

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2024 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2024 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.



\$45,600,000

**NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
Water Control and Improvement Refunding Bonds,
Unit of Development No. 2C,
Series 2024**

DATED: Date of Delivery

DUE: August 1, as shown on the inside cover

The Northern Palm Beach County Improvement District (the "District") Water Control and Improvement Refunding Bonds, Unit of Development No. 2C, Series 2024 (the "Series 2024 Bonds") are being issued as fully registered bonds without coupons and will be initially issued to and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") of New York, New York, which will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be available to purchasers in the principal denominations of \$5,000 and integral multiples thereof under the book entry system maintained by DTC through brokers and dealers who are or act through DTC Participants. Purchasers of beneficial interests in the Series 2024 Bonds will not receive physical delivery of the Series 2024 Bonds, but will be Beneficial Owners (and not registered owners) of the Series 2024 Bonds. For so long as any purchaser is the Beneficial Owner of a Series 2024 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2024 Bonds. See "BOOK ENTRY ONLY SYSTEM" herein.

The Series 2024 Bonds will be dated the date of their initial issuance, will bear interest from that date, payable on February 1 and August 1 of each year, commencing February 1, 2025, at the rates (calculated on the basis of a 360-day year consisting of twelve 30-day months) and, subject to the redemption provisions described herein, will mature on the dates and in the amounts set forth on the inside cover hereof. The Series 2024 Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

The Series 2024 Bonds are being issued by the District. The District is a water control district, which is an independent special district of the State of Florida. The Series 2024 Bonds are being issued pursuant to the authority of the applicable provisions of Chapter 298, Florida Statutes, Chapter 2000-467, Laws of Florida, as amended, and other applicable provisions of law, and Resolution No. 2014-04 adopted by the Board of Supervisors (the "Board") of the District on March 26, 2014, as amended and supplemented, particularly by Resolution No. 2024-01, adopted by the Board on June 26, 2024 (collectively, the "Resolution").

The Series 2024 Bonds are being issued for the primary purposes of providing funds, together with other available funds of the District, to (i) refinance a portion of the District's Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 (the "Series 2014 Bonds"); (ii) deposit funds and pay the premium on a reserve account credit facility to be deposited into the Reserve Fund for the Series 2024 Bonds; and (iii) pay the costs of issuing the Series 2024 Bonds.

The scheduled payment of principal of and interest on the Series 2024 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2024 Bonds by Build America Mutual Assurance Company (the "Insurer"). See "MUNICIPAL BOND INSURANCE" herein.



THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT. THE PRINCIPAL OF AND INTEREST ON THE SERIES 2024 BONDS ARE PAYABLE SOLELY FROM AND ARE SECURED EQUALLY AND RATABLY BY A LIEN UPON AND PLEDGE OF THE PROCEEDS OF SPECIAL ASSESSMENTS, REFERRED TO HEREIN AS "DRAINAGE TAXES," LEVIED BY THE DISTRICT AGAINST THE ASSESSABLE LANDS IN UNIT OF DEVELOPMENT NO. 2C OF THE DISTRICT, AND THE AMOUNTS ON DEPOSIT IN CERTAIN FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION.

THERE ARE RISKS INHERENT IN AN INVESTMENT IN THE SERIES 2024 BONDS. THE SERIES 2024 BONDS MAY NOT BE AN APPROPRIATE INVESTMENT FOR CERTAIN POTENTIAL INVESTORS. SEE "OWNERS' RISKS" AND "SECURITY FOR THE SERIES 2024 BONDS" HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2024 Bonds are offered when, as and if issued and received by Piper Sandler & Co. and RBC Capital Markets, LLC (collectively, the "Underwriters"), subject to approval of legality by Nabors, Giblin & Nickerson, P.A., Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the District by its counsel, Caldwell Pacetti Edwards Schoech & Viator LLP. Nabors, Giblin & Nickerson, P.A., Tampa, Florida is also serving as Disclosure Counsel to the District. The Underwriters are represented by Greenspoon Marder LLP, West Palm Beach, Florida. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of DTC in New York, New York on or about August 15, 2024.

Piper Sandler & Co.

RBC Capital Markets

The date of this Official Statement is August 6, 2024.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS
AND CUSIP NUMBERS**

**\$45,600,000
SERIES 2024 BONDS**

\$25,775,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP No. **
2025	\$1,280,000	5.000%	101.755	3.130%	665588SN0
2026	1,240,000	5.000	103.470	3.160	665588SP5
2027	1,300,000	5.000	105.161	3.160	665588SQ3
2028	1,365,000	5.000	106.722	3.180	665588SR1
2029	1,445,000	5.000	108.243	3.190	665588SS9
2030	1,515,000	5.000	109.299	3.270	665588ST7
2031	1,590,000	5.000	110.494	3.300	665588SU4
2032	1,675,000	5.000	111.519	3.340	665588SV2
2033	1,755,000	5.000	112.515	3.370	665588SW0
2034	1,845,000	5.000	113.422	3.400	665588SX8
2035	1,940,000	5.000	112.791	3.470*	665588SY6
2036	2,040,000	5.000	112.522	3.500*	665588SZ3
2037	2,150,000	5.000	112.075	3.550*	665588TA7
2038	2,260,000	5.000	111.719	3.590*	665588TB5
2039	2,375,000	5.000	111.011	3.670*	665588TC3

\$19,825,000 Term Series 2024 Bond due August 1, 2046; Rate: 4.000%;
Price: 97.148; Yield: 4.200%; CUSIP No.: 665588TK5**

* Yield calculated to the first optional call date of August 1, 2034.

**The above-referenced CUSIP numbers have been assigned by an independent company not affiliated with the District, the Underwriters or the Trustee and are included solely for the convenience of the holders of the Series 2024 Bonds. None of the District, the Underwriters or the Trustee is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to their correctness on the Series 2024 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to change after the issuance of the Series 2024 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

359 Hiatt Drive
Palm Beach Gardens, Florida 33418
(561) 624-7830

BOARD OF SUPERVISORS

Matthew J. Boykin, President
L. Marc Cohn, Vice President
Brian J. LaMotte, Treasurer
Ellen T. Baker, Secretary
Gregory Block, Supervisor

EXECUTIVE DIRECTOR

C. Danvers Beatty, P.E.

DISTRICT CLERK AND ASSISTANT SECRETARY

Susan Scheff

COUNSEL TO THE DISTRICT

Caldwell Pacetti Edwards Schoech & Viator LLP
West Palm Beach, Florida

BOND & DISCLOSURE COUNSEL

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

INDEPENDENT REGISTERED MUNICIPAL ADVISOR

Public Resources Advisory Group, Inc.
St. Petersburg, Florida

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NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2024 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE DISTRICT AND OBTAINED FROM OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IT IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITERS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR OTHER MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF.

THE INSURER MAKES NO REPRESENTATION REGARDING THE SERIES 2024 BONDS OR THE ADVISABILITY OF INVESTING IN THE SERIES 2024 BONDS. IN ADDITION, THE INSURER HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING THE INSURER SUPPLIED BY THE INSURER AND PRESENTED UNDER THE HEADING "MUNICIPAL BOND INSURANCE" HEREIN AND THE "SPECIMEN MUNICIPAL BOND INSURANCE POLICY" ATTACHED HERETO AS APPENDIX E.

THE SERIES 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON

EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2024 BONDS UNDER THE SECURITIES LAWS OF THE JURISDICTIONS IN WHICH THEY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE JURISDICTIONS OR THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2024 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT.

"FORWARD LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHER WORDS OF SIMILAR IMPORT. THE READER IS CAUTIONED THAT FORWARD LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS, FINANCIAL CONDITION OF THE DISTRICT, THE COLLECTION OF DRAINAGE TAXES BY THE PALM BEACH COUNTY TAX COLLECTOR, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S CONTROL. BECAUSE THE DISTRICT CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD LOOKING STATEMENTS.

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN "DEEMED FINAL" BY THE DISTRICT FOR PURPOSES OF RULE 15C2-12 (THE "RULE") OF THE SECURITIES AND EXCHANGE COMMISSION, EXCEPT FOR CERTAIN "PERMITTED OMISSIONS" WITHIN THE MEANING OF THE RULE.

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OFFICIAL STATEMENT

Relating To

\$45,600,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

Water Control and Improvement Refunding Bonds,

Unit of Development No. 2C,

Series 2024

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices hereto, is to furnish information with respect to Northern Palm Beach County Improvement District (the "District") and the original issuance and sale of the District's Water Control and Improvement Refunding Bonds, Unit of Development No. 2C, Series 2024 in the principal amount of \$45,600,000 (the "Series 2024 Bonds").

PROSPECTIVE INVESTORS SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY ONE OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL AND/OR INTEREST ON THE SERIES 2024 BONDS. SEE "OWNERS' RISKS" AND "SECURITY FOR THE SERIES 2024 BONDS" HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS.

The Series 2024 Bonds are being issued pursuant to the authority of Chapter 2000-467, Laws of Florida, as amended, the applicable provisions of Chapter 298, Florida Statutes, and other applicable provisions of law (collectively, the "Act") and Resolution No. 2014-04 adopted by the Board of Supervisors (the "Board") of the District on March 26, 2014, as amended and supplemented, particularly by Resolution No. 2024-01, adopted by the Board on June 26, 2024 (collectively, the "Resolution"). See "APPENDIX A - FORM OF RESOLUTION" hereto for further information.

The Series 2024 Bonds are being issued for the primary purposes of providing funds, together with other available funds of the District, to (i) refinance the District's Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 (the "Series 2014 Bonds"); (ii) deposit funds and pay the premium on a reserve account credit facility to be deposited into the Reserve Fund for the Series 2024 Bonds; and (iii) pay the costs of issuing the Series 2024 Bonds. See "THE REFUNDING PROGRAM" for further information.

The scheduled payment of principal of and interest on the Series 2024 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently

with the delivery of the Series 2024 Bonds by Build America Mutual Assurance Company (the "Insurer"). See "MUNICIPAL BOND INSURANCE" herein.

The Series 2014 Bonds were issued in the aggregate principal amount of \$59,380,000 for the primary purpose of providing funds to pay a portion of the cost of the Improvements described in the Plan of Improvements (hereinafter described) with respect to a geographical area of the District known as Unit of Development No. 2C ("Unit 2C").

The District subsequently issued \$23,495,000 aggregate principal amount of its Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2017 for the principal purpose of providing funds to pay costs of the Improvements not financed with the proceeds of the Series 2014 Bonds. As of the date of this Official Statement, the Series 2017 Bonds remain outstanding in the principal amount of \$21,165,000. See "SCHEDULE OF DEBT SERVICE REQUIREMENTS" herein for further information.

Implementation of the Plan of Improvements for Unit 2C (the "Project") has been largely completed and provides: (i) roadways and related improvements including irrigation systems and lighting, (ii) pedestrian paths including lighting, (iii) potable water distribution and wastewater collection facilities, (iv) surface water management system including lakes, (v) environmental preserves, (vi) perimeter buffer walls and (vii) associated landscaping, and (viii) a community park facility, all to serve the land in Unit 2C. The remaining improvements include application of the final lift of asphalt on District roads in the hereinafter described Parcel D, which is expected to be completed in calendar year 2024. The District anticipates that all of the remaining construction proceeds of the Series 2014 and 2017 Bonds will be encumbered for existing components of the Project during July, 2024. Any remaining costs to complete the Plan of Improvement after the bond proceeds are expended will be funded by the original developer pursuant to its Developer's Agreement with the District.

Unit 2C consists of approximately 681.69 acres of land located in northeastern Palm Beach County, Florida (the "County"), within the City of Palm Beach Gardens, Florida (the "City").

Most of the land in Unit 2C, comprising approximately 606.69 acres, was developed as a mixed use planned development known as "Alton." Alton includes healthcare, research and development, retail, office, apartment and residential uses, and potentially higher education. The developer of Alton is KH Alton LLC. The term "Kolter" is being used in this Official Statement to refer to a group of special purpose entities, including KH Alton LLC, which are managed by The Kolter Group LLC.

At the time of issuance of the Series 2014 Bonds, substantially all of the land in Alton was owned by Kolter. Since 2014, construction of the Improvements by the District has proceeded and is near completion. Since 2014, Kolter has been actively improving the land in Alton, marketing and selling vacant land for commercial development by others,

developing residential communities and constructing and selling residential units to the public. As of July 10, 2024, Kolter continued to own approximately 23 acres of land in Unit 2C, including approximately 9.5 acres expected to be dedicated to preserves and open spaces. Per discussions with Kolter representatives, as of July 10, 2024, KH Alton has approximately 90 homes remaining to be sold (out of a total of approximately 1,500 homes).

Another portion of the land in Unit 2C comprising approximately 70 acres (sometimes referred to herein as "Tract A"), formerly owned by Scripps Research, is now owned by the University of Florida Board of Trustees ("UF"). Discussions to integrate UF and the Scripps Florida campus began in mid-2021 and were formalized in November 2023. Effective April 4, 2022, the Scripps Research campus was integrated with UF into an academic health center known as the Herbert Wertheim UF Scripps Institute for Biomedical Innovation & Technology. The UF-owned land in Unit 2C is subject to the Drainage Taxes to the same extent as private landowners.

North American Development Group ("NADG") owns approximately 38 acres in Alton comprising a commercial town center. Anchor stores include Publix, PetSmart, Longhorn Steakhouse, LA Fitness and Home Depot. The NADG town center also has restaurants, health and wellness services and shopping with a home town appeal. NADG is a national retail and residential development company with over 250 retail shopping centers and over 10,000 residential units completed for rent or sale.

Approximately 30 acres of land was recently sold to Pasteur Healthcare Properties for the development of a medical center by Universal Health Services ("UHS"). The Alan B. Miller Medical Center, named for the founder and executive chairman of UHS, is currently under construction and is slated to open in 2025. The campus plan includes a new 150-bed, seven-story hospital building totaling 365,000 square feet, a four-story medical office building totaling 80,000 square feet, and a helistop. UHS projects that over 800 hospital jobs will be created in connection with this facility.

Carrier Global Corporation ("Carrier"), a leading global provider of healthy, safe, sustainable and intelligent building and cold chain solutions, owns approximately 26 acres comprising its state-of-the-art global headquarters, the Center for Intelligent Buildings. The building was awarded the prestigious WELL Platinum Certification from the International WELL Building Institute and in 2019, it was recognized as the first commercial building in Florida to earn Leadership in Energy and Environmental Design (LEED) Platinum certification, the highest designation in the areas of health and well-being, as well as energy and environmental performance. The facility currently employs over 600 people.

The Villas at Briger LLC ("Villas at Briger") owns approximately 13 acres of land in Unit 2C on which it operates and manages an apartment complex called Atlantico at Alton ("Atlantico"). Atlantico is a coastal-inspired luxury living community with 353

apartments for lease. Per discussions with Villas at Briger representatives, as of July 24, 2024, Atlantico is approximately 96% occupied.

