 1,441,459	\$ 21,405,408	\$ 28,032,153
Intergovernmental revenues	-	-	-	-	898,740	898,740
Investment income	(753)	8,462	7,048	6,415	60,745	81,917
Miscellaneous	7,616	-	-	-	178,039	185,655
Total revenues	502,479	2,994,071	1,711,109	1,447,874	22,542,932	29,198,465
Expenditures:						
Current:						
Physical environment	2,796,957	-	-	-	4,336,562	7,133,519
Capital outlay	55,302	-	-	-	2,817,702	2,873,004
Debt service:						
Principal	370,000	1,365,000	1,780,000	506,254	8,635,499	12,656,753
Interest	116,850	1,685,673	1,095,228	1,023,306	5,619,852	9,540,909
Other	-	9,333	5,328	4,478	39,139	58,278
Total expenditures	3,339,109	3,060,006	2,880,556	1,534,038	21,448,754	32,262,463
Excess (deficiency) of revenues over expenditures	(2,836,630)	(65,935)	(1,169,447)	(86,164)	1,094,178	(3,063,998)
Other financing sources (uses):						
Transfers in	2,808,378	-	1,050,290	-	239,392	4,098,060
Transfers out	-	-	-	-	(4,098,060)	(4,098,060)
Proceeds from sales/disposals of capital assets	5,200	-	-	-	-	5,200
Advances from landowners	-	-	-	-	58,383	58,383
Repayment to landowners	-	-	-	-	(44,063)	(44,063)
Special assessment bonds issued	-	-	-	-	1,000,000	1,000,000
Total other financing sources (uses)	2,813,578	-	1,050,290	-	(2,844,348)	1,019,520
Net change in fund balances	(23,052)	(65,935)	(119,157)	(86,164)	(1,750,171)	(2,044,479)
Fund balances, beginning of year	695,774	927,153	2,766,142	2,428,944	26,799,176	33,617,189
Fund balances, end of year	\$ 672,722	\$ 861,218	\$ 2,646,985	\$ 2,342,780	\$ 25,049,006	\$ 31,572,711

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED SEPTEMBER 30, 2009

Net change in fund balances - total governmental funds (Page 17)		\$ (2,044,479)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	\$2,873,004	
Less current year depreciation expense	<u>(5,756,552)</u>	(2,883,548)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.</p>		
Capital asset contributions to other governments	(7,225,862)	
Proceeds from the sale/disposal of capital assets	(5,200)	
Current year deletions of capital assets	<u>(784,700)</u>	(8,015,762)
<p>Governmental funds report annual collections of debt assessments as revenue, including the portion collected for principal repayment. However, in the statement of activities, the principal repayment portion is recognized as revenue upon adoption of the resolutions authorizing the debt.</p>		
		(11,656,753)
<p>Some revenues, expenses, gains and losses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources:</p>		
Current year compensated absences	(409,558)	
Prior year compensated absences	<u>372,687</u>	(36,871)
<p>Interest expense in the statement of activities differs from the amount reported in governmental funds for two reasons. The net effect of accrued interest on long-term debt (difference between amount that would have been accrued in prior year and current year accrual), and adjustments arising from the advance refunding are amortized:</p>		
Net effect of accrued interest on long-term debt	98,464	
Net amortization of bond discount and premium	16,137	
Amortization of bond issuance costs	<u>(956,704)</u>	(842,103)
<p>Bond and note proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets.</p>		
Special assessment bond proceeds		<u>(1,000,000)</u>
<p>Transferred to the paying agent:</p>		
Principal payments on long-term debt		<u>12,656,755</u>
Change in net assets of governmental activities (Page 14)		<u>\$ (13,822,761)</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Northern Palm Beach County Improvement District (the District) was created pursuant to Chapter 59-994, Florida Statutes and codified pursuant to Chapter 2000-467, Laws of Florida, and supplemented by Chapter 2005-238, Laws of Florida, for the purpose of reclaiming the lands within its boundaries for water control and water supply purposes, and to protect the land from the effects of water by means of the construction and maintenance of canals, ditches, levees, dikes, pumping plants, and other works and improvements. The District is also authorized to construct and operate water and sewer facilities, roads, parks and parkways. The District is located in the northeastern section of Palm Beach County and encompasses approximately 128 square miles of land.

The governing body of the District is the Board of Supervisors ("the Board") which is comprised of five elected members. The Board is responsible for legislative and fiscal control of the District.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States (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 more significant of the District's accounting policies are described below.

A. Financial Reporting Entity

The financial statements were prepared in accordance with GASB Statements related to *The Financial Reporting Entity*, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the District, organizations for which the District is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. Based upon the application of these criteria, there were no organizations that met the criteria described above.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Major individual governmental funds 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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-ad valorem assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become 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 District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Non-ad valorem assessments and interest on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District. Revenues for expenditure driven grants are recognized when the related expenditures are incurred.

The District reports the following major governmental funds:

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

The *Unit 9A Debt Service Fund*, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 9A.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *Unit 9B Debt Service Fund*, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 9B.

The *Unit 43 Debt Service Fund*, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for Unit of Development 43.

Additionally, the District reports the following fund types:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

Cash and investments of each fund, except for certain investments governed by bond resolutions or other contractual agreements, are accounted for in pooled cash and investment accounts with each fund maintaining its proportionate equity in the pooled accounts. The use of a pooled cash and investment account enables the District to invest idle cash for short periods of time, thereby maximizing earnings potential. Income earned from this pooling of investments is allocated to the respective funds based upon average monthly proportionate balances.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash and Investments (Continued)

The District can invest in interest-bearing checking or savings accounts, interest-bearing time deposits, the Local Government Surplus Funds Trust Fund, Securities and Exchange Commission registered money market funds, direct obligations of the U.S. Treasury, Federal Agencies and Government Sponsored Enterprises, commercial paper, securities of investment companies limited to obligations of the U.S. Government, repurchase agreements collateralized by U.S. Treasury Securities, and other investments authorized by law for districts or by resolution of the District. All investments are reported at fair value.

The District considers cash on hand, demand deposits, and all other short-term investments that are highly liquid to be cash equivalents.

2. Accounts Receivable

Accounts receivable include refunds and net reimbursements due to the District. Management believes the amounts are fully collectible.

3. Assessments Receivable/Deferred Revenue

Assessments receivable recorded in the Debt Service Funds represent the balance of outstanding assessments levied by the District to repay outstanding debt. The assessments are levied at the time the related debt issuance is authorized. The receivables are collected in annual installments together with assessments for interest and collection costs in amounts sufficient to meet the annual debt service requirements.

The District reports deferred revenue in the fund financial statements in an amount equal to the assessments receivable since this revenue will be collected in future years. This assessment revenue is not deferred in the government-wide financial statements. Instead, it is recognized as revenue at the time the assessments are levied.

4. Debt Issuance Costs

Costs of issuing bonds and notes have been capitalized as a noncurrent asset in the statement of net assets. These costs are amortized as interest expense using the proportionate-to-stated-interest-requirements method over the term of the obligation.

In the fund financial statements, debt issuance costs are not capitalized. Instead, the expenditures are reported as debt issuance costs in the year the costs are incurred.

5. Capital Assets and Depreciation

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. When purchased, acquired or constructed, capital assets are recorded as expenditures in the governmental funds and capitalized as assets in

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets and Depreciation (Continued)

the government-wide statement of net assets. Capital assets are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure, such as canals, bridges, culverts and drainage systems, are capitalized along with other general capital assets at historical costs. The valuation basis for capital assets is historical cost.

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

Water control structures	50 years
Surface water management system	50 years
Roadway improvements	20 years
Buildings and improvements	20 years
Parks and facilities	20 years
Storm water pump station	15 years
Water, sewer and irrigation facilities	15 years
Entrance gates and other improvements	10-20 years
Machinery and equipment	5-10 years

6. Compensated Absences

The District's employees are granted compensated absence pay for vacation leave based on length of service to a maximum of 308 hours. Employees must use 75% of the annual vacation accrual or forfeit the unused portion. Vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the District will compensate the employees upon termination or retirement. Employees who began working before July 1, 2005 are eligible for paid sick leave, up to a maximum of 420 hours. Employees who began working after July 1, 2005 are not paid for accrued sick leave. The District uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are eligible to receive termination payments upon separation.

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

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Long-Term Debt

Bonds payable are reported as liabilities in the government-wide statement of net assets. These liabilities are not reported in the fund financial statements as they are not considered to be current liabilities.

8. Net Assets

Equity in the government-wide statement of net assets is displayed in three categories: 1) invested in capital assets net of related debt, 2) restricted, 3) unrestricted. Net assets invested in capital assets net of related debt consist of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

10. Use of Estimates

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

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS

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. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The District's deposits at year end are insured or collateralized with securities held by the entity or by its agent in the entity's name.

Investments

The District has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves. The District is authorized to invest in interest-bearing checking or savings accounts, interest-bearing time deposits, the Local Government Surplus Funds Trust Fund, Securities and Exchange Commission registered money market funds, direct obligations of the U.S. Treasury, Federal Agencies and Government Sponsored Enterprises, commercial paper, securities of investment companies limited to obligations of the U.S. Government, repurchase agreements collateralized by U.S. Treasury Securities, and other investments authorized by law for districts or by resolution of the District.

The Local Government Surplus Funds Trust Fund (the "State Pool") is an external investment pool. The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. In November 2007, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their funds and ultimately restructured the State Pool into two separate pools ("LGIP" (Now known as Florida PRIME) and "Fund B"), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of Florida PRIME and Fund B. Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board had adopted operating procedures consistent with the requirements for a 2a7-like fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in Florida PRIME is equal to the value of the pool shares. The Fund B is accounted for as a fluctuating NAV pool. As of September 30, 2009, the fair value factor for Fund B was \$.54915069 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within Florida PRIME. The investments in Florida PRIME and Fund B are not insured by FDIC or

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

any other governmental agency. Effective, January 23, 2008, the District's investment policy was modified to prohibit additional local government investment pool investments without Board direction and approval. Accordingly, the District's participation in the State Pool is involuntary, and the District has made withdrawals from the State Pool to the full extent as balances become available.

Interest Rate Risk

As of September 30, 2009, the District had the following investments subject to interest rate risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
<u>SBA Fund B</u>	<u>\$ 200,266</u>	<u>6.69 years</u>

The District will attempt to minimize the risk that the market value of securities in the portfolio will fail due to changes in interest rates by:

- A. Structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- B. Investing operating funds primarily in short-term securities, money market funds, or similar investment pools unless it is anticipated that long-term securities can be held until maturity without jeopardizing the liquidity requirements.

Credit Risk

State law and the District's investment policy limits investments in bonds, U.S. treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations (NRSRO) of the United States. The LGIP is rated AAAM by Standard and Poors. The Fund B is not rated by an NRSO.

The risk of loss due to failure of the security issuer or backer will be minimized by:

- A. Limiting investments to the safest types of securities, based on portfolio composition.
- B. Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business.
- C. Diversifying the investment portfolio so that potential losses on individual securities will not place an undue financial burden on the District.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk (Continued)

- D. Monitoring all of the District's investments to anticipate and respond appropriately to changing market conditions. (Daily by the District's Investment Advisor, monthly by the District's finance director and quarterly by the Board.)
- E. Investments in Money Market Fund, Federal Farm Credit Bank, and Commercial Paper are rated with a nationally recognized rating agency Aaa, Aaa, and A-1+ respectively.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Ending <u>Balance</u>
Capital assets not being depreciated:					
Land	\$ 20,145,911	\$ -	\$ -	\$ -	\$ 20,145,911
Lakes and canal improvements	9,612,544	-	-	-	9,612,544
Preserve improvements	8,844,489	6,130	-	-	8,850,619
Construction in progress	<u>10,240,241</u>	<u>1,443,850</u>	-	<u>(5,275,943)</u>	<u>6,408,148</u>
Total capital assets not being depreciated	<u>48,843,185</u>	<u>1,449,980</u>	-	<u>(5,275,943)</u>	<u>45,017,222</u>
Capital assets being depreciated:					
Buildings and improvements	6,596,298	-	-	-	6,596,298
Parks and facilities	9,614,967	-	-	-	9,614,967
Machinery and equipment	6,640,604	350,162	31,323	-	6,959,443
Roadway improvements	53,513,751	653,005	8,153,691	5,275,943	51,289,008
Storm water pump stations	10,151,571	114,980	61,222	-	10,205,329
Surface water management system	46,461,404	180,909	246,481	-	46,395,832
Water control structures	11,247,907	123,965	28,300	-	11,343,572
Water, sewer and irrigation facilities	<u>2,643,969</u>	-	-	-	<u>2,643,969</u>
Total capital assets being depreciated	<u>146,870,471</u>	<u>1,423,021</u>	<u>8,521,017</u>	<u>5,275,943</u>	<u>145,048,418</u>
Less accumulated depreciation for:					
Buildings and improvements	(813,430)	(329,815)	-	-	(1,143,245)
Parks and facilities	(2,156,577)	(480,748)	-	-	(2,637,325)
Machinery and equipment	(5,585,308)	(376,903)	30,985	-	(5,931,226)
Roadway improvements	(18,137,574)	(2,727,784)	372,023	-	(20,493,335)
Storm water pump stations	(5,359,420)	(547,014)	60,071	-	(5,846,363)
Surface water management system	(5,810,029)	(928,573)	31,395	-	(6,707,207)
Water control structures	(2,045,254)	(225,915)	10,785	-	(2,260,384)
Water, sewer and irrigation facilities	<u>(553,025)</u>	<u>(139,800)</u>	-	-	<u>(692,825)</u>
Total accumulated depreciation	<u>(40,460,617)</u>	<u>(5,756,552)</u>	<u>505,259</u>	-	<u>(45,711,910)</u>
Total capital assets being depreciated, net	<u>106,409,854</u>	<u>(4,333,531)</u>	<u>8,015,758</u>	<u>5,275,943</u>	<u>99,336,508</u>
Governmental activities capital assets, net	<u>\$ 155,253,039</u>	<u>\$ (2,883,551)</u>	<u>\$ 8,015,758</u>	<u>\$ -</u>	<u>\$ 144,353,730</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 3. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental activities:

Physical environment \$5,756,552

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES

Long-term obligations are comprised of limited obligation bonds, notes payable and compensated absences. Debt was issued primarily to provide funds to finance the cost of projects to construct or maintain improvements within the District. The limited obligation bonds and notes payable bear interest at rates ranging from 2.125% to 10.00% and mature in future years through 2041, and are collateralized by pledged future drainage and maintenance assessments (non-ad valorem assessments). The total principal and interest remaining on the debt is \$281,659,141 payable through August 1, 2041, and is 100% funded by the non-ad valorem assessments. For the current year, principal and interest paid and total non-ad valorem assessments were \$22,197,662 and \$28,032,153, respectively.

Special Assessment Debt with Governmental Commitment

Special assessment debt with governmental commitment is not backed by the full faith and credit of the District but is payable solely from and secured solely by a lien on and pledge of drainage taxes (non-ad valorem assessments) of the properties benefited by the improvements.

Outstanding balances at September 30, 2009, are as follows:

\$6,025,000 2002 Water Control and Improvement Bonds, Unit 2A, due in annual installments of \$105,000 to \$430,000 from August 1, 2010, through August 1, 2033, with interest of 6.40% payable semi-annually on February 1 and August 1 of each year. \$ 5,530,000

\$1,925,000 Water Control and Improvement Refunding Bonds, Unit 3A, Series 2004A, due in annual installments of \$175,000 to \$195,000 from August 1, 2010, through August 1, 2014, with interest ranging from 2.375% to 3.25% payable semi-annually on February 1 and August 1 of each year and \$3,670,000 Water Control and Improvement Refunding Bonds, Unit 3A, Taxable Series 2004B, due on August 1, 2027, subject to mandatory redemptions of \$35,000 to \$400,000 from August 1, 2015 through August 1, 2027 with interest of 5.375% payable semi-annually on February 1 and August 1 of each year. 4,775,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Special Assessment Debt with Governmental Commitment (Continued)

\$9,280,000 1998 Water Control and Improvement Refunding Bonds, Unit 5A, due on August 1, 2010, with interest at 6.00% payable semi-annually on February 1 and August 1 of each year. The bonds are subject to annual mandatory redemption of \$965,000 August 1, 2010.	965,000
\$2,000,000 Series 2007 Water Control and Improvement Bonds, Unit 5A, due in annual installments of \$295,000 to \$415,000 from August 1, 2010, through August 1, 2014, with interest at 4.30% payable semi-annually on February 1 and August 1 of each year.	1,860,000
\$6,440,000 Series 2005 Water Control and Improvement Refunding Bonds, Unit 5B, due in annual installments of \$265,000 to \$475,000 from August 1, 2010 to August 1, 2025, with interest from 3.00% to 4.25% payable semi-annually on February 1 and August 1 of each year. The bonds are subject to mandatory redemptions of \$435,000 to \$475,000 from August 1, 2023, to August 1, 2025.	5,695,000
\$3,080,000 2006 Water Control and Improvement Refunding Bonds, Unit 5C, due in annual installments of \$270,000 to \$355,000 from August 1, 2010, to August 1, 2016, with interest from 4.00% to 5.00% payable semi-annually on February 1 and August 1 of each year.	2,205,000
\$3,870,000 2006 Water Control and Improvement Refunding Bonds, Unit 5D, due in annual installments of \$255,000 to \$365,000 from August 1, 2010 to August 1, 2019, with interest from 4.00% to 5.00% payable semi-annually on February 1 and August 1 of each year.	3,085,000
\$44,110,000 2003 Water Control and Improvement Refunding Bonds, Unit 9A, due in annual installments of \$1,410,000 to \$2,965,000 from August 1, 2010, through August 1, 2027, with interest rates of 3.10% to 5.25%, payable semi-annually on February 1 and August 1 of each year.	37,365,000
\$25,805,000 2005 Water Control and Improvement Refunding Bonds, Unit 9B, due in annual installments of \$750,000 to \$1,290,000 from August 1, 2010 to August 1, 2023, and subject to mandatory redemptions of \$1,355,000 to \$1,725,000 from August 1, 2024 to August 1, 2029, with interest from 3.50% to 5.00%, payable semi-annually on February 1 and August 1 of each year.	23,010,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Special Assessment Debt with Governmental Commitment (Continued)

\$2,835,000 2006 Water Control and Improvement Refunding Bonds, Unit 11, due in an annual installment of \$745,000 on August 1, 2010, with interest at 4.00% payable semi-annually on February 1 and August 1 of each year.	745,000
\$3,715,000 1999 Water Control and Improvement Refunding Bonds, Unit 16, due in annual installments of \$115,000 to \$320,000 from August 1, 2010, to August 1, 2024, with an interest rate of 7.50% payable semi-annually on February 1 and August 1 of each year.	3,005,000
\$5,795,000 2002 Water Control and Improvement Refunding Bonds, Unit 16, due in annual installments of \$100,000 to \$445,000 from August 1, 2010, to August 1, 2032 with an interest rate of 6.00% to 7.00% payable semi-annually on February 1 and August 1 of each year.	5,280,000
\$33,980,000 1998 Water Control and Improvement Refunding Bonds, Unit 18, due in annual installments of \$2,360,000 to \$2,850,000 from August 1, 2010, to August 1, 2014, with interest from 4.625% to 5.00% payable semi-annually on February 1 and August 1 of each year.	12,995,000
\$3,259,735 2007 Water Control and Improvement Bonds, Unit 19, due in annual installments of \$185,453 to \$306,355 from August 1, 2010, to August 1, 2021, with an interest rate of 4.5% payable semi-annually on February 1 and August 1 of each year.	2,904,991
\$3,485,000 1998 Water Control and Improvement Refunding Bonds, Unit 24, due in annual installments of \$315,000 to \$330,000 from August 1, 2010, to August 1, 2011, with interest from 5.50% to 5.60% payable semi-annually on February 1 and August 1 of each year.	645,000
\$4,340,000 2002 Water Control and Improvement Refunding Bonds, Unit 27B, due in annual installments of \$75,000 to \$315,000 from August 1, 2010, to August 1, 2032, with interest at 6.40% payable semi-annually on February 1 and August 1 of each year.	3,915,000
\$455,524 1998 Water Control and Improvement Refunding Bonds, Unit 29, due in an annual installment of \$50,631 on August 1, 2010, with interest at 5.73% payable semi-annually on February 1 and August 1 of each year.	50,631

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Special Assessment Debt with Governmental Commitment (Continued)

\$6,360,000 2003 Water Control and Improvement Refunding Bonds, Unit 31, Program I, due in annual installments of \$635,000 to \$725,000 from November 1, 2010, to November 1, 2013, with interest from 3.00% to 4.00% payable semi-annually on May 1 and November 1 of each year.	3,390,000
\$14,190,000 2001 Water Control and Improvement Refunding Bonds, Unit 31 due in annual installments of \$995,000 to \$2,180,000 from November 1, 2010 to November 1, 2015, with interest of 4.625% to 5.125% payable semi-annually on May 1 and November 1 of each year.	9,690,000
\$153,114 1998 Water Control and Improvement Refunding Bonds, Unit 32A, due in an annual installment of \$17,019 on August 1, 2010, with interest at 5.73% payable semi-annually on February 1 and August 1 of each year.	17,019
\$107,436 1998 Water Control and Improvement Refunding Bonds, Unit 33, due in an annual installment of \$11,941 on August 1, 2010, with interest at 5.73% payable semi-annually on February 1 and August 1 of each year.	11,941
\$21,535,000 2001 Water Control and Improvement Bonds, Unit 43, due in annual installments of \$420,000 to \$450,000 from August 1, 2010, to August 1, 2011, with interest at 6.10% payable semiannually on February 1 and August 1 of each year.	870,000
\$736,826 2003 Water Control and Improvement Bonds, Unit 43, due in annual installments of \$69,434 to \$83,757 from August 1, 2010, to August 1, 2014, with interest of 4.80% payable semi-annually on February 1 and August 1 of each year.	382,136
\$6,680,000 Series 2007A Water Control and Improvement Refunding Bonds, Unit 43, due in annual installments of \$50,000 to \$790,000 from August 1, 2010, through August 1, 2021, with interest at 4.55% payable semi-annually on February 1 and August 1 of each year.	6,590,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Special Assessment Debt with Governmental Commitment (Continued)

\$13,345,000 Series 2007B Water Control and Improvement Refunding Bonds, Unit 43, due in annual installments of \$15,000 to \$1,475,000 from August 1, 2011, through August 1, 2031, with interest of 4.25% to 5.00% payable semi-annually on February 1 and August 1 of each year.	13,345,000
\$4,365,000 2000A Water Control and Improvement Bonds, Unit 44, due in annual installments of \$190,000 to \$720,000 from February 1, 2024, to August 1, 2031, with interest of 6.60% payable semi-annually on February 1 and August 1 of each year.	4,365,000
\$4,100,000 2000B Water Control and Improvement Bonds, Unit 44 (Taxable), due in annual installments of \$110,000 to \$410,000 from August 1, 2010, to August 1, 2024, with interest of 10.00% payable semiannually on February 1 and August 1 of each year.	3,505,000
\$4,600,000 2006 Water Control and Improvement Refunding Bonds, Unit 45, due in annual installments of \$105,000 to \$280,000 from August 1, 2010, to August 1, 2033, with interest from 4.00% to 5.00% payable semiannually on February 1 and August 1 of each year.	4,260,000
\$11,500,000 Series 2007A Water Control and Improvement Bonds, Unit 46, term bonds due August 1, 2041. The bonds are subject to mandatory redemptions due in annual installments of \$300,000 to \$870,000 from August 1, 2021, through August 1, 2041, with interest at 5.35% payable semi-annually on February 1 and August 1 of each year.	11,500,000
\$2,320,000 Series 2007B Water Control and Improvement Bonds (Taxable), Unit 46, term bonds due August 1, 2021. The bonds are subject to mandatory redemptions due in annual installments of \$120,000 to \$275,000 from August 1, 2010, through August 1, 2021, with interest at 8.25% payable semi-annually on February 1 and August 1 of each year.	<u>2,320,000</u>
Total special assessment debt with governmental commitment	<u><u>\$ 174,276,718</u></u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Notes Payable

The notes do not constitute a general obligation of the District, or the State of Florida, or any political subdivision, but are obligations payable solely from non-ad valorem revenues of the District. Outstanding balances at September 30, 2009 are as follows:

\$708,000 promissory note, Unit of Development No. 3, Canal Bank Maintenance, due in an annual installment of \$70,083 on August 1, 2010, with interest at 6.34% payable semi-annually on February 1 and August 1. \$ 70,083

\$120,000 promissory note, Unit of Development No. 3 Canal Bank Maintenance, payable in an annual installment of 12,137 on August 1, 2010, with interest at 6.76% payable semi-annually on February 1 and August 1 of each year. 12,137

\$277,500 promissory note, Unit of Development No. 41, due in annual installments of \$21,759 to \$23,704 from August 1, 2010, through August 1, 2013, with interest at 5.79% payable semi-annually on February 1 and August 1 of each year. 90,890

\$682,814 promissory note, Units of Development No. 4 and 15, due in annual installments of \$28,690 to \$31,752 from August 1, 2010, to August 1, 2012, with interest at 5.20% payable semi-annually on February 1 and August 1 of each year. 90,624

\$1,788,102 promissory note, Unit of Development No. 11, due in annual installments of \$200,436 to \$221,402 from August 1, 2010, through August 1, 2012, with interest at 5.10% payable semi-annually on February 1 and August 1 of each year. 632,496

\$702,947 promissory note, Unit of Development No. 24A, due in annual installments of \$77,676 to \$85,937 from November 1, 2007, through November 1, 2011, with interest at 5.396% payable semi-annually on May 1 and November 1 of each year. 248,051

\$765,000 promissory note, Unit of Development No. 36, due in annual installments of \$84,209 to \$88,259 from August 1, 2010, through August 1, 2012, with interest at 4.81% payable semi-annually on February 1 and August 1 of each year. 172,468

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Notes Payable (Continued)

\$3,700,000 promissory note, EOC/Administrative Complex, due in annual installments of \$240,000 to \$370,000 from August 1, 2010 through August 1, 2015 with interest at 4.75%. Interest is payable semi-annually on February 1 and August 1 of each year.	2,090,000
\$1,884,907 promissory note, Units of Development No. 3,4,14,21,23 & 32 A, due in annual installments of \$46,668 to \$182,375 from August 1, 2010 to August 1, 2014 with interest at 3.90% payable semi-annually on February 1 and August 1 of each year.	503,441
\$1,345,750 promissory note, Unit 19A, due in annual installments of \$54,957 to \$143,159 from August 1 2010 through August 1, 2013, with interest of 4.12% payable semi annually on February 1 and August 1 of each year.	467,665
\$1,500,000 promissory note, Unit 11, due in annual installments of \$148,205 to \$164,445 from August 1, 2010 through August 1, 2015, with interest of 4.18% payable semi-annually on February 1 and August 1 of each year.	937,199
\$265,500 promissory note, Units of Development No. 4, 14, and 20, due in annual installments of \$5,812 to \$41,317 for August 1, 2010, through August 1, 2016, with interest at 5.25% payable semi-annually on February 1, and August 1 or each year.	81,101
\$850,000 promissory note, Unit 5A, due in annual installments of \$156,000 to \$184,000 for August 1, 2010, through August 1, 2014, with interest at 4.30% payable semi-annually on February 1, and August 1 or each year.	<u>850,000</u>
Total notes payable	<u><u>\$ 6,246,155</u></u>

Changes in long-term obligations for the year ended September 30, 2009, are summarized below:

	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009	Due Within One Year
Limited obligation bonds	\$ 184,575,059	\$ 1,000,000	\$ 11,298,341	\$ 174,276,718	\$ 11,039,478
Plus bond premium	615,755	-	34,915	580,840	-
Less bond discount	(292,319)	-	(18,778)	(273,541)	-
Less deferred amount on refunding	<u>(11,748,113)</u>	<u>-</u>	<u>(650,527)</u>	<u>(11,097,586)</u>	<u>-</u>
Total limited obligation bonds	173,150,382	1,000,000	10,663,951	163,486,431	11,039,478
Notes payable	7,604,567	-	1,358,412	6,246,155	1,518,096
Compensated absences	<u>372,686</u>	<u>206,631</u>	<u>(169,759)</u>	<u>409,558</u>	<u>125,119</u>
	<u><u>\$ 181,127,635</u></u>	<u><u>\$ 1,206,631</u></u>	<u><u>\$ 11,852,604</u></u>	<u><u>\$ 170,142,144</u></u>	<u><u>\$ 12,682,693</u></u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 4. LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Notes Payable (Continued)

The annual requirements to amortize all debt to maturity are as follows:

Fiscal Year Ending September 30:	Principal				
	Special	Notes		Interest	Total
	Assessment	Debt	Payable		
2010	\$ 11,039,478	\$ 1,518,096	\$ 9,025,732	\$ 21,583,306	
2011	10,126,667	1,445,928	8,456,645	20,029,240	
2012	9,788,253	1,252,498	7,916,939	18,957,690	
2013	10,214,644	838,333	7,421,078	18,474,055	
2014	10,565,114	772,216	6,915,527	18,252,857	
2015-2019	35,098,353	419,084	28,133,764	63,651,201	
2020-2024	36,089,209	-	19,404,057	55,493,266	
2025-2029	34,250,000	-	9,763,600	44,013,600	
2030-2034	11,790,000	-	2,903,468	14,693,468	
2035-2039	3,600,000	-	1,057,160	4,657,160	
2040-2041	1,715,000	-	138,298	1,853,298	
	\$ 174,276,718	\$ 6,246,155	\$ 101,136,268	\$ 281,659,141	

Provisions of Bond Resolutions

The District entered into covenants with the bondholders to levy annual assessments sufficient to pay the debt service on the bonds. Reserve accounts were established and the amounts on deposit in these accounts may be used only for the purpose of paying the principal of and interest on the bonds when assessments are not sufficient to meet the debt service requirements when due. The bond resolutions specify minimum amounts to be maintained in the reserve accounts. At September 30, 2009, the District was in compliance with such bond covenants.