Finally, The Madyson at Palm Beach Gardens ("The Madyson") owns approximately seven acres on which it operates a memory care and assisted living facility offering a blend of independent living, assisted living, and specialized memory care facility services.

Neither Kolter, UF, NADG, UHS, Carrier, Villas at Briger, The Madyson, nor any other owner of land in Unit 2C, is obligated to pay debt service on the Series 2024 Bonds. However, the Assessable Real Property (hereinafter defined) in Unit 2C is subject to the Drainage Taxes that are the source of funds for the payment of principal and interest on the Series 2024 Bonds as described herein. See "OWNERS' RISKS - Drainage Taxes are Non-Recourse" herein.

The Series 2014 Bonds, the Series 2017 Bonds, the Series 2024 Bonds and any additional Bonds issued by the District pursuant to the Resolution are collectively referred to herein as the "Bonds." The Bonds are limited obligations of the District and are payable solely from and are secured equally and ratably by a lien upon and pledge of (i) the proceeds of special assessments, known as "Drainage Taxes," levied by the District upon assessable land in Unit 2C and (ii) amounts on deposit in certain funds established pursuant to the Resolution. See "SECURITY FOR THE SERIES 2024 BONDS" herein for further information.

There follows in this Official Statement descriptions of the Series 2024 Bonds, the refinancing plan, the District and certain other matters. Terms used herein in capitalized form and not otherwise defined herein have the same meanings as in the Resolution. The form of the adopted Resolution is contained in APPENDIX A hereto.

Written inquiries concerning the District and the Series 2024 Bonds should be directed to the Executive Director of the District, and copies of documents pertinent to the District and the Series 2024 Bonds may be obtained, upon the payment of any required fee, from the District upon written request to 359 Hiatt Drive, Palm Beach Gardens, Florida 33418.

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THE SERIES 2024 BONDS

General Description

The Series 2024 Bonds are being issued as fully registered bonds in principal denominations of \$5,000 and integral multiples thereof. The Series 2024 Bonds will be dated the date of their initial issuance and delivery, will bear interest from that date at the rates (calculated on the basis of a 360-day year consisting of twelve 30 day months) and, subject to the redemption provisions described below, will mature on the dates and in the amounts set forth on the inside cover page hereof.

Interest on the Series 2024 Bonds is payable on February 1 and August 1 of each year (the "Interest Payment Dates"), commencing February 1, 2025. Interest will be paid by check or draft mailed on the Interest Payment Dates by The Bank of New York Mellon Trust Company, N.A., or its successor, as Trustee (the "Trustee"), to the registered Owners as of the close of business on the fifteenth day of the month next preceding the Interest Payment Date; provided, however, that upon the written request of and at the expense of any Owner of at least \$1,000,000 principal amount of Series 2024 Bonds (or of all Series 2024 Bonds of a Series if less than \$1,000,000 of such Series shall be unpaid), interest will be paid by wire transfer to a bank account specified in such written request. Principal of the Series 2024 Bonds is payable when due upon presentation and surrender of the Series 2024 Bonds at the Principal Office of the Trustee.

For so long as the book-entry system of ownership of the Series 2024 Bonds continues, principal of and interest on the Series 2024 Bonds will be paid as described herein under "Book-Entry Only System."

Redemption Provisions

Optional Redemption of Bonds. The Series 2024 Bonds are not subject to redemption at the option of the District prior to August 1, 2034. The Series 2024 Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, on any date on or after August 1, 2034 at the redemption price equal to the principal amount thereof, plus accrued interest thereon to the date of redemption.

Mandatory Redemption of Series 2024 Bonds. The Series 2024 Bonds maturing on August 1, 2046 shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the District at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on August 1 in the years and in the principal amounts set forth below:

Year	Principal Amount
2040	\$2,500,000
2041	2,605,000
2042	2,710,000
2043	2,825,000
2044	2,940,000
2045	3,060,000
2046*	3,185,000

*Final Maturity.

If as of any date the District shall have discharged, whether through purchase for cancellation, redemption or otherwise, Series 2024 Bonds of a maturity in excess of the aggregate mandatory redemption requirements for such maturity to but not including such date, such excess of Series 2024 Bonds of such maturity so discharged and not previously applied as a credit as described in this paragraph shall be credited over such of the remaining mandatory redemption dates for such maturity as the District shall determine, and shall reduce the amount of such Series 2024 Bonds of such maturity otherwise subject to mandatory redemption on such date(s). Provided, however, that no such excess shall be credited to the amount of Series 2024 Bonds of a maturity subject to mandatory redemption on a particular August 1 after the selection of Series 2024 Bonds of such maturity to be redeemed on such date has been made.

Notice of Redemption. No notice of the optional redemption of Series 2024 Bonds may be given unless funds for such redemption are irrevocably deposited with the Trustee prior to giving such notice unless the notice expressly states that the redemption is subject to deposit of funds by the District. Notice of redemption of Series 2024 Bonds shall be given by the Trustee by mailing a notice of redemption by first-class mail postage prepaid or prepaid overnight delivery at least thirty days and not more than sixty calendar days prior to the date fixed for redemption, to the Owners of the Series 2024 Bonds selected for redemption at their addresses as they appear on the registration books kept by the Trustee at the close of business on the tenth Business Day (as defined in the Resolution) next preceding the date such notice is mailed. The failure to give such notice or any defect therein shall not affect the validity of any proceedings for the redemption of any Series 2024 Bond with respect to which no such failure has occurred. Any notice prepared and mailed as provided in the Resolution shall be conclusively presumed to have been duly given, whether or not the Owner of Series 2024 Bonds to be redeemed receives the notice.

The Trustee shall send an additional copy of the notice of redemption, by registered or certified mail, to any Owner of a Series 2024 Bond called for redemption in whole or in part which has not been presented for redemption by the sixtieth day after the applicable redemption date. Such further notice of redemption shall be sent at any time after the sixtieth and before the ninetieth day after the redemption date. Failure of the Trustee to

send any such further notice of redemption shall not affect the validity of any proceedings for the redemption of the Series 2024 Bonds.

Redemption Payments. Upon the giving of the initial notice of redemption as described above, the Series 2024 Bonds or portions thereof called for redemption shall become due and payable on the redemption date at the redemption price, and if the funds necessary to effect such redemption are on deposit with the Trustee and are available therefor, then from and after the redemption date such Series 2024 Bonds or portions thereof shall cease to bear interest and shall cease to be entitled to any benefit of or security under the Resolution, and the Owners thereof shall have no rights in respect of such Series 2024 Bonds or portions thereof except the right to receive payment of the redemption price thereof.

Registration, Transfer and Exchange

The Series 2024 Bonds are transferable only upon the registration books of the District maintained by the Trustee. For so long as the book-entry only system of ownership is being maintained for the Series 2024 Bonds, transfers of beneficial ownership interests in the Series 2024 Bonds will be accomplished as described herein under "Book-Entry Only System," and Cede & Co. shall be the sole Owner of the Series 2024 Bonds. In the event such book-entry system of ownership is discontinued, transfers of the Series 2024 Bonds shall be accomplished as described below.

Series 2024 Bonds may be exchanged, at the option of their Owner, for Series 2024 Bonds of any authorized denomination or denominations of the same series in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as the Series 2024 Bonds being exchanged. The exchange shall be made upon presentation and surrender at the Principal Office of the Trustee of the Series 2024 Bond or Bonds being exchanged, duly endorsed for exchange (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney in fact duly authorized in writing.

Any Series 2024 Bond may be transferred upon presentation and surrender at the Principal Office of the Trustee of the Series 2024 Bond being transferred, duly endorsed for transfer (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney in fact duly authorized in writing. Upon transfer of any Series 2024 Bond the Trustee shall deliver to the transferee a new Series 2024 Bond or Bonds of the same series registered in the name of the transferee, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date as the Series 2024 Bond or Bonds presented and surrendered for transfer.

In the case of any transfer or exchange, the District and the Trustee may require the payment by the Owner requesting exchange or transfer of any tax or other governmental

charge required to be paid with respect to such exchange or transfer and such charge shall be paid before a new Series 2024 Bond is issued.

Neither the District nor the Trustee shall be required to transfer or exchange any Series 2024 Bond during the period beginning ten Business Days before the date of the mailing of a notice of redemption of Series 2024 Bonds and ending at the close of business at the Principal Office of the Trustee on the day of such mailing, or to transfer or exchange any Series 2024 Bond called for redemption, in whole or in part.

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BOOK ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond certificate will be issued for each maturity of the Series 2024 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of

ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024 Bond documents. For example, Beneficial Owners of the Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC.

DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2024 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book entry transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be delivered in accordance with transfer instructions provided by DTC, or its nominee, as registered owner. Thereafter, Series 2024 Bond certificates may be transferred and exchanged as described in the Resolution. See "APPENDIX A - Form of the Resolution."

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District and the Underwriters believe to be reliable, but neither the District nor the Underwriters take any responsibility for the accuracy thereof.

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THE REFUNDING PROGRAM

General

A portion of the proceeds derived from the sale of the Series 2024 Bonds, together with certain other available funds of the District, including money on deposit in various funds and accounts established in connection with the Series 2014 Bonds, will be used to refund the Series 2014 Bonds maturing after August 1, 2024 (the "Refunded Bonds"). The Series 2024 Bonds are being issued for the purpose of achieving present value debt service savings. The Series 2014 Bonds maturing on August 1, 2024, will be paid on their maturity date with available funds of the District.

The Escrow Deposit Agreement

The money required to refund the Refunded Bonds will be deposited in a trust fund (the "Escrow Deposit Trust Fund") created under an escrow deposit agreement (the "Escrow Deposit Agreement") to be entered into between the District and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent"). Amounts in the Escrow Deposit Trust Fund will provide money sufficient to redeem all of the Refunded Bonds on or about November 13, 2024. Upon making the deposit of such funds with the Escrow Agent, the District (in the opinion of Bond Counsel, rendered in reliance upon the report of Causey Demgen & Moore P.C. described under the caption "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein) will have effected the defeasance of the Refunded Bonds, and the lien on the Drainage Taxes securing the payment of the Refunded Bonds will terminate. Amounts held in the Escrow Deposit Trust Fund will be used only to pay the Refunded Bonds and will not be available for payment of debt service on the Series 2024 Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of the proceeds of the Series 2024 Bonds and other available amounts of the District:

SOURCES:

Par Amount	\$45,600,000.00
Plus Net Original Issue Premium	2,035,561.85
Other Available Funds ⁽¹⁾	5,504,541.62
TOTAL SOURCES:	<u>\$53,140,103.47</u>

USES:

Deposit to Escrow Deposit Trust Fund	\$50,893,630.96
Deposit to Series 2024 Account of Reserve Fund	828,100.00
Costs of Issuance ⁽²⁾	1,418,372.51
TOTAL USES:	<u>\$53,140,103.47</u>

⁽¹⁾ Consists of funds released from the Reserve Fund and Bond Fund for the Refunded Bonds plus other available funds of the District.

⁽²⁾ Includes legal fees, underwriters' discount, financial advisor fees, rating agency fees, printing costs, premiums for a reserve account credit facility and a municipal bond insurance policy and other fees and costs.

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SECURITY FOR THE SERIES 2024 BONDS

General

THE SERIES 2024 BONDS ARE NOT GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE DISTRICT BUT ARE SPECIAL OBLIGATIONS PAYABLE SOLELY FROM CERTAIN SPECIAL ASSESSMENTS REFERRED TO AS "DRAINAGE TAXES" (HEREINAFTER DEFINED) AND AMOUNTS IN CERTAIN OF THE FUNDS AND ACCOUNTS CREATED PURSUANT TO THE RESOLUTION. NO OWNER SHALL EVER HAVE THE RIGHT TO COMPEL THE DISTRICT TO PAY THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2024 BONDS, OR TO MAKE ANY OTHER PAYMENTS PROVIDED FOR IN THE RESOLUTION FROM ANY FUNDS OTHER THAN THOSE PLEDGED BY THE DISTRICT FOR SUCH PURPOSE. THE SERIES 2024 BONDS DO NOT CONSTITUTE A LIEN UPON ANY OF THE REAL OR PERSONAL PROPERTY OF THE DISTRICT OTHER THAN THE TRUST ESTATE (AS DEFINED IN THE RESOLUTION).

The Resolution provides that the Series 2024 Bonds shall be payable solely from, and shall be secured solely by, and that the District grants to the Owners of the Series 2024 Bonds a lien on and pledge of all Drainage Taxes and, subject to application as provided in the Resolution, any amounts held in certain funds and accounts established under the Resolution. The District has previously issued the Series 2014 Bonds and the Series 2017 Bonds and may issue additional Bonds in the future. The Series 2017 Bonds are, and any such additional Bonds that are issued will be, on a parity with the Series 2024 Bonds and any other additional Bonds, except that no Bonds of a series will have a lien on or right to payment from amounts in the funds and accounts established in connection with any other series of Bonds. See "SECURITY FOR THE SERIES 2024 BONDS - Additional Bonds" below for further information.

The District has covenanted in the Resolution to levy and collect the Drainage Taxes in accordance with the Act in amounts sufficient to pay the principal of and interest on the Bonds, including the Series 2024 Bonds, and make provisions for reserves as provided in the Resolution. As further described herein, however, Drainage Taxes levied for the payment of the principal of Bonds may not exceed the amount of benefits assessed by the District against the lands in Unit 2C with respect to the Improvements. There is no limitation on the amount of Drainage Taxes that may be levied for the payment of interest on the Bonds.

The District has covenanted that until all Bonds have been paid or provision made for their payment, except for additional Bonds under the Resolution, it will not create or permit to be created any charge or lien on the Drainage Taxes or amounts in the funds and accounts created under the Resolution ranking equal with, prior to or subordinate to the lien of the Bonds, including the Series 2024 Bonds.

The District may in the future incur indebtedness secured and/or payable partially or wholly by special assessments other than the Drainage Taxes levied upon all or any portion of the land in Unit 2C in order to finance projects of the District other than the completion of the Plan of Improvements for Unit 2C. While such indebtedness is not and will not be payable from the Drainage Taxes, such special assessments could be imposed upon the same land in Unit 2C that is subject to the Drainage Taxes, and could further increase the amount of taxes and assessments to which such land is subject. For further information, see "SECURITY FOR THE SERIES 2024 BONDS - Historic and Projected Tax Information for Unit 2C," "THE DISTRICT - Prior and Future Financings," and "OWNERS' RISKS" herein.

The District annually determines through its budgetary process what portion of the special assessments shall be levied in each year. The special assessments lawfully levied pursuant to the Tax Resolution are referred to herein as the "Drainage Taxes." All Drainage Taxes levied upon the lands within Unit 2C pursuant to the Resolution secure the Bonds.

Although Drainage Taxes are not ad valorem taxes, they are collected through the tax roll in the same manner as ad valorem taxes. See "SECURITY FOR THE SERIES 2024 Bonds - Tax Collection Procedures" herein.