NOTE 5. DEFEASED DEBT

For financial reporting purposes, defeased debt, accounted for as advanced refunding, is removed as a liability from the District's records with the funds placed in escrow and paid to bondholders by the paying agent. As of September 30, 2009, the defeased debt outstanding is as follows:

2002 Water Control and Improvement Bonds, Unit 45	\$4,155,000
2001 Water Control and Improvement Bonds, Unit 43	18,080,000
2000 Water Control and Improvement Bonds, Unit 19	3,050,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 6. INTERFUND TRANSACTIONS

Transfers of resources from a fund receiving revenue to the fund through which the resources will be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental funds. Non-recurring or non-routine transfers of equity between funds are also reported as transfers. These transfers were made in order to close capital projects and debt service funds for which the fund's purpose had been accomplished and for surplus construction funds transferred to other funds in accordance with the original capital projects funding agreements.

Following is a summary of transfers individually by major fund and in the aggregate for non-major funds for the year.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General fund	\$ 2,808,378	\$ -
Debt service 9B	1,050,290	-
Nonmajor funds in the aggregate	<u>239,392</u>	<u>4,098,060</u>
Total interfund transfers	<u>\$ 4,098,060</u>	<u>\$ 4,098,060</u>

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". The following is a summary of amounts due from and to other funds at September 30, 2009.

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Major funds:		
General fund	\$ 10,959	\$ -
Nonmajor funds in the aggregate	<u>-</u>	<u>10,959</u>
Total interfund transfers	<u>\$ 10,959</u>	<u>\$ 10,959</u>

NOTE 7. CONSTRUCTION COMMITMENTS

The status of contracts at September 30, 2009 is as follows:

<u>Project</u>	<u>Total Contract Amount</u>	<u>Expended To September 30, 2009</u>	<u>Payable September 30, 2009</u>	<u>Balance to Complete</u>
Unit of Development No. 9B	<u>\$ 2,979,431</u>	<u>\$ 2,885,484</u>	<u>\$ 93,947</u>	<u>\$ -</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 8. DEFINED CONTRIBUTION PLAN

The Northern Palm Beach County Improvement District SEPP Plan is a defined contribution pension plan established and administered by the District to provide benefits at retirement to the employees of the District.

All full-time employees of the District are eligible to participate in the plan upon completion of the six month introductory period. The District contributes an amount equal to 18% of the employee's base salary each month to the plan. Employees cannot contribute to the plan. The District's contribution for each employee (and interest allocated to the employee's account) is fully vested following completion of the six month introductory period. Employees designate which companies will administer their individual contributions. Contributions are made to the individual's SEP IRA account and are invested at the direction of the account owner. Plan revisions and contribution requirements are established and may be amended by the District's Board of Supervisors.

The District made 100% of its required contributions of \$255,260 for fiscal year ended September 30, 2009.

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Specifically, the District purchases commercial insurance for property, medical benefits, worker's compensation, general liability, automobile liability, errors and omissions, and directors and officers liability. The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of certain governmental entities to individual claims of \$100,000/\$200,000 for all claims relating to the same accident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the last three years.

NOTE 10. INTERLOCAL AGREEMENTS

The District has executed interlocal agreements with forty-one (41) local governmental entities. Pursuant to the agreements, the District is acting as the lead applicant (with the other governmental entities as co-applicants) for the purpose of filing a permit application with the Environmental Protection Agency and to implement the regulations for the National Pollutant Discharge Elimination System (NPDES) Permit Program which addresses stormwater discharges to waters of the United States.

For the year ended September 30, 2009, the District received \$429,874 from the governmental entities including interest earnings, and spent \$478,394 on the NPDES application program. The cumulative excess of receipts over disbursements from inception of the NPDES application program through September 30, 2009 was \$503,264.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

NOTE 11. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations

For the fiscal year ended September 30, 2009, expenditures exceeded appropriations in the capital outlay line item of the general fund by \$24,802. This overexpenditure was funded by available fund balance.

Deficit Fund Balances

Two special revenue funds had deficit fund balances at year end. Unit of Development No. 20 had additional water quality testing done at the request of landowners that was not budgeted. The Common Area fund had increases in property owners assessments and additional landscaping repairs that were not budgeted. Future assessments will be used to restore both of the funds' equity.

Two capital projects funds had deficit fund balances at year end. Unit of Development No. 2C and Unit of Development No. 53 had expenditures funded through landowner reimbursements. The reimbursements had not been received within the 60 day policy used by the District to record them as a receivable.

NOTE 12. CONTINGENT LIABILITIES

Litigation, Claims and Assessments

There are various claims and legal actions pending against the District for which no provision has been made in the financial statements. In the opinion of the management and District's attorneys, liabilities arising from these claims and legal actions, if any, will not have a material adverse effect on the financial condition of the District.

Grants

Grant monies received and disbursed by the District are for specific purposes and may be subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures or other actions by grantor agencies. Based upon prior experience, the District does not believe that such disallowances or other actions taken by the grantor agencies, if any, would have a material adverse effect on the financial position of the District.

NOTE 13. SUBSEQUENT EVENTS

Construction Contract

In November 2009, the District awarded a contract for F-1 control structure improvements in Unit of Development No. 21 in the amount of \$208,750.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Budgetary	Variance
	Original	Final	Basis	from Final
	Original	Final	Actual	Positive
				(Negative)
Revenues:				
Non-ad valorem assessments	\$ 491,771	\$ 491,771	\$ 495,616	\$ 3,845
Intergovernmental revenues	-	-	-	-
Investment income	-	-	(753)	(753)
Miscellaneous	-	-	7,616	7,616
Total revenues	491,771	491,771	502,479	10,708
Expenditures:				
Current:				
Physical environment	2,998,683	2,998,683	2,796,957	201,726
Capital outlay	30,500	30,500	55,302	(24,802)
Debt service:				
Principal	370,000	370,000	370,000	-
Interest	116,850	116,850	116,850	-
Total expenditures	3,516,033	3,516,033	3,339,109	176,924
Deficiency of revenues over expenditures	(3,024,262)	(3,024,262)	(2,836,630)	187,632
Other financing sources:				
Transfers in	3,024,485	3,024,485	2,808,378	(216,107)
Proceeds from sales/disposals of capital assets	-	-	5,200	5,200
Total other financing sources	3,024,485	3,024,485	2,813,578	(210,907)
Net change in fund balance	223	223	(23,052)	(23,275)
Fund balance, beginning of year	878,785	878,785	695,774	(183,011)
Fund balance, end of year	\$ 879,008	\$ 879,008	\$ 672,722	\$(206,286)

See note to budgetary comparison schedule.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTE TO BUDGETARY COMPARISON SCHEDULE

FISCAL YEAR ENDED SEPTEMBER 30, 2009

NOTE 1. BUDGET AND BUDGETARY ACCOUNTING

A budgetary comparison schedule is presented for the general fund. Budgetary comparison schedules are not required and have not been presented for the major debt service or capital projects funds or for nonmajor funds. The procedures for establishing budgetary data reflected in the budgetary comparison schedule are as follows:

- In July of each year, the Executive Director submits to the Board of Supervisors 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 landowner comments.
- Prior to October 1, the budget is legally adopted by the Board.
- Changes or amendments to any budgeted expenditure of the District must be approved by the Board of Supervisors. The legal level of budgetary control for the District is exercised at the fund level. There were no supplemental appropriations for the fiscal year ended September 30, 2009.
- The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles except for certain hurricane related expenditures. All appropriations lapse at fiscal year end unless encumbered or specifically designated to be carried forward to the subsequent year. The budgeted amounts presented in the accompanying financial statements are the final authorized amounts for the fiscal year.

**COMBINING FINANCIAL
STATEMENTS AND SCHEDULES**

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2009

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 7,233,797	\$ 15,616,293	\$ 2,565,669	\$ 25,415,759
Investments	125,020	5,396	54,008	184,424
Receivables:				
Assessments	3,177,081	93,693,656	-	96,870,737
Interest	-	124	15	139
Accounts	94,336	81,946	-	176,282
Prepaid Items	<u>12,699</u>	<u>-</u>	<u>-</u>	<u>12,699</u>
Total assets	<u>\$ 10,642,933</u>	<u>\$ 109,397,415</u>	<u>\$ 2,619,692</u>	<u>\$ 122,660,040</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 505,873	\$ 422	\$ 943	\$ 507,238
Contracts and retainage payable	-	-	93,947	93,947
Due to other funds	7,613	-	3,346	10,959
Unearned revenue	91,138	-	37,015	128,153
Deferred revenue	<u>3,177,081</u>	<u>93,693,656</u>	<u>-</u>	<u>96,870,737</u>
Total liabilities	<u>3,781,705</u>	<u>93,694,078</u>	<u>135,251</u>	<u>97,611,034</u>
Fund balances:				
Reserved for prepaid items	12,699	-	-	12,699
Unreserved, undesignated, reported in:				
Special revenue funds	6,848,529	-	-	6,848,529
Debt service funds	-	15,703,337	-	15,703,337
Capital project funds	<u>-</u>	<u>-</u>	<u>2,484,441</u>	<u>2,484,441</u>
Total fund balances	<u>6,861,228</u>	<u>15,703,337</u>	<u>2,484,441</u>	<u>25,049,006</u>
Total liabilities and fund balances	<u>\$ 10,642,933</u>	<u>\$ 109,397,415</u>	<u>\$ 2,619,692</u>	<u>\$ 122,660,040</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT											
	<u>1</u>	<u>2</u>	<u>2A</u>	<u>3</u>	<u>3A</u>	<u>4</u>	<u>5</u>	<u>5A</u>	<u>5B</u>	<u>5C</u>	<u>5D</u>	<u>7</u>
Assets:												
Cash and cash equivalents	\$ 44,241	\$ 349,391	\$ 96,699	\$ 145,140	\$ 60,634	\$ 219,065	\$ 111,933	\$ 232,600	\$ 80,158	\$ 16,300	\$ 47,064	\$ 145,088
Investments	210	3,232	579	1,824	1,125	4,512	2,176	11,627	1,458	173	757	1,626
Receivables:												
Assessments	-	-	-	186,934	-	200,853	-	850,000	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Accounts	231	1,425	1,051	1,759	795	2,391	680	1,308	249	48	292	14,124
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 44,682</u>	<u>\$ 354,048</u>	<u>\$ 98,329</u>	<u>\$ 335,657</u>	<u>\$ 62,554</u>	<u>\$ 426,821</u>	<u>\$ 114,789</u>	<u>\$ 1,095,535</u>	<u>\$ 81,865</u>	<u>\$ 16,521</u>	<u>\$ 48,113</u>	<u>\$ 160,838</u>
Liabilities:												
Accounts payable	\$ 11,820	\$ 7,140	\$ 1,321	\$ 13,967	\$ 3,911	\$ 6,935	\$ 10,717	\$ 9,691	\$ 1,158	\$ -	\$ 927	\$ 7,937
Contracts and retainage payable	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	3,216	28,406	-	5,674	-	589	17,260	11,822	-	-	510	-
Deferred revenue	-	-	-	186,934	-	200,853	-	850,000	-	-	-	-
Total liabilities	<u>15,036</u>	<u>35,546</u>	<u>1,321</u>	<u>206,575</u>	<u>3,911</u>	<u>208,377</u>	<u>27,977</u>	<u>871,513</u>	<u>1,158</u>	<u>-</u>	<u>1,437</u>	<u>7,937</u>
Fund balances:												
Reserved for prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated, reported in:												
Special revenue funds	<u>29,646</u>	<u>318,502</u>	<u>97,008</u>	<u>129,082</u>	<u>58,643</u>	<u>218,444</u>	<u>86,812</u>	<u>224,022</u>	<u>80,707</u>	<u>16,521</u>	<u>46,676</u>	<u>152,901</u>
Total fund balances	<u>29,646</u>	<u>318,502</u>	<u>97,008</u>	<u>129,082</u>	<u>58,643</u>	<u>218,444</u>	<u>86,812</u>	<u>224,022</u>	<u>80,707</u>	<u>16,521</u>	<u>46,676</u>	<u>152,901</u>
Total liabilities and fund balances	<u>\$ 44,682</u>	<u>\$ 354,048</u>	<u>\$ 98,329</u>	<u>\$ 335,657</u>	<u>\$ 62,554</u>	<u>\$ 426,821</u>	<u>\$ 114,789</u>	<u>\$ 1,095,535</u>	<u>\$ 81,865</u>	<u>\$ 16,521</u>	<u>\$ 48,113</u>	<u>\$ 160,838</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