Assessment of Benefits and Levy of Drainage Taxes

General. Under the Act, among its other powers, the District is empowered to finance, construct, equip and operate (i) roadways and related improvements including irrigation systems and lighting, (ii) pedestrian paths including lighting, (iii) potable water distribution and wastewater collection facilities, (iv) surface water management system including lakes, (v) environmental preserves, (vi) perimeter buffer walls, (vii) associated landscaping and (viii) parks. The District may undertake projects on a District wide basis, or the Board may designate an area as a "unit of development" within which a particular project will be undertaken. In the event that the District determines to undertake a project, the Board is required to adopt a plan which describes the improvements to be constructed. This plan is commonly referred to either as a "plan of improvements," "water management plan" or "water control plan" (even though it may describe improvements that do not relate to water management) and therefore these terms are used interchangeably herein.

Before the Board may adopt a plan of improvements, the Board is required to adopt a resolution to consider adopting the plan. After the resolution proposing the adoption of the plan has been filed with District's Secretary, the Board is required to conduct a public hearing on the proposed plan. At the conclusion of the hearing the Board must determine whether to proceed with the process for approval of the plan.

If the Board determines to proceed with a proposed plan, the District Engineer is required to prepare a final version of the plan and a report (the "Engineer's Report") that, among other things, determines the amount of benefits and the amount of damages that will

accrue to any land from implementing the proposed plan, estimates the cost of the proposed plan and assesses the benefit to be derived from implementation of the plan to the land benefitted thereby. The Engineer's Report also includes the plan. Once the Engineer's Report is filed with the Board, and after notice and an opportunity for comment as required by law, a public hearing is held by the Board at which time the Board considers whether the estimated cost of construction of the improvements described in the plan is less than the benefit to be derived therefrom. If the Board determines that the benefit is greater than the cost, then the Board may revise, approve and confirm the Engineer's Report.

The approval of the Engineer's Report by the Board constitutes the approval of the plan and also establishes the amount and apportionment of the assessment of benefits derived from the implementation of the plan. The assessment of benefits so established is final and conclusive as to all land assessed unless within thirty days after approval of the Engineer's Report an action for relief is brought in a court of competent jurisdiction. Unless such action is commenced within the thirty-day period, then the assessment of benefits set forth in the Engineer's Report is final and non-appealable.

After the Engineer's Report and plan have been approved by the Board, the District is authorized to levy special assessments upon lands to which benefits have been assessed. These special assessments may be used to pay the cost of implementation of the plan or may be used to pay debt service on bonds issued to raise funds for such purpose.

When the District determines to impose special assessments upon benefitted lands, the Board adopts a resolution to that effect. The Board is required to levy special assessments on all lands to which benefits have been assessed as may be found necessary by the Board to pay the cost of completion of the improvements shown in the plan, plus 10% of said total amount for contingencies. Furthermore, if bonds are to be issued, the amount of interest estimated by the Board to accrue on such bonds is added to the total amount of such special assessments. Therefore, the resolution levying special assessments when bonds are to be issued includes two components: first, a component of assessments sufficient to pay the principal of the bonds, and second a component of assessments sufficient to pay the interest on the bonds. The resolution levying special assessments sets forth the total amount of special assessments to be imposed for repayment of debt, and annually thereafter the Board collects an amount of such special assessments sufficient to pay the principal and interest on such bonds as have been issued as the same becomes due and payable. The District may levy special assessments on each benefitted parcel in an amount not to exceed 100% of the benefits assessed thereto for the purpose of paying the principal of bonds, but the principal amount of bonds issued may not exceed 90% of the assessed benefits. There is no limit on the amount of special assessments that may be levied for the purpose of paying interest on bonds.

In addition to special assessments levied to pay debt service on bonds, the District may levy annual assessments to maintain improvements described in a plan. These maintenance assessments may be, but are not ordinarily, pledged to pay debt service on

bonds issued by the District. Any maintenance assessments with respect to Unit 2C are not part of the Drainage Taxes and are not pledged to pay principal or interest on the Bonds.

Unit 2C and the Drainage Taxes. At the written request of the owners at that time of all of the land therein, Unit 2C was established by the Board pursuant to resolutions adopted on September 24, 2008 and October 22, 2008. On August 28, 2013, the Board adopted a Resolution approving consideration of the adoption of a Plan of Improvements for Unit 2C.

On February 14, 2014, the District Engineer filed its Report of Engineer (as amended, the "Report of Engineer") with the Secretary of the District. The Report of Engineer has been amended two times. On March 26, 2014, the Board adopted a Resolution approving a plan for Unit 2C titled "Plan of Improvements" (as amended from time to time, the "Plan," or "Plan of Improvements") and the Report of Engineer. The Plan of Improvements has been amended four times.

The Report of Engineer assesses benefits (and no damages) (sometimes referred to herein as the "Amount of Determined Benefit") to the Assessable Real Property within Unit 2C as a result of implementation of the Plan in the aggregate amount of up to \$104,949,363 (the "Maximum Benefit"). "Assessable Real Property" means real property located within Unit 2C which will receive benefits from the implementation of the Plan and which may be subject to the levy of Drainage Taxes by the District. No judicial action challenging the approval of the Report of Engineer was filed within the prescribed time, and the approval is therefore final and non-appealable.

The improvements constructed with respect to Unit 2C pursuant to the Plan consist of: (i) roadways and related improvements including irrigation systems and lighting, (ii) pedestrian paths including lighting, (iii) potable water distribution and wastewater collection facilities, (iv) surface water management system including lakes, (v) environmental preserves, (vi) perimeter buffer walls, (vii) associated landscaping and (viii) a community park facility. The collective improvements described in the Plan are referred to as the "Improvements."

Both the Plan of Improvements and the Report of Engineer categorize the Improvements as being either "Community Infrastructure" or "Parcel Infrastructure." This distinction is important to both the amount and allocation of the benefits assessed (and thus the Drainage Taxes) to the land in Unit 2C.

"Community Infrastructure" includes those Improvements which the District Engineer determined will provide a degree of benefit to all "Assessable Real Property" in Unit 2C. Examples of Improvements included in Community Infrastructure are turn lanes from adjoining arterial roads that provide access to Unit 2C, potable water mains leading from off-site and into Unit 2C and a community park facility.

Of the Maximum Benefit, \$78,828,378 is attributable to the Community Infrastructure and is referred to herein as the "Community Benefit." The Report of Engineer as originally approved contemplated that a "Contribution" (herein, a "Community Contribution") could be made by a landowner in Unit 2C. A Community Contribution is a cash or in-kind contribution to the cost of a component of the Community Infrastructure that serves to reduce the portion of such cost to be paid by the District. If a Community Contribution were made, the amount of the Maximum Benefit and Community Benefit would be reduced as described herein, and as described herein a Community Contribution was made in conjunction with the issuance of the Series 2014 Bonds. The Report of Engineer provides that any Community Contribution to be made would have to have been made simultaneous with or prior to the issuance of the Series 2014 Bonds.

Simultaneous with the issuance of the Series 2014 Bonds, KH Alton LLC made a Community Contribution (the "Community Contribution") to the cost of the Improvements. The Community Contribution was made in the form of an in-kind contribution of Improvements that were completed by Kolter using its own funds and given to the District. The purpose of the Community Contribution was to reduce the Amount of Determined Benefit to the Apartment Land Use Classification (see "SECURITY FOR THE SERIES 2024 BONDS - Method of Apportionment of Drainage Taxes - Community Benefit" below), thereby reducing the level of Drainage Taxes levied thereon below the level that would otherwise apply. Pursuant to the methodology specified by the Report of Engineer, each dollar of the Community Contribution results in a reduction in the Amount of Determined Benefit to the Apartment Land Use Classification of approximately \$1.80. The Community Contribution reduced the total Community Benefit to \$78,231,732 and the total Maximum Benefit to \$104,352,717. See Table A below.

The concept of the Community Contribution is discussed further under the caption "SECURITY FOR THE SERIES 2024 BONDS - Method of Apportionment of Drainage Taxes - Community Benefit" below.

"Parcel Infrastructure" includes those Improvements which the District Engineer determined would provide benefit only to specific tracts of Assessable Real Property in Unit 2C but not to all Assessable Real Property in Unit 2C. An example of a component of Parcel Infrastructure is a neighborhood street that is intended primarily to provide access only to and from a limited number of residences in a discrete area of Unit 2C.

The balance of the Maximum Benefit in excess of the Community Benefit portion is \$26,120,985, is attributable to the Parcel Infrastructure and is referred to herein as the "Parcel Benefit." The Report of Engineer contemplates that the Parcel Benefit would be inchoate (that is, pending) and would neither affect the allocation of debt or maintenance assessments levied by the District (see "SECURITY FOR THE SERIES 2024 BONDS - Method of Apportionment of Drainage Taxes" below) nor support the incurrence of indebtedness by the District until the Board adopted one or more resolutions (each, an "Activating Resolution") stating that all or a portion of the Parcel Benefit is being activated.

The Board has adopted two Activating Resolutions and all of the Parcel Benefit has been activated.

The Report of Engineer as originally approved did not include provision for a Contribution with respect to the Parcel Benefit. However, subsequent to the approval of the original Report of Engineer, approximately eight acres of the land that has been designated as being the Parcel F Category of Parcel Infrastructure became subject to a requirement that such land be conveyed to a municipality for use as a public park. This action triggered a reduction in the amount of Assessable Real Property subject to the Parcel F Category of Parcel Infrastructure (the "Parcel F Assessable Real Property") as well as a reduction in the number of townhomes planned to be built on the land subject to the Parcel F Category of Parcel Infrastructure from 215 units to 199 units. This, in turn, increased the Amount of Determined Benefit, and thus debt service assessments, allocable to each of the townhome units to a level that had been unanticipated.

Therefore, the District Engineer and the Board determined that it would be appropriate to allow the owner(s) of the Parcel F Assessable Real Property to make a payment, which may be in cash or in kind in the form of contributed work on the Plan of Improvements (a "Parcel Contribution") to the District in order to offset the cost of the Plan and reduce the amount of non ad valorem assessments that the District would otherwise levy upon the Parcel F Assessable Real Property. The District Engineer therefore prepared, and the Board approved, an amendment to the Report of Engineer in order to provide allowance for a Parcel Contribution.

In connection with the issuance of the Series 2017 Bonds, KH Alton LLC made a Parcel Contribution. The purpose of the Parcel Contribution was to reduce the Amount of Determined Benefit to the Parcel F Category of Parcel Benefit (see "SECURITY FOR THE SERIES 2024 BONDS - Method of Apportionment of Drainage Taxes - Community Benefit" below), thereby reducing the level of Drainage Taxes levied thereon below the level that would otherwise apply. The Parcel Contribution reduced the Parcel F Category of Parcel Benefit to approximately \$3,226,238, the total Parcel Benefit to approximately \$25,806,870 and the total Maximum Benefit to approximately \$104,038,602.

When the District levies Drainage Taxes, the amount of the Drainage Taxes borne by a particular parcel of land equals the total Drainage Taxes being levied in the particular year multiplied by a fraction, the numerator of which is the portion of the effective Maximum Benefit allocated to that parcel of land and the denominator of which is the effective Maximum Benefit for the entirety of Unit 2C.

By Resolution No. 2014-03, adopted March 26, 2014, as amended by Resolution No. 2014-05, adopted June 25, 2014, and as supplemented by the two Activating Resolutions (collectively, the "Tax Resolution"), the Board levied special assessments on all assessable land within Unit 2C to which benefits had been assessed for Improvements. As discussed above, the special assessment consists of two components. The first

component of the special assessment (hereinafter referred to as the "Principal Component") is, as of the date of this Official Statement, \$104,038,602, an amount equal to the sum of the post-Community Contribution Community Benefit of \$78,231,732 and post-Parcel Contribution Parcel Benefit of \$25,806,870.

The District may levy installments of special assessments in the aggregate amount of up to the Principal Portion to pay principal of Bonds, but the maximum principal amount of Bonds (other than refunding bonds) that may be issued cannot exceed 90% of the Principal Component. In calculating the foregoing limitation, bonds that have been refunded are taken into account only to the extent of the principal amount thereof previously paid or to be paid from proceeds of special assessments levied as part of the Principal Component. After the refinancing of the Refunded Bonds, additional Bonds (exclusive of refunding bonds, including the Series 2024 Bonds, as described above), could lawfully be issued in the amount of up to \$10,759,741.

The second component of the special assessment consists of the actual interest that accrues on the Bonds from their dates of issuance to the dates of final payment thereof, and is referred to herein as the "Interest Component."

In addition to the Drainage Taxes, the District will annually levy assessments on the assessable land in Unit 2C in order to maintain Improvements it owns, and these "Maintenance Assessments" are not pledged to the repayment of any of the Bonds. The Maintenance Assessments are allocated and apportioned in the same manner as the Drainage Taxes except that the effect of any Contribution is disregarded in the case of Maintenance Assessments.

Method of Apportionment of Drainage Taxes

General. The foregoing discussion has described the assessment of benefits and the levy of Drainage Taxes upon lands in Unit 2C on a Unit-wide basis. However, not all land in Unit 2C will receive the same amount of benefits as a result of the implementation or construction of the Improvements. For this reason, as stated in the Report of Engineer, as amended, the District Engineer determined the varying benefits received by the various lands in Unit 2C. When the Board imposes the Drainage Taxes, the total Drainage Taxes are apportioned among the lands in Unit 2C in accordance with the relative benefits assessed thereto by the District Engineer. The following is a discussion of the apportionment of benefits, and thus, of Drainage Taxes, among the benefitted land in Unit 2C. The apportionment method is complex, and the following is a technical discussion of the method. The projected and practical implications of the assessment methodology are discussed herein under the captions "Historic and Projected Tax and Assessment Information for Unit 2C."

All Drainage Taxes imposed by the District upon the Assessable Real Property in Unit 2C pursuant to the Tax Resolution will be allocated and apportioned in accordance

with the Amount of Determined Benefits procedures described below. The percentage of the total Drainage Taxes borne by a particular area of land in a given tax year will be equal to the Amount of Determined Benefit (the sum of the post-Community Contribution Community Benefit and the post-Parcel Contribution Parcel Benefit) attributable to such area for such tax year divided by the total Amount of Determined Benefit (the sum of the Community Benefit and all Parcel Benefit) for the entire Unit 2C for such tax year.

Unit 2C consists of approximately 682 acres of land classified in the Report of Engineer as either Assessable Real Property or "Exempt Acres." The term "Exempt Acres" means real property located in Unit 2C which is not Assessable Real Property and which will not be subject to the levy of Drainage Taxes by the District. Some examples of Exempt Acres include land owned by the District and certain homeowners' associations and land associated with public rights of way, open space, wetlands, wetland buffers, and preserves. Unit 2C consists of approximately 357 acres of Assessable Real Property and approximately 325 acres of Exempt Acres.