SEPTEMBER 30, 2009

UNIT OF DEVELOPMENT

	<u>9</u>	<u>9A</u>	<u>9B</u>	<u>11</u>	<u>11A</u>	<u>12</u>	<u>12A</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>18</u>	<u>19</u>	<u>19A</u>
Assets:													
Cash and cash equivalents	\$ 103,092	\$ 192,740	\$ 184,723	\$ 923,924	\$ 130,161	\$ 46,946	\$ 33,050	\$ 214,896	\$ 218,515	\$ 296,270	\$ 279,370	\$ 125,977	\$ 81,492
Investments	672	4,014	3,770	26,492	1,396	549	227	4,009	6,228	1,992	4,963	2,722	1,176
Receivables:													
Assessments	-	-	-	1,569,695	-	-	-	305,553	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts	651	3,259	1,636	10,073	621	299	140	3,197	1,806	3,627	6,228	1,964	134
Prepaid items	-	-	-	-	-	-	-	-	-	12,699	-	-	-
Total assets	<u>\$ 104,415</u>	<u>\$ 200,013</u>	<u>\$ 190,129</u>	<u>\$ 2,530,184</u>	<u>\$ 132,178</u>	<u>\$ 47,794</u>	<u>\$ 33,417</u>	<u>\$ 527,655</u>	<u>\$ 226,549</u>	<u>\$ 314,588</u>	<u>\$ 290,561</u>	<u>\$ 130,663</u>	<u>\$ 82,802</u>
Liabilities:													
Accounts payable	\$ 2,703	\$ 36,870	\$ 23,056	\$ 119,455	\$ 69	\$ 829	\$ 307	\$ 21,268	\$ 19,945	\$ 28,045	\$ 34,430	\$ 8,849	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	8,772	2,450	360	-	-	-	-	250	4,091	-	-	-
Deferred revenue	-	-	-	1,569,695	-	-	-	305,553	-	-	-	-	-
Total liabilities	<u>2,703</u>	<u>45,642</u>	<u>25,506</u>	<u>1,689,510</u>	<u>69</u>	<u>829</u>	<u>307</u>	<u>326,821</u>	<u>20,195</u>	<u>32,136</u>	<u>34,430</u>	<u>8,849</u>	<u>-</u>
Fund balances:													
Reserved for prepaid items	-	-	-	-	-	-	-	-	-	12,699	-	-	-
Unreserved, undesignated, reported in:													
Special revenue funds	<u>101,712</u>	<u>154,371</u>	<u>164,623</u>	<u>840,674</u>	<u>132,109</u>	<u>46,965</u>	<u>33,110</u>	<u>200,834</u>	<u>206,354</u>	<u>269,753</u>	<u>256,131</u>	<u>121,814</u>	<u>82,802</u>
Total fund balances	<u>101,712</u>	<u>154,371</u>	<u>164,623</u>	<u>840,674</u>	<u>132,109</u>	<u>46,965</u>	<u>33,110</u>	<u>200,834</u>	<u>206,354</u>	<u>282,452</u>	<u>256,131</u>	<u>121,814</u>	<u>82,802</u>
Total liabilities and fund balances	<u>\$ 104,415</u>	<u>\$ 200,013</u>	<u>\$ 190,129</u>	<u>\$ 2,530,184</u>	<u>\$ 132,178</u>	<u>\$ 47,794</u>	<u>\$ 33,417</u>	<u>\$ 527,655</u>	<u>\$ 226,549</u>	<u>\$ 314,588</u>	<u>\$ 290,561</u>	<u>\$ 130,663</u>	<u>\$ 82,802</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT											
	<u>20</u>	<u>21</u>	<u>23</u>	<u>24</u>	<u>24A</u>	<u>27B</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>32A</u>	<u>33</u>	<u>34</u>
Assets:												
Cash and cash equivalents	\$ -	\$ 737,968	\$ 222,818	\$ 55,879	\$ 5,244	\$ 149,301	\$ 42,939	\$ 203,867	\$ 5,774	\$ 1,279	\$ 20,398	\$ 4,554
Investments	827	6,539	3,317	639	68	1,399	424	3,552	170	75	205	312
Receivables:												
Assessments	45,307	-	-	-	-	-	-	-	-	18,739	-	-
Interest												
Accounts	2,607	2,492	1,041	1,016	5	585	231	6,130	42	53	98	2,837
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 48,741</u>	<u>\$ 746,999</u>	<u>\$ 227,176</u>	<u>\$ 57,534</u>	<u>\$ 5,317</u>	<u>\$ 151,285</u>	<u>\$ 43,594</u>	<u>\$ 213,549</u>	<u>\$ 5,986</u>	<u>\$ 20,146</u>	<u>\$ 20,701</u>	<u>\$ 7,703</u>
Liabilities:												
Accounts payable	\$ 1,595	\$ 15,769	\$ 14,905	\$ 9,347	\$ -	\$ 8,040	\$ 3,888	\$ 16,410	\$ 636	\$ 438	\$ 2,581	\$ 2,313
Due to other funds	1,876	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	28	-	3,979	-	-	-	-	-	-	-	-
Deferred revenue	45,307	-	-	-	-	-	-	-	-	18,739	-	-
Total liabilities	<u>48,778</u>	<u>15,797</u>	<u>14,905</u>	<u>13,326</u>	<u>-</u>	<u>8,040</u>	<u>3,888</u>	<u>16,410</u>	<u>636</u>	<u>19,177</u>	<u>2,581</u>	<u>2,313</u>
Fund balances:												
Reserved for prepaid items	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated, reported in:												
Special revenue funds	(37)	731,202	212,271	44,208	5,317	143,245	39,706	197,139	5,350	969	18,120	5,390
Total fund balances	<u>(37)</u>	<u>731,202</u>	<u>212,271</u>	<u>44,208</u>	<u>5,317</u>	<u>143,245</u>	<u>39,706</u>	<u>197,139</u>	<u>5,350</u>	<u>969</u>	<u>18,120</u>	<u>5,390</u>
Total liabilities and fund balances	<u>\$ 48,741</u>	<u>\$ 746,999</u>	<u>\$ 227,176</u>	<u>\$ 57,534</u>	<u>\$ 5,317</u>	<u>\$ 151,285</u>	<u>\$ 43,594</u>	<u>\$ 213,549</u>	<u>\$ 5,986</u>	<u>\$ 20,146</u>	<u>\$ 20,701</u>	<u>\$ 7,703</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT												
	<u>36</u>	<u>38</u>	<u>41</u>	<u>43</u>	<u>44</u>	<u>45</u>	<u>46</u>	<u>47</u>	<u>49</u>	<u>Common Area</u>	<u>Whispering Trails</u>	<u>Total</u>	
Assets:													
Cash and cash equivalents	\$ 4,189	\$ 315,333	\$ 17,802	\$ 287,520	\$ 158,560	\$ 148,243	\$ 52,387	\$ 344,995	75,278	-	-	\$ 7,233,797	
Investments	54	2,661	145	7,569	1,115	1,546	4,085	2,362	447	-	-	125,020	
Receivables:													
Assessments	-	-	-	-	-	-	-	-	-	-	-	3,177,081	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts	7	328	50	7,869	671	809	143	586	1,194	7,554	-	94,336	
Prepaid items	-	-	-	-	-	-	-	-	-	-	-	12,699	
Total assets	<u>\$ 4,250</u>	<u>\$ 318,322</u>	<u>\$ 17,997</u>	<u>\$ 302,958</u>	<u>\$ 160,346</u>	<u>\$ 150,598</u>	<u>\$ 56,615</u>	<u>\$ 347,943</u>	<u>\$ 76,919</u>	<u>\$ 7,554</u>	<u>\$ -</u>	<u>\$ 10,642,933</u>	
Liabilities:													
Accounts payable	\$ 1	\$ 1	\$ -	\$ 40,539	\$ 1	\$ 8,113	\$ 72	\$ 826	\$ 2,385	\$ 6,663	\$ -	\$ 505,873	
Due to other funds	-	-	-	-	-	-	-	-	-	5,737	-	7,613	
Unearned revenue	-	-	-	-	-	-	775	2,956	-	-	-	91,138	
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	3,177,081	
Total liabilities	<u>1</u>	<u>1</u>	<u>-</u>	<u>40,539</u>	<u>1</u>	<u>8,113</u>	<u>847</u>	<u>3,782</u>	<u>2,385</u>	<u>12,400</u>	<u>-</u>	<u>3,781,705</u>	
Fund balances:													
Reserved for prepaid items	-	-	-	-	-	-	-	-	-	-	-	12,699	
Unreserved, undesignated, reported in:													
Special revenue funds	4,249	318,321	17,997	262,419	160,345	142,485	55,768	344,161	74,534	(4,846)	-	6,848,529	
Total fund balances	<u>4,249</u>	<u>318,321</u>	<u>17,997</u>	<u>262,419</u>	<u>160,345</u>	<u>142,485</u>	<u>55,768</u>	<u>344,161</u>	<u>74,534</u>	<u>(4,846)</u>	<u>-</u>	<u>6,861,228</u>	
Total liabilities and fund balances	<u>\$ 4,250</u>	<u>\$ 318,322</u>	<u>\$ 17,997</u>	<u>\$ 302,958</u>	<u>\$ 160,346</u>	<u>\$ 150,598</u>	<u>\$ 56,615</u>	<u>\$ 347,943</u>	<u>\$ 76,919</u>	<u>\$ 7,554</u>	<u>\$ -</u>	<u>\$ 10,642,933</u>	

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT						
	2A	3A	5A	5B	5C	5D	11
Assets:							
Cash and cash equivalents	\$ 654,739	\$ 124,095	\$ 1,054,881	\$ 830,065	\$ 53,488	\$ 72,721	\$ 32,019
Investments	165	68	296	85	94	96	180
Receivables:							
Assessments	5,530,000	4,775,000	2,825,000	5,695,000	2,205,000	3,085,000	745,000
Interest	5	1	8	7	-	1	-
Accounts	<u>2,628</u>	<u>2,538</u>	<u>6,447</u>	<u>2,864</u>	<u>2,313</u>	<u>2,368</u>	<u>4,883</u>
Total assets	<u>\$ 6,187,537</u>	<u>\$ 4,901,702</u>	<u>\$ 3,886,632</u>	<u>\$ 6,528,021</u>	<u>\$ 2,260,895</u>	<u>\$ 3,160,186</u>	<u>\$ 782,082</u>
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	5,530,000	4,775,000	2,825,000	5,695,000	2,205,000	3,085,000	745,000
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,530,000</u>	<u>4,775,000</u>	<u>2,825,000</u>	<u>5,695,000</u>	<u>2,205,000</u>	<u>3,085,000</u>	<u>745,000</u>
Fund balances:							
Unreserved, undesignated, reported in:							
Debt service funds	<u>657,537</u>	<u>126,702</u>	<u>1,061,632</u>	<u>833,021</u>	<u>55,895</u>	<u>75,186</u>	<u>37,082</u>
Total fund balances	<u>657,537</u>	<u>126,702</u>	<u>1,061,632</u>	<u>833,021</u>	<u>55,895</u>	<u>75,186</u>	<u>37,082</u>
Total liabilities and fund balances	<u>\$ 6,187,537</u>	<u>\$ 4,901,702</u>	<u>\$ 3,886,632</u>	<u>\$ 6,528,021</u>	<u>\$ 2,260,895</u>	<u>\$ 3,160,186</u>	<u>\$ 782,082</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

(Continued)

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT							
	<u>16</u>	<u>18</u>	<u>19</u>	<u>19A</u>	<u>24</u>	<u>24A</u>	<u>27B</u>	<u>29</u>
Assets:								
Cash and cash equivalents	\$ 1,115,820	\$ 3,445,933	\$ 72,944	\$ 2,637	\$ 382,482	\$ 93,760	\$ 469,268	\$ 1,246
Investments	110	543	38	583	187	1,044	188	23
Receivables:								
Assessments	8,285,000	12,995,000	2,904,991	467,665	645,000	248,051	3,915,000	50,631
Interest	10	30	1	-	3	-	4	-
Accounts	4,856	18,054	2,054	1,002	2,088	597	1,936	345
Total assets	<u>\$9,405,796</u>	<u>\$16,459,560</u>	<u>\$2,980,028</u>	<u>\$471,887</u>	<u>\$1,029,760</u>	<u>\$343,452</u>	<u>\$4,386,396</u>	<u>\$ 52,245</u>
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422	\$ -
Deferred revenue	8,285,000	12,995,000	2,904,991	467,665	645,000	248,051	3,915,000	50,631
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>8,285,000</u>	<u>12,995,000</u>	<u>2,904,991</u>	<u>467,665</u>	<u>645,000</u>	<u>248,051</u>	<u>3,915,422</u>	<u>50,631</u>
Fund balances:								
Unreserved, undesignated, reported in:								
Debt service funds	<u>1,120,796</u>	<u>3,464,560</u>	<u>75,037</u>	<u>4,222</u>	<u>384,760</u>	<u>95,401</u>	<u>470,974</u>	<u>1,614</u>
Total fund balances	<u>1,120,796</u>	<u>3,464,560</u>	<u>75,037</u>	<u>4,222</u>	<u>384,760</u>	<u>95,401</u>	<u>470,974</u>	<u>1,614</u>
Total liabilities and fund balances	<u>\$9,405,796</u>	<u>\$16,459,560</u>	<u>\$2,980,028</u>	<u>\$471,887</u>	<u>\$1,029,760</u>	<u>\$343,452</u>	<u>\$4,386,396</u>	<u>\$ 52,245</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

(Continued)