As noted above, the Report of Engineer, as amended, and Plan of Improvements, as amended, distinguish between Community Infrastructure/Community Benefit and Parcel Infrastructure/Parcel Benefit with respect to both the amount and allocation of the benefits derived by the Assessable Real Property in Unit 2C as a result of implementation of the Project. The following is a description of the allocation of benefits reflected in the Report of Engineer.

Community Benefit. The District Engineer determined that there are nine classifications of land use ("Land Use Classifications") within Unit 2C. This determination was based upon information provided by Kolter, the District and the County, and also upon public records evidencing the governmentally-approved uses of the land. The Community Benefit is apportioned over the Assessable Real Property in Unit 2C on the basis of these Land Use Classification categories.

The Land Use Classification of Assessable Real Property is used solely for the purposes of the allocation of the Amount of Determined Benefit and does not legally bind any landowner within Unit 2C as to the actual use of the land subject to such designation. The actual use of a designated parcel of Assessable Real Property will not change the Land Use Classification for said parcel.

As of the date of this Official Statement, a portion of the land in the Biotech B and Office, and substantially all of the Hotel Land Use Classifications are included in an undifferentiated blend and represent the UHS hospital site.

Table A sets forth the post-Community Contribution Amount of Determined Benefit for the nine Land Use Classifications.

TABLE A

Land Use Classification	Amount of Determined Benefit- Post- Community Contribution
Biotech A	\$14,006,977
Biotech B	8,290,901
Office	10,897,459
Hotel	1,491,554
Commercial/Retail	8,274,866
Apartment	2,651,929
Townhome - Residential	5,769,556
Single Family - Residential	26,506,830
Utility	341,660
Total	\$78,231,732

Parcel Benefit. Similar to the Land Use Classifications for Community Benefit, the Parcel Benefit is apportioned over the Assessable Real Property in Unit 2C based upon categories of "Parcel Infrastructure." There are five "Categories" of Parcel Infrastructure, being Parcels C, D, E, F and G, each of which correspond to a subset of Improvements described in the Plan of Improvements. The land that has been designated as being within a Category of Parcel Infrastructure is assigned a portion of the total Parcel Benefit, and that portion is subsequently apportioned over the portion of that land that is Assessable Real Property. Thus, an acre of land that is subject to one Parcel designation may be subject to a level of benefit that differs from that of an acre subject to another Parcel designation, even if both acres were in the same Land Use Classification for purposes of the Community Benefit allocation.

The method and effect of assignment of a Category of Parcel Infrastructure to land is pursuant to a designation of such land on a plat, substantially the same as the method and effect described above with respect to Community Benefit. Only land that has been designated as in either the Townhome - Residential or Single Family - Residential Land Use Classification has been designated as being within a Category of Parcel Infrastructure.

The Amount of Determined Benefit for Parcel Infrastructure will be further allocated to the related land based upon "Taxing Units." The land that is subject to Parcel Benefit is being developed solely for residential uses. Employment of the Taxing Unit concept provides a means to equalize the Drainage Tax levy among residences of similar, but not identical, lot size. For example, if the Drainage Taxes were apportioned based upon exact area, two substantially identical residences on slightly different lot sizes could be subject to different levels of Drainage Taxes. However, because of the nature of the Improvements that provide the Parcel Benefit, this would not be equitable (stated broadly, each residence of similar scope receives the same benefit).

Each separately subdivided lot or parcel of land (a "Lot") within a Category of Parcel Infrastructure that is less than or equal to 0.50 acres in actual area, shall be deemed to be one "Taxing Unit".

Table B sets forth the Amount of Determined Benefit and Taxing Unit Factor for each Parcel Category taking into account the Parcel Contribution.

TABLE B

Parcel Category	Amount of Determined Benefit	Taxing Unit Factor
Parcel C	\$ 5,782,858	0.16
Parcel D	2,349,942	0.22
Parcel E	3,993,492	0.22
Parcel F	3,226,238	0.09
Parcel G	10,454,340	0.25
Total	\$25,806,870	

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Designations, Assessable Real Property and Apportionments. The land in Unit 2C has been designated for Land Use Classification and Parcel Designation purposes in accordance with the following Table C.

TABLE C

Land Use Classification	Lots or Nearest Whole Acres	Acres	Average Lot Size (Acres)	Description of Taxable Unit	Total Rate Per Acre	Total Rate Per Lot or # of Nearest Whole Acres	Total Average Tax Assessment Per Taxable Unit	Assessed Value*
Biotech A (UF)	70	69.857	1.00	1 Acre	\$11,628.03	\$134.04	\$11,738.32	47,062,344
Biotech B (The Madyson)	7	6.5695	1.00	1 Acre	14,794.15	134.04	14,906.60	46,585,000
Commercial/Retail	39	39.055	1.00	1 Acre	12,287.38	134.04	12,438.65	90,169,756
Office (Carrier)	26	26.4179	1.00	1 Acre	17,105.26	134.04	17,263.29	112,646,901
Apartment	13	12.759	0.98	1 Acre	12,261.85	134.04	12,168.57	104,236,768
Utility	5	5.000	1.00	1 Acre	3,962.74	134.04	4,096.78	1,650,367
Undifferentiated Blended (UHS)	30	29.513	1.00	1 Acre	21,900.86	134.04	22,034.90	29,146,006
Parcel C -Townhome – Residential	143	6.110	0.04	1 Lot	20,355.34	536.08	1,405.85	82,861,734
Parcel C -Single Family – Residential	217	29.532	0.14	1 Lot	10,185.55	1,414.55	2,800.72	193,348,529
Parcel D -Single Family – Residential	117	16.154	0.14	1 Lot	10,185.55	1,298.82	2,705.15	108,717,471
Parcel E -Single Family – Residential	199	28.645	0.14	1 Lot	10,185.55	1,297.83	2,763.99	209,912,532
Parcel F -Townhome – Residential	255	10.327	0.04	1 Lot	20,355.34	873.24	1,697.61	145,094,044
Parcel G -Single Family – Residential	458	76.588	0.17	1 Lot	10,185.55	1,457.78	3,161.04	346,343,881

*Assessed value per Palm Beach County Property Appraiser as of January 1, 2024 (not including Exempt Acres).

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Unit 2C includes approximately 682 acres of land. The difference between the total acreage in Unit 2C and the acreage designated as shown in Table C is attributable to land that has been designated as Exempt Acres. This is land that is, or is expected to, be owned by the District and/or land associated with public rights of way, open space, wetlands, wetland buffers, and preserves. This land will not be subject to the Drainage Taxes.

Tax Collection Procedures

The foregoing discussion has described how the amount of Drainage Taxes to be levied upon Assessable Real Property in Unit 2C is determined. The following discussion describes the procedures relevant to the collection and enforcement of Drainage Taxes.

The District is required to comply with statutory procedures in levying Drainage Taxes. Although the District has never failed to levy any special assessment that it was obligated to levy, failure of the District to follow these procedures could result in the Drainage Taxes not being levied.

In Florida, counties, municipalities, school districts and various other special taxing districts are authorized to levy ad valorem taxes subject to certain limitations. Ad valorem taxes are generally levied upon real and personal property located within the jurisdiction of the taxing authority. The rate of ad valorem taxation is generally uniform for all properties subject to taxation by a particular taxing entity, and is generally expressed in terms of a "millage" rate. The "millage" rate refers to the amount of ad valorem taxes expressed in terms of dollars of taxes per thousand dollars of assessed valuation of property subject to taxation (i.e., one "mill" is one dollar of taxes per thousand dollars of assessed value).

Within each county there is a property appraiser, one function of which is to determine the assessed valuation of all property within the county subject to ad valorem taxes. Each taxing authority imposing ad valorem taxes annually determines its millage rate, which is then multiplied by the assessed value of taxable property to determine the amount of taxes due. In general, each taxing entity provides the property appraiser with information concerning the rate of taxation being imposed by such taxing entity. The property appraiser then prepares a tax roll listing, for all property to be subject to taxation, the amount of taxes due to the various taxing entities. The property appraiser then provides this tax roll to the county tax collector who is charged with responsibility for collection of the taxes due.

Although the Drainage Taxes are not ad valorem taxes, under Florida law non-ad valorem assessments, such as the Drainage Taxes, may be collected in the same manner as ad valorem taxes if certain statutory procedures are followed. In order for the Drainage Taxes to be collected in the same manner as ad valorem taxes, among other things, the District must, by no later than August 1 of each year, provide to the Palm Beach County Property Appraiser (the "Property Appraiser") the estimated assessment rate of the

Drainage Taxes expressed in dollars and cents per unit of assessment, the associated assessment amount and the purpose of the assessment. Additionally, not later than September 15 of each year, the Board must determine the annual amount of Drainage Taxes to be levied in Unit 2C and certify such Drainage Taxes on compatible electronic medium to the Palm Beach County Tax Collector (the "Tax Collector"). The Drainage Taxes will then be enforced and collected by the Tax Collector in the same manner and at the same time as ad valorem taxes.

Upon receipt of the certified tax roll, the Tax Collector is required to mail to each taxpayer appearing on the tax roll a tax notice stating, among other things, the amount of current taxes, including the Drainage Taxes, if applicable, due from the taxpayer. In general, each taxpayer is required to pay all taxes shown in the tax notice without preference in payment of any particular increment of the tax bill, such as any increment owing for Drainage Taxes.

Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non ad valorem assessments such as the Drainage Taxes, and there are judicial decisions that support both views. Under the procedure, before a taxpayer may bring suit to contest a "tax assessment," the taxpayer must pay the amount of "tax" which the taxpayer admits in good faith to be owing. Upon making such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If the procedure applies to non ad valorem assessments such as the Drainage Taxes, then it is possible that as a result of a challenge to such assessments, the collection procedures described below could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Drainage Taxes which could have a material and adverse effect upon the ability of the District to timely pay debt service on the Series 2024 Bonds. In addition to the foregoing, a taxpayer may pay the entire tax assessment, and such payment does not preclude the right of the taxpayer to bring a timely legal action to challenge all or a portion of such tax assessment and seek a refund.

Upon receipt of the taxes, the Tax Collector is required to forward the portion of such taxes, if any, as is attributable to Drainage Taxes to the District less the Tax Collector and Property Appraiser Fees. To the extent that a landowner fails to pay such taxes the successful implementation of tax collection procedures available to the Tax Collector and the District is essential to continued payment of principal of and interest on the Series 2024 Bonds.

The collection of delinquent taxes, including Drainage Taxes, upon real property is based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the various governmental entities levying taxes for the payment of the taxes due. The demand for tax certificates is dependent upon various factors, including the interest which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which, as described herein, may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the

land in Unit 2C may affect the demand for such certificates and therefore the successful collection of the Drainage Taxes which are the source of payment of the Series 2024 Bonds.

If a property owner fails to pay the Drainage Taxes, the ultimate, and only, recourse for payment of Drainage Taxes is an action against the land. If proceedings against the land, including the statutory tax collection procedures described herein, do not result in the collection of funds sufficient to pay delinquent Drainage Taxes, the landowner may not be compelled to pay the deficiency. Therefore the likelihood of collection of the Drainage Taxes may ultimately depend upon the market value of the land subject to taxation. While the ability of a landowner to pay Drainage Taxes is a relevant factor, the willingness of a landowner to pay the taxes, which may be affected by the value of the land subject to taxation, is also an important factor in the collection of Drainage Taxes. There is no necessary correlation between the assessed benefits to the property in Unit 2C, which is determined for the purpose of determining the maximum amount of Bonds that can be issued, and the fair market value thereof. The District has not commissioned any appraisal of the value of the real property in Unit 2C. The District makes no representation concerning the fair market value of the land in Unit 2C.

A landowner cannot be sued personally for failure to pay Drainage Taxes, but Drainage Taxes are a lien on the property against which they are assessed from January 1 of the year of assessment until paid or barred by operation of law (Statute of Limitations). The lien of the Drainage Taxes is of equal dignity with the liens for state and county taxes and other taxes which are of equal dignity upon land, and thus is a first lien, superior to all other liens including mortgages. Land owned by the State of Florida (the "State") or the County is subject to the Drainage Taxes.

The statutes relating to the enforcement of ad valorem taxes (and also the Drainage Taxes) provide that such taxes become due and payable on November 1 of the year in which assessed or as soon thereafter as the certified tax roll is received by the Tax Collector. Depending upon the date of payment, taxpayers may receive a discount of up to 4% of the taxes levied by paying taxes prior to delinquency. In levying annual installments of Drainage Taxes, the District assumes that all taxpayers will pay in time to receive the full 4% discount. It is unclear under Florida law whether the 4% discount counts in determining whether the aggregate assessments of Drainage Taxes levied to pay principal on the Bonds exceeds the benefits assessed to the land in Unit 2C. However, since the principal amount of the Bonds may not exceed 90% of the benefits assessed, there is at least a 10% "cushion" between the maximum assessments authorized to be levied to pay principal and the maximum principal amount of the Bonds. If the 4% discount counts against the authorized amount of assessments, there would still be at least a 6% "cushion."

Florida law provides a method for prepayment of estimated taxes by installment. If this method is used, all taxes are payable at varying times prior to delinquency (as discussed in the following paragraph) and the taxpayer receives discounts ranging from 6% to zero. Prepayments of taxes are required to be invested by the tax collector, and such prepaid

taxes and interest earnings thereon are allocated among the various taxing authorities and paid to them at the same time as taxes which were not prepaid.

All taxes become delinquent on April 1 following the tax year in which they are assessed or immediately after 60 days have expired from the mailing of the original tax notice, whichever is later. The tax collector is required to collect taxes prior to the date of delinquency and to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers results in a delay throughout the process.

In the event of a delinquency in the payment of taxes on real property, the tax collector is required to offer tax certificates on such property for sale to the person or entity who pays the delinquent taxes and interest and certain costs and charges relating thereto, and who accepts the lowest interest rate per annum to be borne by the certificates (which shall in no event be more than eighteen percent per annum). Delinquent taxes may be paid by a taxpayer prior to the date of sale of a tax certificate by the payment of such taxes, together with interest and all costs and charges relating thereto. Tax certificates are sold by public bid, and in case there are no bidders, the certificate is issued to the county in which the assessed lands are located, and the county, in such event, does not pay any consideration for such tax certificate. Under Florida Law, tax certificates may not be sold until at least sixty days after the taxes become delinquent. The tax collector does not collect any money from the county if the tax certificates are issued to the county. Proceeds from the sale of tax certificates are required to be used to pay taxes (including the Drainage Taxes, if applicable), interest, costs and charges on the land described in the certificate.