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT								
	31	32A	33	36	41	44	45	46	Total
Assets:									
Cash and cash equivalents	\$ 4,284,186	\$ 554	\$ 223	\$ 11,354	\$ 733	\$ 1,189,276	\$ 100,501	\$ 1,623,368	\$ 15,616,293
Investments	373	5	-	750	188	267	113	-	5,396
Receivables:									
Assessments	13,080,000	17,019	11,941	172,468	90,890	7,870,000	4,260,000	13,820,000	93,693,656
Interest	37	-	-	-	-	10	1	6	124
Accounts	13,797	112	84	591	176	4,617	1,745	5,851	81,946
Total assets	\$ 17,378,393	\$ 17,690	\$ 12,248	\$ 185,163	\$ 91,987	\$ 9,064,170	\$ 4,362,360	\$ 15,449,225	\$ 109,397,415
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422
Deferred revenue	13,080,000	17,019	11,941	172,468	90,890	7,870,000	4,260,000	13,820,000	93,693,656
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	13,080,000	17,019	11,941	172,468	90,890	7,870,000	4,260,000	13,820,000	93,694,078
Fund balances:									
Unreserved, undesignated, reported in:									
Debt service funds	4,298,393	671	307	12,695	1,097	1,194,170	102,360	1,629,225	15,703,337
Total fund balances	4,298,393	671	307	12,695	1,097	1,194,170	102,360	1,629,225	15,703,337
Total liabilities and fund balances	\$ 17,378,393	\$ 17,690	\$ 12,248	\$ 185,163	\$ 91,987	\$ 9,064,170	\$ 4,362,360	\$ 15,449,225	\$ 109,397,415

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT					
	2C	5A	9B	16	18	19
Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 86,544	\$ 1,937,688	\$ 51,791	\$ 223,048
Investments	-	-	50,460	360	635	2,442
Receivables:						
Interest	-	-	-	13	-	-
Accounts	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ 137,004	\$ 1,938,061	\$ 52,426	\$ 225,490
Liabilities:						
Accounts payable	652	\$ -	\$ -	\$ -	\$ 291	\$ -
Contracts and retainage payable	-	-	93,947	-	-	-
Due to other funds	1,077	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	1,729	-	93,947	-	291	-
Fund balances:						
Unreserved, undesignated, reported in:						
Capital projects funds	(1,729)	-	43,057	1,938,061	52,135	225,490
Total fund balances	(1,729)	-	43,057	1,938,061	52,135	225,490
Total liabilities and fund balances	\$ -	\$ -	\$ 137,004	\$ 1,938,061	\$ 52,426	\$ 225,490

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

(Continued)

SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT					Total
	<u>25</u>	<u>44</u>	<u>46</u>	<u>51</u>	<u>53</u>	
Assets:						
Cash and cash equivalents	\$ 13,387	\$ 197,528	\$ -	\$ 55,683	\$ -	\$ 2,565,669
Investments	-	6	-	105	-	54,008
Receivables:						
Interest	-	2	-	-	-	15
Accounts	-	-	-	-	-	-
Total assets	\$ 13,387	\$ 197,536	\$ -	\$ 55,788	\$ -	\$ 2,619,692
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 943
Contracts and retainage payable	-	-	-	-	-	93,947
Due to other funds	-	-	-	-	2,269	3,346
Unearned revenue	-	-	-	37,015	-	37,015
Total liabilities	-	-	-	37,015	2,269	135,251
Fund balances:						
Unreserved, undesignated, reported in:						
Capital projects funds	13,387	197,536	-	18,773	(2,269)	2,484,441
Total fund balances	13,387	197,536	-	18,773	(2,269)	2,484,441
Total liabilities and fund balances	\$ 13,387	\$ 197,536	\$ -	\$ 55,788	\$ -	\$ 2,619,692