In the event a tax certificate is sold, other than to the County, on property with delinquent Drainage Taxes, proceeds from the sale of the tax certificate will be sufficient to pay the delinquent Drainage Taxes as to that parcel. In the event that the tax collector is unable to sell a tax certificate, under Florida law, the District may possess a right to commence an independent action (similar to a judicial mortgage foreclosure) to foreclose the lien of the Drainage Taxes upon the affected land. Counsel to the District believes that while Florida law is unclear as to whether the District possesses such a right, a claim by the District on such a basis would not be without merit. However, no prediction can be made as to the likely outcome of any foreclosure action commenced by the District, and potential purchasers of the Series 2024 Bonds should not assume that the District has such an independent right of foreclosure.

While, as described above, upon the sale of a tax certificate delinquent taxes, including Drainage Taxes, are paid, the willingness of persons to purchase tax certificates may be affected by the rights inherent of ownership of a tax certificate. For that reason, the following discussion of the rights associated with ownership of a tax certificate is provided.

Tax certificates owned by a county may be purchased, and any tax certificate may be redeemed, in whole or in part, by any person or entity at any time before a tax deed is

issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the tax certificate or portion thereof, together with all interest, costs, and charges due. The proceeds of such a redemption are paid to the tax collector who transmits to the holder of the certificate such proceeds less a service charge, and the certificate is cancelled.

After an initial period ending two years from April 1 of the year of issuance of a certificate, the holder of a certificate may apply for a tax deed to the subject land. Any holder, other than the county, of a tax certificate which has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. The applicant is required to pay to the tax collector all amounts required to redeem or purchase all outstanding tax certificates not held by the applicant covering the land, any omitted taxes or delinquent taxes, current taxes, and interest, if due, covering the land. If the county holds a tax certificate and has not succeeded in selling it, the county must apply for a tax deed two years after April 1 of the year of issuance. The county pays costs and fees to the tax collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale. Any outstanding certificates will be satisfied from the proceeds received at such public sale.

In any such public sale, the private holder of the tax certificate who is seeking a tax deed is deemed to submit a minimum bid established by statute. The opening bid on a privately held tax certificate on non-homestead property includes, in addition to the amount of money paid to the tax collector by the certificate-holder at the time of application, the amount required to redeem the applicant's tax certificate and all other costs and fees paid by the applicant. The opening bid on county-held certificates on non-homestead property is the sum of the value of all outstanding certificates against the land, plus omitted years' taxes, delinquent taxes, interest, and all costs and fees paid by the county. The opening bid on property assessed on the latest tax roll as homestead property includes, in addition to the amount of money required for an opening bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bidders, the holder receives title to the land and the amounts paid for the certificate and in applying for a tax deed are credited towards the purchase price. If there are higher bidders, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate (and all other amounts paid by such holder in applying for a tax deed), plus interest, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholders of record, mortgagees of record, vendees of recorded contracts of deeds, and other lienholders and any other person to whom the land was assessed on the tax roll for the year in which the land was assessed, all as their interests may appear.

If there are no bidders at the public sale, the county may, at any time within ninety days from the date of offering for public sale, purchase the land for a statutorily prescribed minimum bid. After ninety days have passed, any person or governmental unit may purchase the land by paying the amount of the minimum bid. Three years from the date of offering for public sale, unsold lands escheat to the county, and all tax certificates and liens, including the lien of the Drainage Taxes, if applicable, against the property are cancelled.

The issuance of a tax deed, in general, has the effect of canceling liens against or upon the property that is the subject of the tax deed, except for certain liens in favor of municipal or county government, and except for certain restrictions and covenants limiting the use of property, the type, character and location of buildings, covenants against nuisances and the like. Issuance of a tax deed, therefore, has the effect of canceling mortgages upon the affected property. For this reason (to prevent cancellation of the mortgage), under certain circumstances mortgagees may pay delinquent taxes on property upon which they hold a mortgage, but there is no requirement that mortgagees do so.

The payment of the annual Drainage Taxes and the ability of the Tax Collector to implement the procedures described herein to collect unpaid taxes, including Drainage Taxes, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to court foreclosure. Bankruptcy proceedings may cause the Drainage Tax lien to be extinguished, and bankruptcy of a property owner could also result in a delay by the Tax Collector in prosecuting court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of principal of and interest on the Series 2024 Bonds.

Historic and Projected Tax Information for Unit 2C

District Unit 2C Assessments. Each year, the District levies Drainage Taxes sufficient to pay the debt service on the Series 2014 Bonds and the Series 2017 Bonds that will be coming due on August 1 of the following year and on February 1 of the second following year. Thus, for example, Drainage Taxes collected pursuant to the tax notices mailed in 2018 were applied to pay debt service on the Bonds due on August 1, 2019 and February 1, 2020.

The following table summarizes the levy and collection of Drainage Taxes and Maintenance Assessments (see below) on Unit 2C during the years 2015 through 2023. The "Net Drainage Tax Levy" represents the budget for combined debt service and maintenance assessment levies for each respective tax year net of a 4% discount for early payment. The "Total Collections" represents the actual assessments collected plus interest from the tax collector less the actual discounts taken. The collection rate can exceed 100% of the "net" assessment as a result of any delinquent tax collections, interest earnings through tax collections, as well as the extent landowners do not receive the discount.

Tax Year	Net Drainage Tax Levy⁽²⁾	Collections Before Delinquency	Collections After Delinquency	Total Collections⁽³⁾	% Collected
2015 ⁽¹⁾	\$ 0	\$ 0	\$ 0	\$0	N/A
2016	3,877,299	3,605,781	285,601 ⁽⁴⁾	3,891,382	100.4%
2017	3,947,150	3,939,750	1,947	3,941,697	99.9
2018	5,536,693	5,523,155	6,075	5,529,230	99.9
2019	5,596,982	5,556,962	36,002	5,592,964	99.9
2020	5,593,903	5,561,983	31,063	5,593,046	100.0
2021	5,612,131	5,484,131	130,814 ⁽⁵⁾	5,614,945	100.1
2022	5,734,572	5,705,970	45,186	5,751,156	100.1
2023 ⁽⁶⁾	6,011,694	5,989,433	N/A	5,989,433	99.6

⁽¹⁾ Interest was capitalized through the February 1, 2017, payment. The District's first Drainage Tax levy for the Series 2014 Bonds was in 2016 to fund debt service payable August 1, 2017 and February 1, 2018.

⁽²⁾ Net Drainage Tax Levy is the budget for combined debt service and maintenance assessment levies for each respective tax year net of a 4% discount for early payment.

⁽³⁾ Total collections include interest and penalties.

⁽⁴⁾ Substantially all of the delinquent Drainage Taxes for Tax Year 2016 were attributable to the tract of land in Unit 2C owned by Carrier. Carrier bought the property in December 2015, and the 2016 tax bill was thus the first bill directed to Carrier. Upon being notified of its non-payment, Carrier promptly paid the outstanding Drainage Taxes in full.

⁽⁵⁾ Increase in delinquencies compared to prior years primarily attributable to closure of the Palm Beach County Tax Collector's Office due to the COVID-19 pandemic and resulting delays in processing payments by landowners.

⁽⁶⁾ Collections remitted to date as of June 13, 2024.

As noted previously, the District annually levies a Maintenance Assessment on the land in Unit 2C in order to maintain the Improvements. There is no limitation on the amount of the Maintenance Assessments that could be levied in Unit 2C, other than a requirement that the Maintenance Assessments be used to maintain the Improvements and pay current expenses of the District allocable to Unit 2C. The Maintenance Assessments are apportioned over the Assessable Real Property in Unit 2C in the same manner as Drainage Taxes, except that for this purpose any Contribution is disregarded. In 2024, the Maintenance Assessment for Unit 2C was approximately \$412,811. As completion of the Improvements and the development of Alton and the UF parcel progress, the Maintenance Assessment may increase, although the ultimate annual level thereof cannot be predicted.

As noted above, all land in Unit 2C has been platted and, where applicable, designated for Land Use Classification and Parcel Designation purposes in accordance with Table C above.

District Unit 2A, Unit 2 and Other Assessments. The land in Unit 2C is contained within another much larger unit of development of the District known as Unit of Development No. 2A ("Unit 2A"). Unit 2A was formed in 2001 to facilitate the financing of area-wide drainage improvements undertaken by the District. The District has issued its outstanding Water Control and Improvement Refunding Bond, Unit of Development No. 2A, Tax-Exempt Series 2023 (the "Unit 2A Bonds"), which are payable from special

assessments levied upon the lands in Unit 2A, including the land in Unit 2C. The debt assessments with respect to the Unit 2A Bonds average approximately \$345,000 per year through August 1, 2033.

The Unit 2A debt assessments are allocated pro-rata on the basis of acreage, except that parcels of less than one acre are treated as a full acre and parcels of greater than one acre are rounded to the nearest whole acre (with fractions of exactly one half being rounded up). The number of acres in a parcel after the rounding described in the previous sentence is sometimes referred to as the "computed acres." There are approximately 5,641 computed acres of assessable property within Unit 2A (or 2,612 actual acres). As of the date hereof, approximately 1,666 of these "computed acres" are attributable to land in Unit 2C (or 435 actual acres). As of the date of this Official Statement, the debt service assessment per year per computed acre for Unit 2A is approximately \$62. The District also levies a maintenance assessment with respect to Unit 2A, which as of the date of this Official Statement is approximately \$70 per year per computed acre.

The land in Unit 2C is also included in another much larger unit of development of the District known as Unit of Development No. 2 ("Unit 2"). There is no debt associated with Unit 2, but the District levies an annual maintenance assessment on the land in Unit 2. The Unit 2 maintenance assessments are also allocated pro-rata on the basis of computed acres calculated in the same manner as described above with respect to Unit 2A. There are approximately 9,128 computed acres of assessable property within Unit 2 (or 4,346 actual acres). As of the date hereof, approximately 1,666 of these "computed acres" are attributable to land in Unit 2C. As of the date of this Official Statement, the maintenance assessment per year per computed acre for Unit 2 is approximately \$43.

As noted herein under the caption "The District - Prior and Future Financings," while no indebtedness of the District other than the Bonds may be secured by the Drainage Taxes, the District may incur indebtedness secured by and/or payable partially or wholly from special assessments other than the Drainage Taxes, which special assessments could be levied upon all or any portion of the land in Unit 2C, in order to finance future undertakings of the District. Thus, special assessments imposed by the District upon lands in Unit 2C could increase in the future. However, the District has no plans to incur any such indebtedness for the foreseeable future.

Taxes and Assessments of Other Taxing Authorities. The land in Unit 2C has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. Ad valorem taxes levied by other governmental entities upon lands within Unit 2C during the year 2023 were approximately \$18.20 per thousand dollars of assessed value of taxable property. These taxes would be payable in addition to any Drainage Taxes and other special assessments levied by the District. Thus, for example, in addition to the Drainage Taxes and maintenance assessments, the owner of property having an assessed value (after exemptions) of \$500,000 would have been subject to ad valorem taxes of approximately \$9,100 for 2023. The District has no control over the

level of ad valorem taxes and/or special assessments levied by other taxing authorities. However, exclusive of voter-approved millages levied for general obligation bonds, as to which no limit applies, the County, the City and the School District of Palm Beach County (the "School District") may each levy ad valorem taxes upon land in Unit 2C at rates not greater than \$10.00 per thousand dollars of assessed valuation. The approximate millages (exclusive of voted millages) levied in 2023 by the County, the City and the School District were 4.51, 5.17 and 6.46, respectively. Other taxing entities that have jurisdiction over the land in Unit 2C may be subject to no legal tax rate limitation or to different tax rate limitations. Therefore, it is possible that in future years the taxes levied by these other entities could be substantially higher than in 2023.

Data Related to Land in Unit 2C

According to the Property Appraiser's property assessments for 2024, as of January 1, 2024, the land in Unit 2C was comprised of 1,488 separate parcels having an aggregate assessed value of \$1,517,775,333. Under Florida law, the property appraiser is required to report the assessed valuation of taxable property as of January 1 of the year in question, and, therefore, the 2024 assessed valuations do not reflect any change in value or subdivision of the real property within Unit 2C after January 1, 2024. No representation can be made that the Property Appraiser's assessed valuation reflects the fair market value of the taxable property in Unit 2C. **Neither the District nor the Underwriters makes any representation as to the fair market value of the land in Unit 2C.** APPENDIX C includes certain information with respect to Unit 2C as of January 1, 2024 from the preliminary tax roll for 2024 along with historical assessed value data for the years 2016 through 2024.

Reserve Fund for Series 2024 Bonds

The Resolution requires the District to maintain a Series 2024 Account of the Reserve Fund funded in an amount which at all times is equal to the Reserve Fund Requirement, which is 100% of the lesser of (i) ten percent (10%) of the original stated principal amount of the Series 2024 Bonds, (ii) the maximum amount of principal and interest scheduled to become due on the Outstanding Series 2024 Bonds in the then current or any succeeding Bond Year or (iii) one hundred twenty five percent (125%) of the average annual debt service on the Outstanding Series 2024 Bonds (calculated on a Bond Year basis at the time of issuance only).

The Series 2024 Account of the Reserve Fund shall be funded by a combination of cash and the deposit of a reserve account credit facility (the "Series 2024 Reserve Account Credit Facility") issued by Build America Mutual Assurance Company (the "Credit Facility Provider") in an aggregate amount equal to the Reserve Fund Requirement for the Series 2024 Bonds. The Reserve Fund Requirement for the Series 2024 Bonds at issuance equals \$3,312,400.00 and will be fully funded upon the issuance of the Series 2024 Bonds by a

deposit of Series 2024 Bond Proceeds in the amount of \$828,100.00 and the Series 2024 Reserve Account Credit Facility with a face value of \$2,484,300.00.

Amounts drawn from the Series 2024 Account of the Reserve Fund or on the Series 2024 Reserve Account Credit Facility may be used by the District only to pay principal and interest on the Series 2024 Bonds to the extent amounts otherwise available therefor in the Bond Fund are insufficient for such purpose.

If at any time the amount on deposit in the Reserve Fund is less than the Reserve Fund Requirement, the District has covenanted that such deficiency will be restored from the first Drainage Tax proceeds available therefore after all required current payments have been made into the Bond Fund, and the District shall, subject to the limitations set forth in the Act, levy Drainage Taxes sufficient to restore such deficiency at the earliest legal opportunity. If at any time there is a deficiency in more than one account in the Reserve Fund, funds available for deposit into the Reserve Fund would be allocated among the accounts as to which the deficiency exists pro-rata, based upon the relative deficiencies among all such accounts.

Additional Bonds

After the issuance of the Series 2024 Bonds, additional Bonds could lawfully be issued pursuant to the Resolution to finance Improvements in the amount of up to \$10,759,741. The District could issue additional Bonds to refund other previously issued Bonds. The District has no plans to issue any additional Bonds with respect to Unit 2C.

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MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Policy

Concurrently with the issuance of the Series 2024 Bonds, Build America Mutual Assurance Company (the "Insurer") will issue its Municipal Bond Insurance Policy for the Series 2024 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2024 Bonds when due as set forth in the form of the Policy attached hereto as APPENDIX E. See also "BOND INSURANCE RISK FACTORS" herein.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$483.2 million, \$221.8 million and \$261.4 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND INSURANCE".

Additional Information Available from BAM.

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of

reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

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THE DISTRICT

General

The District is a water control district, which is an independent special district of the State of Florida, created by action of the State Legislature in 1959. Prior to June 17, 1995 the District was known as "Northern Palm Beach County Water Control District," but the District's name was changed by the State Legislature in order to more accurately reflect the purposes of the District.

As a special district, the District has only those powers specifically delegated to it by the Legislature, or necessarily implied from powers specifically delegated to it. Among the powers of the District are the powers to reclaim the lands within its boundaries for water control and water supply purposes and to protect the land within its boundaries 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 also is authorized to construct and operate water and sewer facilities, roads, parks and parkways.

As of January, 2024, the District encompassed approximately 128 square miles of land primarily in the northeastern portion of the County, including unincorporated portions of the County as well as portions of the municipalities of Jupiter, Juno Beach, Lake Park, Mangonia Park, North Palm Beach, Palm Beach Gardens, Riviera Beach, Royal Palm Beach, Tequesta and West Palm Beach.

The District is governed by a five member Board. Each Supervisor holds office for a four year term. Supervisors are elected in November of each even numbered year for four year terms of office. The terms of offices of Supervisors are staggered, so that no more than three Supervisors are elected in any particular election. The Board meets monthly for the purpose of conducting the business of the District. The present members of the Board and their current terms of office are set forth below.

Name	Position	Term Began	Term Ends
Matthew J. Boykin	President	2020	2024
L. Marc Cohn	Vice-President	2022	2026
Brian J. LaMotte	Treasurer	2022	2026
Ellen T. Baker	Secretary	2020	2024
Gregory Block	Supervisor	2022	2026

Administration

The District has 23 full time employees, including its Executive Director, Mr. C. Danvers Beatty, who became Executive Director in February, 2021. Mr. Beatty has been employed by the District since 2005, and served as Deputy Director until his appointment as Executive Director. The District also has two part-time employees.

The law firm of Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida, is general counsel for the District, having served in that capacity since the District's creation in 1959. Nabors, Giblin & Nickerson, P.A. became bond counsel and disclosure counsel to the District in April, 2024.

The Act provides that the District shall retain the services of a District Engineer who shall have control of the engineering work within the District and shall, among other things, file with certain Florida agencies a report outlining water control plans for the District and costs thereof. The District Engineer is Ms. Kimberly Leser, an employee of the District, who was appointed by the Board in 2021.

Improvement Projects

Under the Act the District may undertake District wide projects, and in addition the Act provides that the owners of a majority of the acreage within a particular geographical area of the District may petition the Board to designate that portion of the District as a unit of development wherein improvements may be implemented. The District has created over 66 such units of development, some of which are inactive or have been dissolved.

The District may impose special assessments upon land benefitted by projects of the District, and the District may issue bonds payable from such assessments. If bonds are issued to finance improvements within a unit of development, only the lands within that particular unit are subject to the levy and collection of special assessments for the payment of principal and interest on the bonds issued for that unit of development. Units of development may overlap; that is, the same land may be included in more than one unit of development. However, analytically and legally, each unit of development is a separate component of the District for the implementation and financing of District projects therein.

Prior to construction of any improvements pursuant to any project with respect to a unit of development, the District Engineer must prepare and the Board must approve a plan of improvements detailing such improvements. Notice is given to certain governmental entities and to affected landowners, following which there is an opportunity to be heard, and ultimately the Board may levy assessments. Further information concerning the process described in this paragraph is contained herein under the caption "SECURITY FOR THE SERIES 2024 BONDS - Assessment of Benefits and Levy of Drainage Taxes."

The District is responsible for the construction of all works to be undertaken pursuant to any plan of improvements, and for the maintenance of such works except in instances where improvements are conveyed to other governmental entities after completion. In addition to special assessments imposed to finance the completion of the improvements described in a plan of improvements, the District levies annual installments of maintenance taxes on the lands in each unit of development in proportion to the benefits assessed to each assessable parcel therein to pay for the ongoing maintenance of District

improvements and administrative costs. There is no limit on the amount of such maintenance taxes.

The District is obligated to complete a water management plan once adopted, but the District is also authorized to amend an adopted plan of improvements. Amendments to the plan for any of the Units may be made without consent of the owners of any bonds. There are several alternative methods for amending a plan of improvements, but in no event may an amendment have the effect of reducing the amount of Drainage Taxes that could be levied with respect to any bonds.

Prior and Future Financings

The Annual Financial Report, including audited financial statements, of the District for the fiscal year ended September 30, 2023 is included herein as APPENDIX B. The Series 2024 Bonds are payable solely from the Drainage Taxes levied in Unit 2C, and not from any other source, and any financial information contained in APPENDIX B other than information concerning Unit 2C, may not bear upon, and should not be relied upon as being relevant to, the value or likelihood of repayment of the principal of and interest on the Series 2024 Bonds.

The District has previously issued bonds for projects in units of development in addition to Unit 2C and the District has borrowed money from various financial institutions to undertake capital projects and major maintenance projects. Although the District has not, as of the date of this Official Statement, ever been in default as to the payment of principal or interest on any indebtedness of the District, the District has encountered delinquencies in payment of special assessments pledged to secure bonds for certain units of development other than Unit 2C. Nonpayment of special assessments levied on property that is not in Unit 2C does not adversely affect the District's ability to make timely payment of principal and interest on the Series 2024 Bonds.

The District anticipates issuing bonds and/or incurring other forms of indebtedness to obtain funds to undertake other projects for units of development other than Unit 2C. The prior bond issues and debt and any future bonds issued or debt incurred for other units of development are not and will not in any manner be secured by the Drainage Taxes assessed and collected for the benefit of the Owners of the Series 2024 Bonds. However, such bonds and/or indebtedness could be payable from special assessments (other than the Drainage Taxes) levied by the District upon lands wholly or partially within Unit 2C.

The District has created Unit 2A, the boundaries of which encompass all of Unit 2C and contains approximately 2,177 acres of additional land not included in Unit 2C. The District has issued its Unit 2A Bonds in order to refinance indebtedness with respect to Unit 2A. Information regarding the portion of the assessments levied by the District upon land also included in Unit 2C in order to pay the debt service requirements for the Unit 2A Bonds is set forth herein under the caption "SECURITY FOR THE SERIES 2024 BONDS-

Historic and Projected Tax and Assessment Information for Unit 2C." The District may not issue any additional bonds with respect to Unit 2A except to refund the Unit 2A Bonds or any subsequently issued refunding bonds for Unit 2A.

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OWNERS' RISKS

An investment in the Series 2024 Bonds is not free from risk. The Series 2024 Bonds may not be an appropriate investment for all potential investors. The following is a summary of certain risks known to the District to be inherent in a purchase of the Series 2024 Bonds. Other risks associated with the Series 2024 Bonds are described elsewhere in this Official Statement, which must be read in its entirety.

1. *Concentration of Land Ownership.* There is a concentration of ownership of the land in Unit 2C among the top taxpayers. See APPENDIX C hereto. As of January 1, 2024 (the date of the last official tax roll of the County) UF owned land responsible for approximately 13.1% of the Drainage Taxes within Unit 2C, Pasteur Healthcare owned land responsible for approximately 10.4% of the Drainage Taxes within Unit 2C, KH Alton LLC owned land responsible for 10.1% of the Drainage Taxes within Unit 2C, NADG owned land responsible for approximately 7.6% of the Drainage Taxes within Unit 2C and Carrier Corporation owned land responsible for approximately 7.3% of the Drainage Taxes within Unit 2C. See "SECURITY FOR THE SERIES 2024 BONDS" herein.

2. *Drainage Taxes are Non Recourse.* The Series 2024 Bonds are payable from the Drainage Taxes. Drainage Taxes are not a personal obligation of the owner of the land subject thereto, but are instead an imposition upon the land subject to the Drainage Taxes. The ultimate, and only, recourse for payment of Drainage Taxes is an action against the land. If proceedings against the land, including the statutory tax collection procedures described herein, do not result in the collection of funds sufficient to pay delinquent Drainage Taxes, the landowner may not be compelled to pay the deficiency. Therefore, the likelihood of collection of the Drainage Taxes may ultimately depend upon the market value of the land subject to taxation. While the ability of a landowner to pay Drainage Taxes is a relevant factor, the willingness of a landowner to pay the taxes, which may be affected by the value of the land subject to taxation, is also an important factor in the collection of Drainage Taxes. There is no necessary correlation between the assessed benefits to the property in Unit 2C, which is determined for the purpose of determining the maximum amount of Bonds that can be issued, and the fair market value thereof. The District has commissioned no appraisal of the value of the real property in Unit 2C. The District makes no representation concerning the suitability of the land in Alton for development or use for any particular purpose.

3. *Other Taxes.* All County, City, School District, and special district taxes and non ad valorem assessments (including and in addition to the Drainage Taxes levied by the District) levied and collected by the Tax Collector are payable at the same time. The District has no control over the amount of taxes or assessments levied by entities other than the District. The amount of such taxes and assessments may adversely affect the ability and/or willingness of a landowner to pay such taxes and assessments (including the Drainage Taxes) and may adversely affect the marketability of tax certificates.

4. *Lack of Market for Tax Certificates.* The Drainage Taxes become due and payable on November 1 of the year in which they are assessed (or as soon thereafter upon satisfaction of certain statutory requirements by the Tax Collector) and become delinquent on the following April 1 or following sixty (60) days after the mailing of the original notice, whichever is later. The collection of delinquent taxes or assessments on real property, including Drainage Taxes, is based to a large degree on the sale of "tax certificates". Tax certificates are sold at public auction to the purchaser who pays the delinquent taxes or assessments, interest and certain costs and charges relating thereto, and who bids the lowest interest rate per annum which shall not exceed eighteen percent (18%) per annum. Proceeds from the sale of tax certificates are required to be used to pay delinquent taxes and assessments (including delinquent Drainage Taxes), interest, costs and other charges. Under Florida Law, tax certificates may not be sold until at least sixty days after the taxes and assessments become delinquent. There can be no assurances given that there will be any future purchasers of tax certificates.

The collection of delinquent taxes, including Drainage Taxes, upon real property is based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the various governmental entities levying taxes for the payment of the taxes due. The demand for tax certificates is dependent upon various factors, including the interest which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which, as described herein, may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the land in Unit 2C may affect the demand for such certificates and therefore the successful collection of the Drainage Taxes which are the source of payment of the Series 2024 Bonds.

Because the purchase price of a tax certificate includes all the taxes and assessments levied on the pertinent parcel, and because certificates are only issued for a full parcel, it may be more difficult to sell certificates for large parcels of land because the number of purchasers who are willing or able to pay the amount necessary to purchase such certificates may be smaller compared to the number for smaller parcels. As of January, 2024 (the last official tax roll available to the District), the taxable land in Unit 2C consisted of 1,488 parcels ranging from less than one acre to over 70 acres in size. For 2024, Drainage Taxes and Maintenance Assessments on the largest parcel (Biotech A - UF) were approximately \$822,233. The inability of the Tax Collector to sell a tax certificate with respect to a single large parcel of land within Unit 2C could have a substantial and adverse effect on the District's ability to pay debt service on the Series 2024 Bonds.

5. *Tax Certificates Might Not Be Sold.* In the event there are no bidders, tax certificates are issued to the County at the maximum rate of interest allowed (presently 18%). The Tax Collector does not collect any money from the County if the tax certificates are issued to the County. County-held tax certificates, which are not previously purchased or redeemed, must be held by the County for a period ending two (2) years from April 1 of the year of issuance. After the expiration of the two (2) year period, the property will be

offered for sale, as described under "SECURITY FOR THE SERIES 2024 BONDS - Tax Collection Procedures" herein. There are many procedures that must be followed by the Tax Collector before the property can be offered for sale. Such procedures include proper notices, collection of certain fees and charges, and establishing an opening bid for the property. Failure to comply with any of the procedures or receive the statutory (opening bid) could result in delays or a complete inability of the Tax Collector to collect the delinquent taxes. If the property is not sold within three (3) years from the date it was first offered for public sale, the land escheats to the County and all tax certificates and liens against the property are canceled. If a sufficient amount of land within Unit 2C were to escheat to the County, the District would be unable to pay debt service on the Series 2024 Bonds.

6. *Tax Assessments May Be Contested.* Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non ad valorem assessments such as the Drainage Taxes, and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a "tax assessment" if the taxpayer pays the amount of "tax" which the taxpayer admits to be owing. Upon making such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If the procedure applies to non ad valorem assessments such as the Drainage Taxes, then it is possible that as a result of a challenge to such assessments, the collection procedures described herein could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Drainage Taxes which could have a material and adverse effect upon the ability of the District to timely pay debt service on the Series 2024 Bonds.

7. *The District Could Fail to Levy Drainage Taxes.* The District is required to comply with statutory procedures in levying Drainage Taxes. Failure of the District to follow these procedures could result in the Drainage Taxes not being levied. See "SECURITY FOR THE SERIES 2024 BONDS" herein.

8. *There are Bankruptcy Risks.* The payment of the annual Drainage Taxes and the ability of the Tax Collector to collect unpaid taxes, including Drainage Taxes, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights. Bankruptcy or similar proceedings with respect to an owner of land in Unit 2C may cause the Drainage Tax lien to be extinguished, and bankruptcy of a property owner could also result in a delay by the Tax Collector in enforcing the collection of the Drainage Taxes as described herein. Such delay would increase the likelihood of a delay or default in payment of principal of and interest on the Series 2024 Bonds. Owners of the Series 2024 Bonds may not be recognized as creditors of any owner of land that has become a debtor in a bankruptcy proceeding (instead, the District would be the creditor). This would mean that only the District would be able to vote to approve or disapprove a reorganization plan submitted by the debtor in any bankruptcy proceeding. Any decision made by the District

in any such proceeding might not be consistent with the desires of any one or more Owner(s) of Series 2024 Bonds.

9. *The Reserve Fund May Not Be Adequate.* Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Drainage Taxes, may not affect the timely payment of debt service on the Series 2024 Bonds because of the Reserve Fund established by the District for the Series 2024 Bonds. The ability of the Reserve Fund to fund deficiencies caused by delinquent Drainage Taxes is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Reserve Fund are invested in certain obligations permitted under the Resolution. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Reserve Fund to make up deficiencies.

10. *There May Not Be a Resale Market for the Series 2024 Bonds.* No assurance can be given that a market will exist for the resale of the Series 2024 Bonds. Because of general market conditions, or because of adverse or economic prospects connected with a particular bond issue, secondary marketing practices in connection with a particular issue may be suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

11. *Tax Laws May Change.* Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. Certain of these proposals, if implemented, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2024 Bonds, by eliminating or changing the tax exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become law, and if so, what effect such proposals could have upon the value of bonds such as the Series 2024 Bonds cannot be predicted, however, it is possible that any such law could have a material and adverse effect upon the value of the Series 2024 Bonds. The Resolution does not provide for any adjustment to the interest rates borne by the Series 2024 Bonds in the event of a change in the tax exempt status of the Series 2024 Bonds.