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Non-ad valorem assessments	\$ 8,890,803	\$ 12,514,605	\$ -	\$ 21,405,408
Intergovernmental revenues	148,253	-	750,487	898,740
Investment income	4,998	69,113	(13,366)	60,745
Miscellaneous	<u>177,846</u>	<u>-</u>	<u>193</u>	<u>178,039</u>
Total revenues	<u>9,221,900</u>	<u>12,583,718</u>	<u>737,314</u>	<u>22,542,932</u>
Expenditures:				
Current:				
Physical environment	4,336,562	-	-	4,336,562
Capital outlay	812,603	-	2,005,099	2,817,702
Debt service:				
Principal	684,566	7,950,933	-	8,635,499
Interest	174,818	5,445,034	-	5,619,852
Other	<u>-</u>	<u>39,139</u>	<u>-</u>	<u>39,139</u>
Total expenditures	<u>6,008,549</u>	<u>13,435,106</u>	<u>2,005,099</u>	<u>21,448,754</u>
Excess (deficiency) of revenues over expenditures	<u>3,213,351</u>	<u>(851,388)</u>	<u>(1,267,785)</u>	<u>1,094,178</u>
Other financing sources (uses):				
Transfers in	79,828	159,207	357	239,392
Transfers out	(2,776,022)	-	(1,322,038)	(4,098,060)
Proceeds from sales/disposals of Capital assets	-	-	-	-
Advances from landowners	54,285	-	4,098	58,383
Repayment to landowners	(44,063)	-	-	(44,063)
Special assessment bond proceeds	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total other financing sources (uses)	<u>(2,685,972)</u>	<u>159,207</u>	<u>(317,583)</u>	<u>(2,844,348)</u>
Net change in fund balances	527,379	(692,181)	(1,585,368)	(1,750,171)
Fund balances, beginning of year	<u>6,333,849</u>	<u>16,395,518</u>	<u>4,069,809</u>	<u>26,799,176</u>
Fund balances, end of year	<u>\$ 6,861,228</u>	<u>\$ 15,703,337</u>	<u>\$ 2,484,441</u>	<u>\$ 25,049,006</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT											
	1	2	2A	3	3A	4	5	5A	5B	5C	5D	7
Revenues:												
Non-ad valorem assessments	\$ 86,383	\$ 232,094	\$ 168,243	\$ 308,319	\$ 122,104	\$ 397,661	\$ 106,698	\$ 209,309	\$ 37,749	\$ 7,311	\$ 47,861	\$ 73,180
Intergovernmental	-	-	-	-	-	41,936	-	-	1,182	-	791	15,269
Investment income	324	801	449	3,518	110	1,317	(89)	(2,832)	(137)	7	125	155
Miscellaneous	<u>4,551</u>	<u>30,091</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>6,684</u>	<u>1,827</u>	<u>6,572</u>	<u>1,188</u>	<u>-</u>	<u>2,142</u>	<u>32,810</u>
Total revenues	<u>91,258</u>	<u>262,986</u>	<u>168,692</u>	<u>312,587</u>	<u>122,214</u>	<u>447,598</u>	<u>108,436</u>	<u>213,049</u>	<u>39,982</u>	<u>7,318</u>	<u>50,919</u>	<u>121,414</u>
Expenditures:												
Current:												
Physical environment	42,000	64,451	48,205	85,515	43,821	121,418	34,785	76,957	11,215	1,661	9,592	81,302
Capital outlay	3,067	11,294	-	3,139	32,766	13,086	10,481	-	-	-	-	3,743
Debt service:												
Principal	-	-	-	96,663	-	82,112	-	-	-	-	-	-
Interest	-	-	-	15,099	-	13,098	-	36,550	-	-	-	-
Total expenditures	<u>45,067</u>	<u>75,745</u>	<u>48,205</u>	<u>200,416</u>	<u>76,587</u>	<u>229,714</u>	<u>45,266</u>	<u>113,507</u>	<u>11,215</u>	<u>1,661</u>	<u>9,592</u>	<u>85,045</u>
Excess (deficiency) of revenues over expenditures	<u>46,191</u>	<u>187,241</u>	<u>120,487</u>	<u>112,171</u>	<u>45,627</u>	<u>217,884</u>	<u>63,170</u>	<u>99,542</u>	<u>28,767</u>	<u>5,657</u>	<u>41,327</u>	<u>36,369</u>
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	79,828	-	-	-	-
Transfers out	(38,523)	(138,473)	(52,415)	(67,383)	(43,541)	(115,723)	(65,205)	(83,987)	(40,917)	(4,635)	(33,440)	(44,715)
Proceeds from sales/disposals of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	-	-	-	-	-	-	-
Repayments to landowners	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(38,523)</u>	<u>(138,473)</u>	<u>(52,415)</u>	<u>(67,383)</u>	<u>(43,541)</u>	<u>(115,723)</u>	<u>(65,205)</u>	<u>(4,159)</u>	<u>(40,917)</u>	<u>(4,635)</u>	<u>(33,440)</u>	<u>(44,715)</u>
Net change in fund balances	7,668	48,768	68,072	44,788	2,086	102,161	(2,035)	95,383	(12,150)	1,022	7,887	(8,346)
Fund balances, beginning of year	<u>21,978</u>	<u>269,734</u>	<u>28,936</u>	<u>84,294</u>	<u>56,557</u>	<u>116,283</u>	<u>88,847</u>	<u>128,639</u>	<u>92,857</u>	<u>15,499</u>	<u>38,789</u>	<u>161,247</u>
Fund balances, end of year	<u>\$ 29,646</u>	<u>\$ 318,502</u>	<u>\$ 97,008</u>	<u>\$ 129,082</u>	<u>\$ 58,643</u>	<u>\$ 218,444</u>	<u>\$ 86,812</u>	<u>\$ 224,022</u>	<u>\$ 80,707</u>	<u>\$ 16,521</u>	<u>\$ 46,676</u>	<u>\$ 152,901</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT												
	<u>9</u>	<u>9A</u>	<u>9B</u>	<u>11</u>	<u>11A</u>	<u>12</u>	<u>12A</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>18</u>	<u>19</u>	<u>19A</u>
Revenues:													
Non-ad valorem assessments	\$ 102,480	\$ 501,902	\$ 249,866	\$ 1,536,003	\$ 94,530	\$ 46,106	\$ 21,705	\$ 486,315	\$ 298,273	\$ 544,526	\$ 705,655	\$ 200,458	\$ 20,635
Intergovernmental	-	-	-	7,142	-	-	-	2,741	-	-	73,644	-	-
Investment income	260	381	(185)	(2,286)	118	84	72	498	(375)	1,066	748	(148)	(114)
Miscellaneous	-	3,465	6,146	9,101	-	-	1	-	1,391	21,794	7,758	2,463	-
Total revenues	<u>102,740</u>	<u>505,748</u>	<u>255,827</u>	<u>1,549,960</u>	<u>94,648</u>	<u>46,190</u>	<u>21,778</u>	<u>489,554</u>	<u>299,289</u>	<u>567,386</u>	<u>787,805</u>	<u>202,773</u>	<u>20,521</u>
Expenditures:													
Current:													
Physical environment	18,117	231,519	174,271	715,828	2,747	5,348	4,257	150,925	151,135	326,146	521,979	92,212	1,020
Capital outlay	2,450	205,741	28,761	259,332	-	2,696	-	37,897	43,902	1,755	57,508	13,521	-
Debt service:													
Principal	-	-	-	335,864	-	-	-	161,343	-	-	-	-	-
Interest	-	-	-	87,226	-	-	-	19,288	-	-	-	-	-
Total expenditures	<u>20,567</u>	<u>437,260</u>	<u>203,032</u>	<u>1,398,250</u>	<u>2,747</u>	<u>8,044</u>	<u>4,257</u>	<u>369,453</u>	<u>195,037</u>	<u>327,901</u>	<u>579,487</u>	<u>105,733</u>	<u>1,020</u>
Excess (deficiency) of revenues over expenditures	<u>82,173</u>	<u>68,488</u>	<u>52,795</u>	<u>151,710</u>	<u>91,901</u>	<u>38,146</u>	<u>17,521</u>	<u>120,101</u>	<u>104,252</u>	<u>239,485</u>	<u>208,318</u>	<u>97,040</u>	<u>19,501</u>
Other financing sources (uses):													
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(55,578)	(150,338)	(101,586)	(297,670)	(68,012)	(35,701)	(8,817)	(101,794)	(110,444)	(94,452)	(152,226)	(97,731)	(7,435)
Proceeds from sales/disposals of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	-	-	-	-	-	235	-	-
Repayments to landowners	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(55,578)</u>	<u>(150,338)</u>	<u>(101,586)</u>	<u>(297,670)</u>	<u>(68,012)</u>	<u>(35,701)</u>	<u>(8,817)</u>	<u>(101,794)</u>	<u>(110,444)</u>	<u>(94,452)</u>	<u>(151,991)</u>	<u>(97,731)</u>	<u>(7,435)</u>
Net change in fund balances	26,595	(81,850)	(48,791)	(145,960)	23,889	2,445	8,704	18,307	(6,192)	145,033	56,327	(691)	12,066
Fund balances, beginning of year	<u>75,117</u>	<u>236,221</u>	<u>213,414</u>	<u>986,634</u>	<u>108,220</u>	<u>44,520</u>	<u>24,406</u>	<u>182,527</u>	<u>212,546</u>	<u>137,419</u>	<u>199,804</u>	<u>122,505</u>	<u>70,736</u>
Fund balances, end of year	<u>\$ 101,712</u>	<u>\$ 154,371</u>	<u>\$ 164,623</u>	<u>\$ 840,674</u>	<u>\$ 132,109</u>	<u>\$ 46,965</u>	<u>\$ 33,110</u>	<u>\$ 200,834</u>	<u>\$ 206,354</u>	<u>\$ 282,452</u>	<u>\$ 256,131</u>	<u>\$ 121,814</u>	<u>\$ 82,802</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT											
	<u>20</u>	<u>21</u>	<u>23</u>	<u>24</u>	<u>24A</u>	<u>27B</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>32A</u>	<u>33</u>	<u>34</u>
Revenues:												
Non-ad valorem assessments	\$ 22,854	\$ 373,984	\$ 163,014	\$ 155,637	\$ 768	\$ 91,004	\$ 35,693	\$ 438,895	\$ 6,552	\$ 8,390	\$ 14,626	\$ 64,798
Intergovernmental	-	1,012	-	866	-	-	-	-	-	-	-	-
Investment income	(229)	552	(198)	417	(3)	468	92	254	5	24	9	98
Miscellaneous	<u>1,971</u>	<u>668</u>	<u>-</u>	<u>133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,600</u>
Total revenues	<u>24,596</u>	<u>376,216</u>	<u>162,816</u>	<u>157,053</u>	<u>765</u>	<u>91,472</u>	<u>35,785</u>	<u>447,084</u>	<u>6,557</u>	<u>8,414</u>	<u>14,635</u>	<u>70,496</u>
Expenditures:												
Current:												
Physical environment	15,062	173,756	67,720	63,289	308	46,008	17,357	268,469	7,626	3,192	5,029	64,005
Capital outlay	505	27,086	961	35,149	-	755	183	13,009	79	-	110	127
Debt service:												
Principal	5,247	-	-	-	-	-	-	-	-	3,337	-	-
Interest	<u>2,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>866</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>23,505</u>	<u>200,842</u>	<u>68,681</u>	<u>98,438</u>	<u>308</u>	<u>46,763</u>	<u>17,540</u>	<u>281,478</u>	<u>7,705</u>	<u>7,395</u>	<u>5,139</u>	<u>64,132</u>
Excess (deficiency) of revenues over expenditures	<u>1,091</u>	<u>175,374</u>	<u>94,135</u>	<u>58,615</u>	<u>457</u>	<u>44,709</u>	<u>18,245</u>	<u>165,606</u>	<u>(1,148)</u>	<u>1,019</u>	<u>9,496</u>	<u>6,364</u>
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(9,487)	(104,475)	(57,822)	(60,371)	(1,605)	(36,008)	(14,682)	(99,273)	(5,320)	(1,469)	(8,667)	(38,111)
Proceeds from sales/disposals of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Advances from landowners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(9,487)</u>	<u>(104,475)</u>	<u>(57,822)</u>	<u>(60,371)</u>	<u>(1,605)</u>	<u>(36,008)</u>	<u>(14,682)</u>	<u>(99,273)</u>	<u>(5,320)</u>	<u>(1,469)</u>	<u>(8,667)</u>	<u>(38,111)</u>
Net change in fund balances	(8,396)	70,899	36,313	(1,756)	(1,148)	8,701	3,563	66,333	(6,468)	(450)	829	(31,747)
Fund balances, beginning of year	<u>8,359</u>	<u>660,303</u>	<u>175,958</u>	<u>45,964</u>	<u>6,465</u>	<u>134,544</u>	<u>36,143</u>	<u>130,806</u>	<u>11,818</u>	<u>1,419</u>	<u>17,291</u>	<u>37,137</u>
Fund balances, end of year	<u>\$ (37)</u>	<u>\$ 731,202</u>	<u>\$ 212,271</u>	<u>\$ 44,208</u>	<u>\$ 5,317</u>	<u>\$ 143,245</u>	<u>\$ 39,706</u>	<u>\$ 197,139</u>	<u>\$ 5,350</u>	<u>\$ 969</u>	<u>\$ 18,120</u>	<u>\$ 5,390</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT									Common Area	Whispering Trails	Total
	<u>36</u>	<u>38</u>	<u>41</u>	<u>43</u>	<u>44</u>	<u>45</u>	<u>46</u>	<u>47</u>	<u>49</u>			
Revenues:												
Non-ad valorem assessments	\$ 1,616	\$ 50,616	\$ 7,963	\$ 365,888	\$ 99,935	\$ 128,105	\$ 21,924	\$ 119,285	\$ 113,890	\$ -	\$ -	\$ 8,890,803
Intergovernmental	-	-	-	3,670	-	-	-	-	-	-	-	148,253
Investment income	-	238	38	(579)	221	410	(1,634)	410	420	1	117	4,998
Miscellaneous	-	-	-	14,317	-	-	750	7,000	738	-	-	177,846
Total revenues	<u>1,616</u>	<u>50,854</u>	<u>8,001</u>	<u>383,296</u>	<u>100,156</u>	<u>128,515</u>	<u>21,040</u>	<u>126,695</u>	<u>115,048</u>	<u>1</u>	<u>117</u>	<u>9,221,900</u>
Expenditures:												
Current:												
Physical environment	673	4,167	179	401,656	2,753	50,491	11,118	11,622	26,518	59,538	19,600	4,336,562
Capital outlay	108	137	56	1,506	313	377	324	577	102	-	-	812,603
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	684,566
Interest	-	-	-	-	-	-	-	-	-	-	-	174,818
Total expenditures	<u>781</u>	<u>4,304</u>	<u>235</u>	<u>403,162</u>	<u>3,066</u>	<u>50,868</u>	<u>11,442</u>	<u>12,199</u>	<u>26,620</u>	<u>59,538</u>	<u>19,600</u>	<u>6,008,549</u>
Excess (deficiency) of revenues over expenditures	<u>835</u>	<u>46,550</u>	<u>7,766</u>	<u>(19,866)</u>	<u>97,090</u>	<u>77,647</u>	<u>9,598</u>	<u>114,496</u>	<u>88,428</u>	<u>(59,537)</u>	<u>(19,483)</u>	<u>3,213,351</u>
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	79,828
Transfers out	(685)	(9,042)	(4,189)	(184,070)	(32,170)	(43,186)	(13,049)	(20,833)	(18,767)	(1,960)	(40)	(2,776,022)
Proceeds from sales/disposals of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	-	-	-	-	54,050	-	54,285
Repayments to landowners	-	-	-	-	-	-	-	-	-	-	(44,063)	(44,063)
Total other financing sources (uses)	<u>(685)</u>	<u>(9,042)</u>	<u>(4,189)</u>	<u>(184,070)</u>	<u>(32,170)</u>	<u>(43,186)</u>	<u>(13,049)</u>	<u>(20,833)</u>	<u>(18,767)</u>	<u>52,090</u>	<u>(44,103)</u>	<u>(2,685,972)</u>
Net change in fund balances	150	37,508	3,577	(203,936)	64,920	34,461	(3,451)	93,663	69,661	(7,447)	(63,586)	527,379
Fund balances, beginning of year	<u>4,099</u>	<u>280,813</u>	<u>14,420</u>	<u>466,355</u>	<u>95,425</u>	<u>108,024</u>	<u>59,219</u>	<u>250,498</u>	<u>4,873</u>	<u>2,601</u>	<u>63,586</u>	<u>6,333,849</u>
Fund balances, end of year	<u>\$ 4,249</u>	<u>\$ 318,321</u>	<u>\$ 17,997</u>	<u>\$ 262,419</u>	<u>\$ 160,345</u>	<u>\$ 142,485</u>	<u>\$ 55,768</u>	<u>\$ 344,161</u>	<u>\$ 74,534</u>	<u>\$ (4,846)</u>	<u>\$ -</u>	<u>\$ 6,861,228</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT						
	2A	3A	5A	5B	5C	5D	11
Revenues:							
Non-ad valorem assessments	\$ 424,142	\$ 390,250	\$ 1,030,113	\$ 433,908	\$ 350,815	\$ 366,259	\$ 744,966
Intergovernmental revenues	-	-	-	-	-	-	-
Investment income	<u>2,210</u>	<u>1,447</u>	<u>5,907</u>	<u>2,158</u>	<u>988</u>	<u>1,335</u>	<u>2,260</u>
Total revenues	<u>426,352</u>	<u>391,697</u>	<u>1,036,020</u>	<u>436,066</u>	<u>351,803</u>	<u>367,594</u>	<u>747,226</u>
Expenditures:							
Debt service:							
Principal	95,000	170,000	1,055,000	255,000	265,000	245,000	715,000
Interest	360,000	233,194	198,303	231,103	101,700	136,306	58,400
Other	<u>1,255</u>	<u>1,212</u>	<u>3,079</u>	<u>1,368</u>	<u>1,105</u>	<u>1,131</u>	<u>2,332</u>
Total expenditures	<u>456,255</u>	<u>404,406</u>	<u>1,256,382</u>	<u>487,471</u>	<u>367,805</u>	<u>382,437</u>	<u>775,732</u>
Excess (deficiency) of revenues over expenditures	<u>(29,903)</u>	<u>(12,709)</u>	<u>(220,362)</u>	<u>(51,405)</u>	<u>(16,002)</u>	<u>(14,843)</u>	<u>(28,506)</u>
Other financing sources (uses):							
Transfers in	-	-	159,160	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>159,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(29,903)	(12,709)	(61,202)	(51,405)	(16,002)	(14,843)	(28,506)
Fund balances, beginning of year	<u>687,440</u>	<u>139,411</u>	<u>1,122,834</u>	<u>884,426</u>	<u>71,897</u>	<u>90,029</u>	<u>65,588</u>
Fund balances, end of year	<u>\$ 657,537</u>	<u>\$ 126,702</u>	<u>\$ 1,061,632</u>	<u>\$ 833,021</u>	<u>\$ 55,895</u>	<u>\$ 75,186</u>	<u>\$ 37,082</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT							
	16	18	19	19A	24	24A	27B	29
Revenues:								
Non-ad valorem assessments	\$ 731,058	\$ 2,743,060	\$ 313,369	\$ 153,969	\$ 319,912	\$ 91,593	\$ 301,755	\$ 53,304
Intergovernmental revenues	-	-	-	-	-	-	-	-
Investment income	<u>2,889</u>	<u>11,460</u>	<u>966</u>	<u>354</u>	<u>1,211</u>	<u>66</u>	<u>1,966</u>	<u>174</u>
Total revenues	<u>733,947</u>	<u>2,754,520</u>	<u>314,335</u>	<u>154,323</u>	<u>321,123</u>	<u>91,659</u>	<u>303,721</u>	<u>53,478</u>
Expenditures:								
Debt service:								
Principal	200,000	2,260,000	181,811	126,829	295,000	75,525	70,000	47,887
Interest	602,900	734,690	140,449	24,493	51,735	15,423	255,040	5,645
Other	<u>2,319</u>	<u>8,623</u>	<u>981</u>	<u>479</u>	<u>997</u>	<u>285</u>	<u>925</u>	<u>165</u>
Total expenditures	<u>805,219</u>	<u>3,003,313</u>	<u>323,241</u>	<u>151,801</u>	<u>347,732</u>	<u>91,233</u>	<u>325,965</u>	<u>53,697</u>
Excess (deficiency) of revenues over expenditures	<u>(71,272)</u>	<u>(248,793)</u>	<u>(8,906)</u>	<u>2,522</u>	<u>(26,609)</u>	<u>426</u>	<u>(22,244)</u>	<u>(219)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(71,272)	(248,793)	(8,906)	2,522	(26,609)	426	(22,244)	(219)
Fund balances, beginning of year	<u>1,192,068</u>	<u>3,713,353</u>	<u>83,943</u>	<u>1,700</u>	<u>411,369</u>	<u>94,975</u>	<u>493,218</u>	<u>1,833</u>
Fund balances, end of year	<u>\$ 1,120,796</u>	<u>\$ 3,464,560</u>	<u>\$ 75,037</u>	<u>\$ 4,222</u>	<u>\$ 384,760</u>	<u>\$ 95,401</u>	<u>\$ 470,974</u>	<u>\$ 1,614</u>

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT								Total
	31	32A	33	36	41	44	45	46	
Revenues:									
Non-ad valorem assessments	\$2,083,837	\$ 17,925	\$ 12,585	\$ 91,009	\$ 27,229	\$ 691,695	\$ 277,238	\$ 864,614	\$12,514,605
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Investment income	8,330	103	25	109	67	2,629	1,319	21,140	69,113
Total revenues	<u>2,092,167</u>	<u>18,028</u>	<u>12,610</u>	<u>91,118</u>	<u>27,296</u>	<u>694,324</u>	<u>278,557</u>	<u>885,754</u>	<u>12,583,718</u>
Expenditures:									
Debt service:									
Principal	1,565,000	16,096	11,294	80,344	21,147	100,000	100,000	-	7,950,933
Interest	630,504	1,898	1,331	12,180	6,487	648,590	188,013	806,650	5,445,034
Other	6,590	54	40	282	84	2,205	834	2,794	39,139
Total expenditures	<u>2,202,094</u>	<u>18,048</u>	<u>12,665</u>	<u>92,806</u>	<u>27,718</u>	<u>750,795</u>	<u>288,847</u>	<u>809,444</u>	<u>13,435,106</u>
Excess (deficiency) of revenues over expenditures	<u>(109,927)</u>	<u>(20)</u>	<u>(55)</u>	<u>(1,688)</u>	<u>(422)</u>	<u>(56,471)</u>	<u>(10,290)</u>	<u>76,310</u>	<u>(851,388)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	47	159,207
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>159,207</u>
Net change in fund balances	(109,927)	(20)	(55)	(1,688)	(422)	(56,471)	(10,290)	76,357	(692,181)
Fund balances, beginning of year	<u>4,408,320</u>	<u>691</u>	<u>362</u>	<u>14,383</u>	<u>1,519</u>	<u>1,250,641</u>	<u>112,650</u>	<u>1,552,868</u>	<u>16,395,518</u>
Fund balances, end of year	<u>\$4,298,393</u>	<u>\$ 671</u>	<u>\$ 307</u>	<u>\$ 12,695</u>	<u>\$ 1,097</u>	<u>\$ 1,194,170</u>	<u>\$ 102,360</u>	<u>\$ 1,629,225</u>	<u>\$ 15,703,337</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT					
	2C	5A	9B	16	18	19
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 750,487	\$ -	\$ -	\$ -
Investment income	-	797	(17,628)	2,879	(42)	(108)
Miscellaneous	-	-	-	-	-	-
Total revenues	-	797	732,859	2,879	(42)	(108)
Expenditures:						
Capital outlay	3,729	568,305	1,416,098	4,572	3,094	1,000
Total expenditures	3,729	568,305	1,416,098	4,572	3,094	1,000
Excess (deficiency) of revenues over expenditures	(3,729)	(567,508)	(683,239)	(1,693)	(3,136)	(1,108)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(1,396)	(245,674)	(1,070,292)	(347)	(264)	-
Advances from landowners	3,132	-	-	-	-	-
Special assessment bond proceeds	-	-	1,000,000	-	-	-
Total other financing sources (uses)	1,736	(245,674)	(70,292)	(347)	(264)	-
Net change in fund balances	(1,993)	(813,182)	(753,531)	(2,040)	(3,400)	(1,108)
Fund balances, beginning of year	264	813,182	796,588	1,940,101	55,535	226,598
Fund balances, end of year	\$ (1,729)	\$ -	\$ 43,057	\$ 1,938,061	\$ 52,135	\$ 225,490