12. *Environmental Issues.* The value of the land within Unit 2C, the success of Alton and the likelihood of timely payment of principal and interest on the Series 2024 Bonds could be affected by environmental factors with respect to the land in Unit 2C. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in Unit 2C, which could materially and adversely affect the success of Alton and the likelihood of the timely payment of the Series 2024 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within Unit 2C.

13. *Force Majeure Events and Climate Change.* The State is naturally susceptible to the effects of extreme weather events and natural disasters including hurricanes and floods which could result in negative economic impacts on the District. Operation of the District is at risk from events of force majeure, such as hurricanes, lightning strikes, tornadoes, floods, extreme winds, severe storms, wildfires or other natural disasters, epidemics, blockades, rebellions, war, riots, acts of sabotage, terrorism or civil commotion, and spills and explosions of hazardous materials. Weather-related events can be exacerbated by a longer term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage the District's facilities or lead to issues with the collection of Drainage Taxes, leading to a loss of revenue. The District is located on the southeast coast of Florida and has been affected by hurricanes in the past and is likely to be affected in the future.

If any of the foregoing events occur, to the extent not fully covered by insurance, it could materially and adversely affect the District's ability to repay the Series 2024 Bonds. Operations may also be stopped or delayed from non-casualty events such as discovery of archaeological artifacts, or protected species, changes in law, delays in modifying, obtaining or renewing permits, revocation of such permits and approvals and litigation, among other things.

14. *Cybersecurity.* The District is dependent on information and computing technology to conduct general business operations. Increasingly, governmental entities are being targeted by cyberattacks (including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems) seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities and avenues that attackers/hackers can exploit in attempts to cause breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such incidents could materially impact District's business operations, and and/or give rise to losses or legal liability. The District is in compliance with the State's recent cybersecurity legislation that increased reporting and cybersecurity training requirements for local governments and prohibit the payment of, or compliance with, any ransomware demand. Despite the District's efforts in this area, no assurances can be given that any cyberattacks, if successful, will not have a material adverse effect on the operations or financial condition of the District.

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BOND INSURANCE RISK FACTORS

The District has received a commitment from the Insurer for the Policy to guarantee the scheduled payment of principal and interest on the Series 2024 Bonds. The District has yet to determine whether an insurance policy will be purchased with the Series 2024 Bonds. If an insurance policy is purchased, the following are risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to the Series 2024 Bonds when all or some becomes due, any owner of the Series 2024 Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure payment of redemption premiums, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Series 2024 Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Insurer without appropriate consent. The Insurer may direct and must consent to any remedies and the Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Series 2024 Bonds are payable solely from the moneys received pursuant to the Resolution. In the event the Insurer becomes obligated to make payments with respect to the Series 2024 Bonds, no assurance is given that such event will not adversely affect the market price of the Series 2024 Bonds or the marketability (liquidity) for the Series 2024 Bonds.

The long-term ratings on the Series 2024 Bonds are dependent in part on the financial strength of the Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer will not be subject to downgrade and such event could adversely affect the market price of the Series 2024 Bonds or the marketability (liquidity) for the Series 2024 Bonds. See "RATING" herein.

The obligations of the Insurer are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Underwriters (as defined herein) have made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Series 2024 Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" herein.

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SCHEDULE OF DEBT SERVICE REQUIREMENTS

The following schedule shows the approximate debt service requirements for the Series 2024 Bonds and the Series 2017 Bonds:

12 Months Ending August 1	Series 2024 Bonds			Series 2017 Bonds			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2025	\$1,280,000	\$2,000,793	\$3,280,793	\$540,000	\$1,015,350	\$1,555,350	\$4,836,143
2026	1,240,000	2,017,750	3,257,750	565,000	993,750	1,558,750	4,816,500
2027	1,300,000	1,955,750	3,255,750	585,000	971,150	1,556,150	4,811,900
2028	1,365,000	1,890,750	3,255,750	615,000	947,750	1,562,750	4,818,500
2029	1,445,000	1,822,500	3,267,500	645,000	917,000	1,562,000	4,829,500
2030	1,515,000	1,750,250	3,265,250	680,000	884,750	1,564,750	4,830,000
2031	1,590,000	1,674,500	3,264,500	710,000	850,750	1,560,750	4,825,250
2032	1,675,000	1,595,000	3,270,000	750,000	815,250	1,565,250	4,835,250
2033	1,755,000	1,511,250	3,266,250	785,000	777,750	1,562,750	4,829,000
2034	1,845,000	1,423,500	3,268,500	825,000	738,500	1,563,500	4,832,000
2035	1,940,000	1,331,250	3,271,250	870,000	697,250	1,567,250	4,838,500
2036	2,040,000	1,234,250	3,274,250	915,000	653,750	1,568,750	4,843,000
2037	2,150,000	1,132,250	3,282,250	960,000	608,000	1,568,000	4,850,250
2038	2,260,000	1,024,750	3,284,750	1,010,000	560,000	1,570,000	4,854,750
2039	2,375,000	911,750	3,286,750	1,060,000	509,500	1,569,500	4,856,250
2040	2,500,000	793,000	3,293,000	1,115,000	456,500	1,571,500	4,864,500
2041	2,605,000	693,000	3,298,000	1,175,000	400,750	1,575,750	4,873,750
2042	2,710,000	588,800	3,298,800	1,235,000	342,000	1,577,000	4,875,800
2043	2,825,000	480,400	3,305,400	1,295,000	280,250	1,575,250	4,880,650
2044	2,940,000	367,400	3,307,400	1,365,000	215,500	1,580,500	4,887,900
2045	3,060,000	249,800	3,309,800	1,435,000	147,250	1,582,250	4,892,050
2046	3,185,000	127,400	3,312,400	1,510,000	75,500	1,585,500	4,897,900
Total	<u>\$45,600,000</u>	<u>\$26,576,093</u>	<u>\$72,176,093</u>	<u>\$20,645,000</u>	<u>\$13,858,250</u>	<u>\$34,503,250</u>	<u>\$106,679,343</u>

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REMEDIES IN THE EVENT OF DEFAULT

In the event that the District defaults in the payment of the Series 2024 Bonds or fails to fulfill any other covenant or condition required of it or imposed upon it by the Resolution, any Owner of Series 2024 Bonds seeking redress must act on its own to remedy such default. The Trustee acts under the Resolution solely as the custodian of amounts on deposit in certain funds and accounts held by the Trustee. The Trustee is not required or authorized by the Resolution to take any action in event of such a default, whether at the direction of the District or the Owners or on its own volition. Owners taking such action will have to bear the costs and difficulties of such action, as well as the risks that conflicting claims may be brought by individual Owners and that the first court judgment on any such claim may bind all subsequent claims and judgments.

Upon default in payment of the Series 2024 Bonds, Owners seeking redress may be entitled by applicable law to sue on the debt represented by the Series 2024 Bonds. In addition, the District may under Florida law, by suit, action or mandamus, be compelled to perform the duties required by the Act or to enforce and apply taxes for the payment of the Series 2024 Bonds. Further, Owners may be entitled to apply to a court of competent jurisdiction for the appointment of a receiver for the District.

The Resolution does not contain an express contractual right to accelerate the debt represented by the Bonds upon default and it is unclear whether Florida law provides such a right of acceleration. The Owners may have to sue under Florida law each time that debt service comes due and is unpaid. Even if a right of acceleration is provided by Florida law, however, such acceleration would not assure the availability of funds for the payment of the Series 2024 Bonds.

The Resolution provides for no increase in the interest rates borne by the Series 2024 Bonds during the continuance of any event of default, including a payment default.

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LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2024 Bonds, and the treatment of the interest thereon for federal income tax purposes, are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, whose approving opinion will be delivered at the time of issuance of the Series 2024 Bonds and the form of which is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the District by its general counsel, Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida. The Underwriters are represented by Greenspoon Marder LLP, West Palm Beach, Florida. Nabors, Giblin & Nickerson, P.A., Tampa, Florida is serving as Disclosure Counsel to the District. General Counsel for the District, Bond Counsel, Disclosure Counsel and counsel for the Underwriters will receive fees for their services rendered with respect to the issuance of the Series 2024 Bonds, which fees are contingent upon the issuance of the Series 2024 Bonds.

LITIGATION

In the opinion of Caldwell Pacetti Edwards Schoech & Viator LLP, counsel to the District, there is no litigation or other proceeding pending in the 15th Judicial Circuit in and for Palm Beach County, Florida or the United States District Court for the Southern District of Florida, or to the knowledge of said counsel, pending or threatened, in any court or other tribunal, state or federal, (i) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Series 2024 Bonds, or (ii) in any way questioning or affecting the validity of any provision of the Series 2024 Bonds, the Resolution, the Trustee Agreement or the Bond Purchase Agreement between the District and the Underwriters, or (iii) in any way questioning or affecting the validity of any of the proceedings or authority for the issuance, authorization, sale, execution or delivery of the Series 2024 Bonds, or of any provision, program, or transaction made or authorized for their payment, or (iv) questioning or affecting the organization or existence of the District or the incumbency of any of its officers to their respective offices, or (v) questioning or affecting the validity of the levying of the Drainage Taxes or the pledge thereof in favor of the Owners of the Series 2024 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computation of the adequacy of the maturing principal amount of and interest on the investments and cash, if any, to be held by the Escrow Agent to pay, when due, the principal of and interest on the Refunded Bonds to the dates of their maturities or earlier redemption has been verified by Causey Demgen & Moore P.C., independent certified public accountants, whose report with respect thereto will be available upon delivery of the Series 2024 Bonds.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is included as APPENDIX D hereto, the interest on the Series 2024 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions; provided, however, with respect to certain corporations, interest on the Series 2024 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Failure by the District to comply subsequent to the issuance of the Series 2024 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2024 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2024 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted in the Resolution to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2024 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2024 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2024 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2024 Bonds to the Treasury of the United States of America. Noncompliance with such provisions may result in interest on the Series 2024 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2024 Bonds. Prospective purchasers of Series 2024 Bonds should be aware that the ownership of Series 2024 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2024 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2024 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2024 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2024 Bonds may be

included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE SERIES 2024 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD

Other Tax Matters

Interest on the Series 2024 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2024 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2024 Bonds in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the IRA), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income," as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. Interest on the Series 2024 Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Series 2024 Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, such proposals have contained provisions that altered these federal tax consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2024 Bonds.

Original Issue Discount

Certain of the Series 2024 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers

or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which initial offering price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bonds and will increase the adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

Certain of the Series 2024 Bonds (the "Premium Bonds") may be offered and sold to the public at an initial offering price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

RATING

The Series 2024 Bonds have been assigned an underlying rating of "BBB-" (stable outlook) from S&P Global Ratings ("S&P"). S&P has assigned a rating of "AA" (stable outlook) to the Series 2024 Bonds, with the understanding that, upon delivery of the Series 2024 Bonds, the Policy will be issued by the Insurer. Such ratings express only the views of S&P. An explanation of the significance of such ratings may be obtained from S&P furnishing the same. There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by S&P, may have an adverse effect on the liquidity and/or market price of the Series 2024 Bonds. The District undertakes no responsibility to oppose any such revision or withdrawal.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes and the regulations promulgated thereunder require that the District make full and fair disclosure of any bonds or other debt obligations of such entities that have been in default as to payment of principal or interest at any time after December 31, 1975.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the District has agreed that, so long as any of the Series 2024 Bonds remain outstanding, it will, in accordance with the provisions of, and to the degree necessary to comply with, the secondary market disclosure requirements of the Rule, file with the MSRB (hereinafter defined) in an electronic format and with such identifying information as prescribed by the MSRB:

(1) the following annual financial information and operating data (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2024:

(i) Updates of the financial information and operating data of the type set forth in this Official Statement, including updates of the historical assessment levy and collection rates and assessed valuation data, in a form which is generally consistent with the presentation of such information in this Official Statement; and

(ii) Audited financial statements with respect to the District utilizing generally accepted accounting principles to local governments.

The information in clauses (i) and (ii) above will be available for each Fiscal Year on or prior to the next May 1 following the end of such Fiscal Year. The financial

statements referred to in clause (ii) above may be available separately from the information in clause (i) above and will be provided by the District as soon as practical after acceptance of such statements from the auditors by the District; if not available by the first May 1 after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available;

(2) in a timely manner not in excess of ten (10) business days after the event, notice of occurrence of any of the following events with respect to the Series 2024 Bonds:

- (i) principal and interest payment delinquencies;
- (ii) non payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds;
- (vii) modifications to rights of holders of the Series 2024 Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasance;
- (x) release, substitution or sale of any property securing repayment of the Series 2024 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar proceeding of the District. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or

governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District;

(xiii) mergers, consolidations, or acquisitions of the District, the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect the Owners of the Series 2024 Bonds, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(3) in a timely manner, to the MSRB, notice of its failure to provide the Annual Information with respect to itself.

For purposes of clauses (xv) and (xvi) above, the term "Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii).

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

The foregoing covenants shall run to the benefit of the Owners and the beneficial owners of Series 2024 Bonds owned in book entry format. However, failure to meet the covenants described herein shall not be deemed to constitute an event of default or a breach of any other covenant under the Resolution, and the sole remedy for such a default or breach shall be as described in the next paragraph.

Any Owner or any beneficial owner may either at law or in equity, by suit, action, mandamus or other proceeding in any court or competent jurisdiction, protect and enforce

any and all rights granted or contained in the District's continuing disclosure undertaking and may enforce and compel the performance of all duties required thereby to be performed by the District or by any officers thereof.

Notwithstanding any other provision of the Resolution, the District's continuing disclosure undertaking may be amended only as follows: (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or the type of business conducted by the District; (b) the provisions of the District's continuing disclosure undertaking, as amended, would have complied with the requirements of Rule 15c2 12 of the Securities and Exchange Commission as in effect as of the date of issuance of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially impair the interest of the Owners and/or beneficial owners as determined by an opinion of nationally recognized bond counsel delivered to the District, or by approving vote of the Owners or beneficial owners of a majority in principal amount of the Outstanding Series 2024 Bonds at the time of the amendment. In the event of any amendment to the continuing disclosure undertaking, the annual financial information provided subsequent to such amendment shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided by the District. If the amendment affects the accounting principles to be followed in preparing financial statements of the District, the annual financial information for the year in which the change is made must present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison must include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles must be sent to the MSRB.

The District believes that it has complied with its continuing disclosure obligations in all material respects during the five year period ending with the date of this Official Statement.