(Continued)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS

(Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2009

	UNIT OF DEVELOPMENT					Total
	<u>25</u>	<u>44</u>	<u>46</u>	<u>51</u>	<u>53</u>	
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,487
Investment income	52	195	330	159	-	(13,366)
Miscellaneous	-	-	-	193	-	193
Total revenues	52	195	330	352	-	737,314
Expenditures:						
Capital outlay	4,855	-	3,253	193	-	2,005,099
Total expenditures	4,855	-	3,253	193	-	2,005,099
Excess (deficiency) of revenues over expenditures	(4,803)	195	(2,923)	159	-	(1,267,785)
Other financing sources (uses):						
Transfers in	-	-	357	-	-	357
Transfers out	(1,160)	(204)	(2,304)	-	(397)	(1,322,038)
Advances from landowners	-	-	966	-	-	4,098
Special assessment bond proceeds	-	-	-	-	-	1,000,000
Total other financing sources (uses)	(1,160)	(204)	(981)	-	(397)	(317,583)
Net change in fund balances	(5,963)	(9)	(3,904)	159	(397)	(1,585,368)
Fund balances, beginning of year	19,350	197,545	3,904	18,614	(1,872)	4,069,809
Fund balances, end of year	\$ 13,387	\$ 197,536	\$ -	\$ 18,773	\$ (2,269)	\$ 2,484,441

**OTHER SUPPLEMENTARY FINANCIAL
DATA AND SCHEDULES**

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINED SCHEDULE OF BONDS PAYABLE

SEPTEMBER 30, 2009

<u>Special Assessment Debt with Government Commitment</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Annual Debt Service Requirement</u>	<u>Authorized</u>	<u>Issued</u>	<u>Cumulative Retirements</u>	<u>Outstanding</u>
<u>Unit of Development No.</u>								
2 A Water Control and Improvement Bonds - Series 2002	6.40%	10/31/2002	8/1/2033	Exhibit A-1	\$ 6,025,000	\$ 6,025,000	\$ 495,000	\$ 5,530,000
3 A Water Control and Improvement Bonds - Series 2004A & 2004B	2.00% - 5.375%	3/31/2005	8/1/2027	Exhibit A-2	5,595,000	5,595,000	820,000	4,775,000
5 A Water Control and Improvement Refunding Bonds - Series 1998	6.00%	4/1/1998	8/1/2010	Exhibit A-3	9,280,000	9,280,000	8,315,000	965,000
5 A Water Control and Improvement Bonds - Series 2007	4.30%	1/25/2007	8/1/2014	Exhibit A-4	2,000,000	2,000,000	140,000	1,860,000
5 B Water Control and Improvement Refunding Bonds - Series 2005	3.00% - 4.25%	8/17/2005	8/1/2025	Exhibit A-5	6,440,000	6,440,000	745,000	5,695,000
5 C Water Control and Improvement Refunding Bonds - Series 2006	4.00% - 5.00%	11/16/2006	8/1/2016	Exhibit A-6	3,080,000	3,080,000	875,000	2,205,000
5 D Water Control and Improvement Refunding Bonds - Series 2006	4.00% - 5.00%	11/16/2006	8/1/2019	Exhibit A-7	3,870,000	3,870,000	785,000	3,085,000
9 A Water Control and Improvement Refunding Bonds - Series 2003	2.40% - 5.25%	5/29/2003	8/1/2027	Exhibit A-8	44,110,000	44,110,000	6,745,000	37,365,000
9 B Water Control and Improvement Refunding Bonds - Series 2005	3.00% - 5.00%	4/20/2005	8/1/2029	Exhibit A-9	25,805,000	25,805,000	2,795,000	23,010,000
11 Water Control and Improvement Refunding Bonds - Series 2006	4.00%	11/16/2006	8/1/2010	Exhibit A-10	2,835,000	2,835,000	2,090,000	745,000
16 Water Control and Improvement Refunding Bonds - Series 1999	7.50%	10/28/1999	8/1/2024	Exhibit A-11	3,715,000	3,715,000	710,000	3,005,000
16 Water Control and Improvement Bonds - Series 2002	6.00% - 7.00%	12/20/2002	8/1/2032	Exhibit A-12	5,795,000	5,795,000	515,000	5,280,000
18 Water Control and Improvement Refunding Bonds - Series 1998	4.00% - 5.00%	3/1/1998	8/1/2014	Exhibit A-13	33,980,000	33,980,000	20,985,000	12,995,000
19 Water Control and Improvement Refunding Bonds - Series 2007	4.55%	3/29/2007	8/1/2021	Exhibit A-14	3,259,735	3,259,735	354,744	2,904,991
24 Water Control and Improvement Refunding Bonds - Series 1998	5.30% - 5.60%	4/1/1998	8/1/2011	Exhibit A-15	3,485,000	3,485,000	2,840,000	645,000
27 B Water Control and Improvement Bonds - Series 2002	6.40%	11/15/2002	8/1/2032	Exhibit A-16	4,340,000	4,340,000	425,000	3,915,000
29 Water Control and Improvement Refunding Bonds - Series 1998	5.73%	5/27/1998	8/1/2010	Exhibit A-17	455,524	455,524	404,893	50,631
31 Water Control and Improvement Refunding Bonds - Series 2003	2.25% - 4.000%	10/8/2003	11/1/2013	Exhibit A-18	6,360,000	6,360,000	2,970,000	3,390,000
31 Water Control and Improvement Refunding Bonds - Series 2001	4.40% - 5.125%	4/30/2001	11/1/2015	Exhibit A-19	14,190,000	14,190,000	4,500,000	9,690,000
32 A Water Control and Improvement Refunding Bonds - Series 1998	5.73%	5/27/1998	8/1/2010	Exhibit A-20	153,114	153,114	136,095	17,019
33 Water Control and Improvement Refunding Bonds - Series 1998	5.73%	5/27/1998	8/1/2010	Exhibit A-21	107,436	107,436	95,495	11,941
43 Water Control and Improvement Bonds - Series 2001	6.10%	9/25/2001	8/1/2011	Exhibit A-22	21,535,000	21,535,000	20,665,000	870,000
43 Water Control and Improvement Bonds - Series 2003	4.80%	1/22/2003	8/1/2014	Exhibit A-23	736,826	736,826	354,690	382,136
43 Water Control and Improvement Refunding Bonds - Series 2007A	4.55%	3/29/2007	8/1/2021	Exhibit A-24	6,680,000	6,680,000	90,000	6,590,000
43 Water Control and Improvement Refunding Bonds - Series 2007B	4.25%-5.00%	4/26/2007	8/1/2031	Exhibit A-25	13,345,000	13,345,000	-	13,345,000
44 Water Control and Improvement Bonds - Series 2000A	6.60%	12/14/2000	8/1/2031	Exhibit A-26	4,365,000	4,365,000	-	4,365,000
44 Water Control and Improvement Bonds - Series 2000B	9.50% - 10.00%	12/14/2000	8/1/2024	Exhibit A-27	4,100,000	4,100,000	595,000	3,505,000
45 Water Control and Improvement Refunding Bonds - Series 2006	4.00% - 5.00%	11/16/2006	8/1/2033	Exhibit A-28	4,600,000	4,600,000	340,000	4,260,000
46 Water Control and Improvement Bonds - Series 2007A	5.35%	4/30/2007	8/1/2041	Exhibit A-29	11,500,000	11,500,000	-	11,500,000
46 Water Control and Improvement Bonds - Series 2007B	8.25%	4/30/2007	8/1/2021	Exhibit A-30	2,320,000	2,320,000	-	2,320,000
Totals					<u>\$ 258,062,635</u>	<u>\$ 254,112,635</u>	<u>\$ 79,785,917</u>	<u>\$ 174,276,718</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$6,025,000

Water Control and Improvement Bonds, Series 2002

Unit of Development No. 2A

Dated October 31, 2002

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 105,000	\$ 353,920	\$ 458,920
2011	110,000	347,200	457,200
2012	115,000	340,160	455,160
2013	125,000	332,800	457,800
2014	135,000	324,800	459,800
2015	140,000	316,160	456,160
2016	150,000	307,200	457,200
2017	160,000	297,600	457,600
2018	170,000	287,360	457,360
2019	180,000	276,480	456,480
2020	190,000	264,960	454,960
2021	205,000	252,800	457,800
2022	215,000	239,680	454,680
2023	230,000	225,920	455,920
2024	245,000	211,200	456,200
2025	260,000	195,520	455,520
2026	280,000	178,880	458,880
2027	295,000	160,960	455,960
2028	315,000	142,080	457,080
2029	335,000	121,920	456,920
2030	355,000	100,480	455,480
2031	380,000	77,760	457,760
2032	405,000	53,440	458,440
2033	430,000	27,520	457,520
	<u>\$ 5,530,000</u>	<u>\$ 5,436,800</u>	<u>\$ 10,966,800</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$5,595,000

Water Control and Improvement Bonds, Series 2004A & 2004B

Unit of Development No. 3A

Dated March 31, 2004

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 175,000	\$ 229,581	\$ 404,581
2011	180,000	225,425	405,425
2012	185,000	220,700	405,700
2013	190,000	215,150	405,150
2014	195,000	209,450	404,450
2015	215,000	203,113	418,113
2016	220,000	195,381	415,381
2017	235,000	183,556	418,556
2018	245,000	170,925	415,925
2019	260,000	157,756	417,756
2020	275,000	143,781	418,781
2021	290,000	129,000	419,000
2022	305,000	113,413	418,413
2023	325,000	97,019	422,019
2024	340,000	79,550	419,550
2025	360,000	61,275	421,275
2026	380,000	41,925	421,925
2027	400,000	21,500	421,500
	<u>\$4,775,000</u>	<u>\$2,698,500</u>	<u>\$ 7,473,500</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$9,280,000

Water Control and Improvement Refunding Bonds, Series 1998

Unit of Development No. 5A

Dated April 1, 1998

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 965,000	\$ 57,900	\$ 1,022,900
	<u>\$ 965,000</u>	<u>\$ 57,900</u>	<u>\$ 1,022,900</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$2,000,000

Water Control and Improvement Bonds, Series 2007

Unit of Development No. 5A

Dated January 25, 2007

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 365,000	\$ 86,000	\$ 451,000
2011	385,000	70,305	455,305
2012	400,000	53,750	453,750
2013	415,000	36,550	451,550
2014	295,000	18,705	313,705
	<u>\$ 1,860,000</u>	<u>\$ 265,310</u>	<u>\$ 2,125,310</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$6,440,000

Water Control and Improvement Refunding Bonds, Series 2005

Unit of Development No. 5B

Dated August 17, 2005

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 265,000	\$ 223,453	\$ 488,453
2011	270,000	215,503	485,503
2012	285,000	204,703	489,703
2013	295,000	195,084	490,084
2014	300,000	185,054	485,054
2015	315,000	174,554	489,554
2016	330,000	161,954	491,954
2017	340,000	149,744	489,744
2018	355,000	136,144	491,144
2019	370,000	121,944	491,944
2020	385,000	107,144	492,144
2021	400,000	91,744	491,744
2022	415,000	75,344	490,344
2023	435,000	58,225	493,225
2024	460,000	39,738	499,738
2025	475,000	20,188	495,188
	<u>\$5,695,000</u>	<u>\$2,160,515</u>	<u>\$ 7,855,515</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,080,000

Water Control and Improvement Refunding Bonds, Series 2006

Unit of Development No. 5C

Dated November 16, 2006

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 270,000	\$ 91,100	\$ 361,100
2011	290,000	80,300	370,300
2012	300,000	65,800	365,800
2013	320,000	53,800	373,800
2014	330,000	41,000	371,000
2015	340,000	27,800	367,800
2016	355,000	14,200	369,200
	<u>\$ 2,205,000</u>	<u>\$ 374,000</u>	<u>\$ 2,579,000</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,870,000

Water Control and Improvement Refunding Bonds, Series 2006

Unit of Development No. 5D

Dated November 16, 2006

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 255,000	\$ 126,506	\$ 381,506
2011	265,000	116,306	381,306
2012	280,000	103,056	383,056
2013	290,000	91,856	381,856
2014	300,000	80,256	380,256
2015	315,000	68,256	383,256
2016	325,000	55,656	380,656
2017	340,000	42,656	382,656
2018	350,000	29,056	379,056
2019	365,000	15,056	380,056
	<u>\$3,085,000</u>	<u>\$ 728,660</u>	<u>\$ 3,813,660</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$44,110,000

Water Control and Improvement Refunding Bonds, Series 2003

Unit of Development No. 9A

Dated May 29, 2003

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 1,410,000	\$ 1,648,135	\$ 3,058,135
2011	1,455,000	1,604,425	3,059,425
2012	1,505,000	1,556,410	3,061,410
2013	1,555,000	1,505,240	3,060,240
2014	1,620,000	1,450,815	3,070,815
2015	1,700,000	1,375,375	3,075,375
2016	1,785,000	1,296,625	3,081,625
2017	1,880,000	1,202,913	3,082,913
2018	1,980,000	1,104,213	3,084,213
2019	2,080,000	1,000,263	3,080,263
2020	2,170,000	909,263	3,079,263
2021	2,270,000	814,325	3,084,325
2022	2,370,000	715,013	3,085,013
2023	2,480,000	611,325	3,091,325
2024	2,595,000	499,725	3,094,725
2025	2,710,000	382,950	3,092,950
2026	2,835,000	261,000	3,096,000
2027	2,965,000	133,420	3,098,420
	<u>\$ 37,365,000</u>	<u>\$ 18,071,433</u>	<u>\$ 55,436,433</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$25,805,000

Water Control and Improvement Refunding Bonds, Series 2005

Unit of Development No. 9B

Dated April 20, 2005

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 750,000	\$ 1,062,448	\$ 1,812,448
2011	780,000	1,036,198	1,816,198
2012	815,000	1,004,998	1,819,998
2013	840,000	972,398	1,812,398
2014	880,000	938,798	1,818,798
2015	915,000	903,598	1,818,598
2016	945,000	866,998	1,811,998
2017	985,000	829,198	1,814,198
2018	1,025,000	788,813	1,813,813
2019	1,065,000	745,763	1,810,763
2020	1,115,000	700,500	1,815,500
2021	1,170,000	644,750	1,814,750
2022	1,230,000	586,250	1,816,250
2023	1,290,000	524,750	1,814,750
2024	1,355,000	460,250	1,815,250
2025	1,420,000	392,500	1,812,500
2026	1,495,000	321,500	1,816,500
2027	1,565,000	246,750	1,811,750
2028	1,645,000	168,500	1,813,500
2029	1,725,000	86,250	1,811,250
	<u>\$ 23,010,000</u>	<u>\$ 13,281,205</u>	<u>\$ 36,291,205</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$2,835,000

Water Control and Improvement Refunding Bonds, Series 2006

Unit of Development No. 11

Dated November 16, 2006

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 745,000	\$ 29,800	\$ 774,800
	<u>\$ 745,000</u>	<u>\$ 29,800</u>	<u>\$ 774,800</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,715,000

Water Control and Improvement Refunding Bonds, Series 1999

Unit of Development No. 16

Dated October 1, 1999

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 115,000	\$ 225,375	\$ 340,375
2011	120,000	216,750	336,750
2012	130,000	207,750	337,750
2013	140,000	198,000	338,000
2014	155,000	187,500	342,500
2015	165,000	175,875	340,875
2016	175,000	163,500	338,500
2017	190,000	150,375	340,375
2018	205,000	136,125	341,125
2019	220,000	120,750	340,750
2020	240,000	104,250	344,250
2021	255,000	86,250	341,250
2022	275,000	67,125	342,125
2023	300,000	46,500	346,500
2024	320,000	24,000	344,000
	<u>\$ 3,005,000</u>	<u>\$ 2,110,125</u>	<u>\$ 5,115,125</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$5,795,000

Water Control and Improvement Bonds, Series 2002

Unit of Development No. 16

Dated December 20, 2002

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 100,000	\$ 363,950	\$ 463,950
2011	105,000	357,950	462,950
2012	115,000	351,650	466,650
2013	120,000	344,750	464,750
2014	125,000	337,550	462,550
2015	135,000	330,050	465,050
2016	145,000	320,600	465,600
2017	155,000	310,450	465,450
2018	165,000	299,600	464,600
2019	180,000	288,050	468,050
2020	190,000	275,450	465,450
2021	205,000	262,150	467,150
2022	220,000	247,800	467,800
2023	235,000	232,400	467,400
2024	255,000	215,950	470,950
2025	275,000	198,100	473,100
2026	295,000	178,850	473,850
2027	315,000	158,200	473,200
2028	335,000	136,150	471,150
2029	360,000	112,700	472,700
2030	390,000	87,500	477,500
2031	415,000	60,200	475,200
2032	445,000	31,150	476,150
	<u>\$5,280,000</u>	<u>\$5,501,200</u>	<u>\$10,781,200</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$33,980,000

Water Control and Improvement Refunding Bonds, Series 1998

Unit of Development No. 18

Dated March 1, 1998

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 2,360,000	\$ 632,990	\$ 2,992,990
2011	2,470,000	523,840	2,993,840
2012	2,595,000	400,340	2,995,340
2013	2,720,000	275,780	2,995,780
2014	<u>2,850,000</u>	<u>142,500</u>	<u>2,992,500</u>
	<u>\$ 12,995,000</u>	<u>\$ 1,975,450</u>	<u>\$ 14,970,450</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,259,735

Water Control and Improvement Refunding Bonds, Series 2007

Unit of Development No. 19

Dated March 29, 2007

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 185,453	\$ 132,177	\$ 317,630
2011	193,901	123,739	317,640
2012	206,993	114,917	321,910
2013	214,724	105,498	320,222
2014	226,358	95,728	322,086
2015	232,647	85,429	318,076
2016	243,593	74,844	318,437
2017	254,121	63,760	317,881
2018	269,218	52,198	321,416
2019	278,774	39,948	318,722
2020	292,854	27,264	320,118
2021	<u>306,355</u>	<u>13,939</u>	<u>320,294</u>
	<u>\$ 2,904,991</u>	<u>\$ 929,441</u>	<u>\$ 3,834,432</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,485,000

Water Control and Improvement Refunding Bonds, Series 1998

Unit of Development No. 24

Dated April 1, 1998

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 315,000	\$ 35,805	\$ 350,805
2011	<u>330,000</u>	<u>18,480</u>	<u>348,480</u>
	<u>\$ 645,000</u>	<u>\$ 54,285</u>	<u>\$ 699,285</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,340,000

Water Control and Improvement Bonds, Series 2002

Unit of Development No. 27B

Dated November 15, 2002

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 75,000	\$ 250,560	\$ 325,560
2011	80,000	245,760	325,760
2012	90,000	240,640	330,640
2013	95,000	234,880	329,880
2014	100,000	228,800	328,800
2015	105,000	222,400	327,400
2016	115,000	215,680	330,680
2017	120,000	208,320	328,320
2018	130,000	200,640	330,640
2019	135,000	192,320	327,320
2020	145,000	183,680	328,680
2021	155,000	174,400	329,400
2022	165,000	164,480	329,480
2023	175,000	153,920	328,920
2024	190,000	142,720	332,720
2025	200,000	130,560	330,560
2026	215,000	117,760	332,760
2027	230,000	104,000	334,000
2028	245,000	89,280	334,280
2029	260,000	73,600	333,600
2030	280,000	56,960	336,960
2031	295,000	39,040	334,040
2032	315,000	20,160	335,160
	<u>\$3,915,000</u>	<u>\$3,690,560</u>	<u>\$ 7,605,560</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$455,524

Water Control and Improvement Refunding Bonds, Series 1998

Unit of Development No. 29

Dated May 27, 1998

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 50,631	\$ 2,901	\$ 53,532
	<u>\$ 50,631</u>	<u>\$ 2,901</u>	<u>\$ 53,532</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$6,360,000

Water Control and Improvement Refunding Bonds, Series 2003

Unit of Development No. 31

Dated October 8, 2003

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 635,000	\$ 109,687	\$ 744,687
2011	655,000	89,519	744,519
2012	675,000	67,062	742,062
2013	700,000	42,125	742,125
2014	<u>725,000</u>	<u>14,500</u>	<u>739,500</u>
	<u>\$3,390,000</u>	<u>\$ 322,893</u>	<u>\$ 3,712,893</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$14,190,000

Water Control and Improvement Refunding Bonds, Series 2001

Unit of Development No. 31

Dated April 15, 2001

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 995,000	\$ 459,269	\$ 1,454,269
2011	1,035,000	410,385	1,445,385
2012	1,080,000	358,590	1,438,590
2013	1,130,000	304,985	1,434,985
2014	1,195,000	247,425	1,442,425
2015	2,075,000	164,638	2,239,638
2016	2,180,000	55,863	2,235,863
	<u>\$ 9,690,000</u>	<u>\$2,001,154</u>	<u>\$11,691,154</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$153,114

Water Control and Improvement Refunding Bonds, Series 1998

Unit of Development No. 32A

Dated May 27, 1998

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 17,019	\$ 975	\$ 17,994
	<u>\$ 17,019</u>	<u>\$ 975</u>	<u>\$ 17,994</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$107,436

Water Control and Improvement Refunding Bonds, Series 1998

Unit of Development No. 33

Dated May 27, 1998

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	<u>\$ 11,941</u>	<u>\$ 685</u>	<u>\$ 12,626</u>
	<u>\$ 11,941</u>	<u>\$ 685</u>	<u>\$ 12,626</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$21,535,000

Water Control and Improvement Bonds, Series 2001

Unit of Development No. 43

Dated September 1, 2001

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 420,000	\$ 53,070	\$ 473,070
2011	<u>450,000</u>	<u>27,450</u>	<u>477,450</u>
	<u>\$ 870,000</u>	<u>\$ 80,520</u>	<u>\$ 950,520</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$736,826

Water Control and Improvement Bonds, Series 2003

Unit of Development No. 43

Dated January 22, 2003

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 69,434	\$ 18,343	\$ 87,777
2011	72,766	15,010	87,776
2012	76,259	11,517	87,776
2013	79,920	7,856	87,776
2014	<u>83,757</u>	<u>4,020</u>	<u>87,777</u>
	<u>\$ 382,136</u>	<u>\$ 56,746</u>	<u>\$ 438,882</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$6,680,000

Water Control and Improvement Refunding Bonds, Series 2007A

Unit of Development No. 43

Dated March 29, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 50,000	\$ 299,845	\$ 349,845
2011	50,000	297,570	347,570
2012	525,000	295,295	820,295
2013	550,000	271,408	821,408
2014	575,000	246,383	821,383
2015	600,000	220,220	820,220
2016	630,000	192,920	822,920
2017	660,000	164,255	824,255
2018	685,000	134,225	819,225
2019	720,000	103,058	823,058
2020	755,000	70,298	825,298
2021	790,000	35,945	825,945
	<u>\$ 6,590,000</u>	<u>\$ 2,331,422</u>	<u>\$ 8,921,422</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$13,345,000

Water Control and Improvement Refunding Bonds, Series 2007B

Unit of Development No. 43

Dated April 26, 2007

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ -	\$ 622,725	\$ 622,725
2011	465,000	622,725	1,087,725
2012	15,000	602,963	617,963
2013	15,000	602,325	617,325
2014	15,000	601,688	616,688
2015	105,000	601,050	706,050
2016	105,000	596,588	701,588
2017	110,000	592,125	702,125
2018	120,000	587,450	707,450
2019	125,000	582,350	707,350
2020	130,000	576,725	706,725
2021	135,000	570,875	705,875
2022	965,000	564,800	1,529,800
2023	1,010,000	521,375	1,531,375
2024	1,055,000	475,925	1,530,925
2025	1,105,000	428,450	1,533,450
2026	1,160,000	378,725	1,538,725
2027	1,215,000	322,919	1,537,919
2028	1,275,000	264,456	1,539,456
2029	1,340,000	203,106	1,543,106
2030	1,405,000	138,619	1,543,619
2031	1,475,000	70,994	1,545,994
	<u>\$ 13,345,000</u>	<u>\$ 10,528,958</u>	<u>\$ 23,873,958</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,365,000

Water Control and Improvement Bonds, Series 2000A

Unit of Development No. 44

Dated December 1, 2000

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ -	\$ 288,090	\$ 288,090
2011	-	288,090	288,090
2012	-	288,090	288,090
2013	-	288,090	288,090
2014	-	288,090	288,090
2015	-	288,090	288,090
2016	-	288,090	288,090
2017	-	288,090	288,090
2018	-	288,090	288,090
2019	-	288,090	288,090
2020	-	288,090	288,090
2021	-	288,090	288,090
2022	-	288,090	288,090
2023	-	288,090	288,090
2024	190,000	288,090	478,090
2025	485,000	275,550	760,550
2026	520,000	243,540	763,540
2027	555,000	209,220	764,220
2028	590,000	172,590	762,590
2029	630,000	133,650	763,650
2030	675,000	92,070	767,070
2031	720,000	47,520	767,520
	<u>\$4,365,000</u>	<u>\$5,495,490</u>	<u>\$ 9,860,490</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,100,000

Water Control and Improvement Bonds, Series 2000B

Unit of Development No. 44

Dated December 1, 2000

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2010	\$ 110,000	\$ 350,500	\$ 460,500
2011	125,000	339,500	464,500
2012	135,000	327,000	462,000
2013	150,000	313,500	463,500
2014	165,000	298,500	463,500
2015	185,000	282,000	467,000
2016	205,000	263,500	468,500
2017	225,000	243,000	468,000
2018	250,000	220,500	470,500
2019	275,000	195,500	470,500
2020	305,000	168,000	473,000
2021	335,000	137,500	472,500
2022	370,000	104,000	474,000
2023	410,000	67,000	477,000
2024	260,000	26,000	286,000
	<u>\$ 3,505,000</u>	<u>\$ 3,336,000</u>	<u>\$ 6,841,000</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,600,000

Water Control and Improvement Refunding Bonds, Series 2006

Unit of Development No. 45

Dated November 16, 2006

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2010	\$ 105,000	\$ 184,013	\$ 289,013
2011	110,000	179,813	289,813
2012	115,000	174,313	289,313
2013	115,000	169,713	284,713
2014	125,000	165,113	290,113
2015	130,000	160,113	290,113
2016	135,000	154,913	289,913
2017	140,000	149,513	289,513
2018	145,000	143,913	288,913
2019	150,000	138,113	288,113
2020	160,000	131,925	291,925
2021	165,000	125,325	290,325
2022	170,000	118,313	288,313
2023	180,000	111,088	291,088
2024	190,000	103,438	293,438
2025	195,000	95,125	290,125
2026	205,000	86,594	291,594
2027	215,000	77,625	292,625
2028	225,000	67,950	292,950
2029	235,000	57,825	292,825
2030	245,000	47,250	292,250
2031	260,000	36,225	296,225
2032	265,000	24,525	289,525
2033	280,000	12,600	292,600
	<u>\$4,260,000</u>	<u>\$2,715,338</u>	<u>\$ 6,975,338</u>

COMPLIANCE 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**

Board of Supervisors
Northern Palm Beach County Improvement District
Palm Beach Gardens, Florida

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northern Palm Beach County Improvement District (the District), as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated February 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of Supervisors, the Budget and Banking Committee and regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.



a division of Marcum LLP
West Palm Beach, Florida
February 22, 2010

Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

Board of Supervisors
Northern Palm Beach County Improvement District
Palm Beach Gardens, Florida

We have audited the financial statements of Northern Palm Beach County Improvement District (the District) as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated February 22, 2010.


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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated February 22, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the prior year audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.554(l)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(l)(i)6., 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 Northern Palm Beach County Improvement District was established by Chapter 59-994, Florida Statutes and codified pursuant to Chapter 2000-467 Laws of Florida and supplemented by Chapter 2005-238 Laws of Florida. There are no component units.
- Section 10.554(l)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(l)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2009, filed with the Florida Department of Financial Services pursuant to Section 218.32(l)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2009. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(l)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Supervisors, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.



a division of Marcum LLP
West Palm Beach, Florida
February 22, 2010