FINANCIAL STATEMENTS

The Annual Financial Report, including audited financial statements, of the District for the fiscal year ended September 30, 2023, included in APPENDIX B to this Official Statement, were prepared by Marcum LLP, independent certified public accountants. Marcum LLP did not participate in the preparation of this Official Statement and its consent to the reproduction of the audited financial statements herein was not sought.

INDEPENDENT REGISTERED MUNICIPAL ADVISOR

Public Resources Advisory Group, Inc., St. Petersburg, Florida, is the Financial Advisor to the District with respect to the issuance and sale of the Series 2024 Bonds. The Financial Advisor has advised the District as to matters relating to the planning, structuring and issuance of the Series 2024 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the District to provide continuing secondary market disclosure.

Public Resources Advisory Group, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The Series 2024 Bonds are being purchased by Piper Sandler & Co. and RBC Capital Markets, LLC (collectively, the "Underwriters") at a price of \$47,250,041.85, the par amount of the Series 2024 Bonds, less Underwriters' discount in the amount of \$385,520.00, plus net original issue premium of \$2,035,561.85. The Underwriters' obligations are subject to certain conditions precedent, and if obligated to purchase any of the Series 2024 Bonds, the Underwriters will be obligated to purchase all of the Series 2024 Bonds. The Series 2024 Bonds may be offered and sold to certain dealers, dealer banks, and banks acting as agent (including underwriters and other dealers depositing such Bonds into investment trusts) and others at prices lower than the public offering price stated on the inside cover hereof. The initial public offering price may be changed from time to time by the Underwriters.

Piper Sandler & Co., one of the Underwriters, has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Series 2024 Bonds from Piper Sandler & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Series 2024 Bonds that CS&Co. sells.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own

accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

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AUTHORIZATION AND APPROVAL

The execution and delivery of this Official Statement has been duly authorized by the Board.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

By: /s/ Matthew J. Boykin
President, Board of Supervisors

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APPENDIX A

Form of the Resolution

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RESOLUTION 2014-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT INITIALLY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF NOT EXCEEDING \$94,454,426.70 BONDS OF SUCH DISTRICT TO FINANCE THE COST OF IMPROVEMENTS WITH RESPECT TO UNIT OF DEVELOPMENT NO. 2C OF THE DISTRICT; PROVIDING THAT SUCH BONDS SHALL BE PAYABLE SOLELY FROM DRAINAGE TAXES LEVIED BY THE DISTRICT ON THE LANDS WITHIN UNIT OF DEVELOPMENT NO. 2C, AND OTHER MONIES AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES, AND REMEDIES FOR THE OWNERS OF SUCH BONDS; PROVIDING FOR THE CREATION OF SPECIAL FUNDS AND ACCOUNTS; APPOINTING A TRUSTEE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT, THAT:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the authority of the Act.

Section 1.02. Definitions. The following words and phrases shall have the following meanings when used herein:

"Act" means Chapter 2000-467, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, with respect to any Taxable Bonds, Part VII of Chapter 159, Florida Statutes and other applicable provisions of law.

"Activated Benefit" means the sum of \$78,828,378 plus so much of the Inchoate Benefit (as defined in the Tax Resolution), if any, as has been activated by an Activating Resolution as described in the Tax Resolution.

"Board" means the Board of Supervisors of the Issuer.

"Bond" or "Bonds" means the obligations of the Issuer authorized hereby.

"Bond Counsel" means an attorney at law or firm of lawyers acceptable to the Issuer and of recognized expertise in matters pertaining to the debt obligations issued by states and their political subdivisions, including the taxation of payments of interest thereon.

"Bond Fund" means the fund by that name established in Section 5.02 hereof.

"Bond Register" means the books for the registration of ownership of Bonds kept by the Trustee as agent of the Issuer pursuant to Section 2.08 hereof.

"Bond Year" means a one year period beginning on and including August 2 and ending on and including the next succeeding August 1, except that the first Bond Year shall begin on the date of issuance of the first series of Bonds and end on the next August 1.

"Business Day" means any day except any Saturday or Sunday or day on which the Principal Office of the Trustee is lawfully closed.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder or applicable thereto.

"Cost" means to the extent permitted by law any obligation or expense incurred by the Issuer in connection with the acquisition, construction or reconstruction of any Project or Improvements thereon, including costs of issuing the Bonds.

"Cost of Issuance Fund" means the fund by that name established in Section 5.02 hereof.

"Disbursement Approval" means a written request of the Issuer for a disbursement from the Cost of Issuance Fund or Project Fund, as applicable, which request shall be substantially in the form attached hereto as Exhibit B.

"Drainage Taxes" means the special assessments levied and assessed by the Issuer in accordance with the Act upon the lands within the Unit pursuant to the Tax Resolution.

"Engineer's Report" means the Report of Engineer with respect to the Unit, filed with the Issuer February 14, 2014 and approved by the Board by Resolution 2014-2, with an effective date of March 26, 2014, as the same may be amended from time to time in accordance with the Act.

"Event of Default" means any material covenant, warranty or representation of the Issuer contained herein shall be breached or shall become untrue, including, but not limited to, failure to timely pay principal, premium, if any, and interest on the Bonds.

"Fiscal Year" means that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as shall be prescribed as the fiscal year of the Issuer by law.

"Governmental Obligations" means direct general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America and which are not redeemable or subject to prepayment prior to the stated maturity thereof by or at the direction of the obligor thereon.

"Improvements" means, without limitation, any and all drainage and land reclamation works and facilities, storm sewers and drains, streets and roads, or other projects of the Issuer permitted under the Act.

"Insurer" means, if applicable, as to any series of Bonds, the "Insurer" identified therefor in the applicable Supplemental Resolution.

"Interest Payment Date" means as to each series of Bonds, each February 1 and August 1, commencing on such February 1 or August 1 as designated by a Supplemental Resolution adopted in connection with such series of Bonds.

"Issuer" means Northern Palm Beach County Improvement District, a water control district of the State pursuant to the Act, and its lawful successors.

"Issuer's Engineer" means the engineer or firm of engineers serving as the Issuer's general engineer in accordance with the Act.

"Issuer Representative" means, at any time, the person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Trustee containing the specimen signatures of such persons and signed on behalf of the Issuer by the President.

"Issuer's Counsel" means the attorney or firm of attorneys as shall have been appointed by the Board and as shall be serving as general counsel to the Issuer.

"Mail" means mail by first-class postage prepaid or by a form of prepaid overnight delivery selected by the Trustee.

"Original Purchaser" means as to any series of Bonds, the Person or Persons identified as the Original Purchaser thereof in the applicable Supplemental Resolution.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Resolution, except:

- (i) Bonds canceled by the Trustee;
- (ii) Bonds paid or deemed to be paid pursuant to Article VII hereof;
- (iii) Bonds in lieu of which others have been authenticated under Sections 2.07 or 2.08 hereof; and
- (iv) Bonds for which irrevocable (including revocable notice which shall have become irrevocable) notice of redemption has been given and for which moneys have been deposited with the Trustee solely for payment of such Bonds.

"Owner" or "Owners" means the Person or Persons in whose name or names any Bonds shall be registered on the Bond Register.

"Person" means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Plan of Improvements" means the Plan of Improvements for the Unit approved by the Board by Resolution 2014-2, with an effective date of March 26, 2014, as amended from time to time in accordance with the Act.

"President" means the President or Vice-President of the Board.

"Principal Office" means, with respect to the Issuer or the Trustee, the office of such Person located at the address specified in or pursuant to Section 10.04 of this Resolution, or in a Supplemental Resolution, or such other address as may be designated in writing by any such Person to the other Person listed above.

"Project" means the construction of Improvements contemplated by the Plan of Improvements for which Drainage Taxes are to be levied against the lands within the Unit in accordance with the Act.

"Project Fund" means the fund by that name established in Section 5.02 hereof.

"Qualified Investments" means any investment permitted by State law, provided that the Trustee may assume that any investment directed by the Issuer in writing is permitted by applicable law.

"Record Date" means (i) with respect to any Interest Payment Date, the 15th day of the calendar month next preceding an Interest Payment Date, and (ii) with respect to Bonds that are to be called for redemption, the tenth Business Day preceding the day the notice of redemption is mailed.

"Reserve Fund" means the fund by that name established pursuant to Section 5.02 hereof.

"Reserve Fund Insurance Policy" shall mean an insurance policy or surety bond deposited in any account of the Reserve Fund in lieu of or in partial substitution for cash on deposit therein pursuant to Section 5.09 of the Bond Resolution.

"Reserve Fund Requirement" means, unless otherwise provided by Supplemental Resolution with respect to a series of Bonds, as to any series of Bonds secured by an account in the Reserve Fund, the lesser of (i) 10% of the original stated principal amount of such series of the Outstanding Bonds, (ii) the maximum amount of principal and interest scheduled to become due on the Outstanding Bonds of such series in the current or any succeeding one year period ending on and including a February 1, or (iii) 125% of the average annual debt service on such series of the Outstanding Bonds (calculated on a Bond Year basis at the time of issuance only). If a series of Bonds has more than a de minimis amount of original issue discount or premium (as defined in Treas. Reg. §1.148-1(b)), then the issue price (as defined in said regulation) of such series (net of any pre-issuance accrued interest) shall be used to measure the aforesaid 10% limitation in lieu of the stated principal amount of such series.

"Resolution" means this Resolution, pursuant to which the Bonds are authorized to be issued, including any Supplemental Resolutions.

"Secretary" means the designee of the Issuer duly appointed and serving as the Secretary or Assistant Secretary of the Board.

"State" means the State of Florida.

"Supervisor" means a member of the Board.

"Supplemental Resolution" means any resolution supplemental to this Resolution adopted by the Issuer in accordance with Article IX hereof.

"Tax Resolution" means Resolution 2014-03, adopted by the Issuer March 26, 2014, levying special assessments upon the assessable land within the Unit, as such resolution may be amended from time to time.

"Taxable Bond" means any Bond other than a Tax-Exempt Bond.

"Tax Exempt Bond" means any Bond that at the time of issuance thereof was accompanied by an opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income of the Owner thereof for federal income tax purposes.

"Trustee" means the Person appointed and serving as such in accordance with Article VIII of this Resolution.

"Trust Estate" means the Drainage Taxes and any amounts held in the funds and accounts hereunder, to the extent pledged to the Owners pursuant to Section 5.01 hereof.

"Unit" means Unit of Development No. 2C of the Issuer, established pursuant to Resolutions 2008-10, 2008-12 and 2008-13 adopted by the Board, as modified from time to time in accordance with the Act.

Section 1.03. Resolution to Constitute a Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall be the Owners thereof from time to time, this Resolution shall constitute a contract between the Issuer, the Insurer, if any, and the Owners, and all covenants and agreements herein set forth to be performed by the Issuer shall be for the equal and ratable benefit and security of all of the Owners without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds, except as expressly provided in or permitted by this Resolution.

[End of Article I]

ARTICLE II

THE BONDS

Section 2.01. Limitation on Issuance of Bonds. No obligations of the Issuer payable from or secured by Drainage Taxes may be issued except in accordance with the provisions of this Article II.

Section 2.02. Authorization of Bonds. Subject and pursuant to the provisions of this Resolution (including, particularly, Section 4.01 hereof), special obligations of the Issuer to be known as "Water Control and Improvement Bonds, Unit of Development No. 2C," are hereby authorized to be issued in one or more series under and secured by this Resolution, in an aggregate principal amount not to exceed \$94,454,426.70 for the purpose of financing the Cost of the Project, and/or refunding any Bonds, including paying costs incidental to the issuance of such Bonds. The designation of Bonds issued for the purpose, in whole or in part, of refunding other obligations of the Issuer for the Unit shall include the word "Refunding." The designation of Taxable Bonds shall include the word "Taxable." The principal amount of Bonds issued may not exceed 90% of the Activated Benefit. Bonds may be issued for the purpose of refunding previously issued Bonds, and in such event, for purposes of calculating the foregoing limitations, the Bonds to be refunded shall not be taken into account except to the extent of the principal amount thereof paid, whether

prior to or after the issuance of the refunding Bonds, from proceeds of the Drainage Taxes levied pursuant to the Tax Resolution.

All Bonds shall be on a parity with all other Bonds for all purposes of this Resolution, including the right to payment and lien on the Drainage Taxes and amounts in the funds and accounts established hereunder, except that any amounts in a separate account in the Bond Fund, Cost of Issuance Fund, Project Fund and/or Reserve Fund established in connection with a series of Bonds shall be subject to a lien and right to payment only in respect of such series of Bonds.

After the issuance of any Tax-Exempt Bonds, no other Bond shall be issued unless, in the opinion of Bond Counsel, the issuance of such Bonds will not result in the interest on any Tax-Exempt Bonds becoming includable in the gross income of the Owners thereof for federal income tax purposes.

Section 2.03. Description of Bonds; Medium of Payment. Each series of Bonds shall bear a series designation to distinguish it from all other series of Bonds, shall be dated, shall be stated to mature, subject to the right of prior optional or mandatory redemption, or both, if any, on such dates at annual intervals within forty (40) years from its date of issuance, shall be in the principal amount, shall bear interest at such rate or rates not in excess of the maximum rate permitted by law, payable on such Interest Payment Dates, shall be in registered form, shall have such other details, and shall be sold in such manner to such purchasers upon the payment of such purchase price, all as shall be provided herein and in a Supplemental Resolution applicable to such series of Bonds. Unless otherwise provided in a Supplemental Resolution with respect to a series of Bonds, the Bonds shall be issued in the denomination of \$5,000 or any integral multiple in excess thereof.

The principal of, premium, if any, and the interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 2.04. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the President and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof, and be attested with the manual or facsimile signature of the Secretary or any Supervisor. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any Supervisor or officer whose manual or facsimile signature shall appear on the Bonds shall cease to be such Supervisor or officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such signatory had remained a Supervisor or such officer until delivery. Any Bond may be executed on behalf of the Issuer by a Supervisor who, at the time of execution is the proper person, although on the date of such Bond that person was not the proper person.

Section 2.05. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed on behalf of the Trustee by the manual or facsimile signature of its authorized signatory; such executed certificate of the Trustee upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds. At least one of the signatures on each Bond required by Section 2.04 or 2.05 hereof shall be a manual signature.

Section 2.06. Form of Bonds. The Bonds are to be in substantially the form set forth on Exhibit A attached hereto, with such variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of the same series, of like date, interest rate, maturity and denomination to that of the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee and not objected to by the Issuer, together with an indemnity satisfactory to the Trustee and not objected to by the Issuer. In the event any such Bond shall have matured or been called for redemption, instead of issuing a duplicate Bond, the Trustee, on behalf of the Issuer, may pay the same without surrender thereof, making such requirements as it deems fit for its protection and that of the Issuer, including the furnishing of evidence and indemnity the same as in the case of the issuance of a new Bond. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses for such service and any tax or other governmental charge in connection therewith.

Section 2.08. Registration and Exchange of Bonds; Persons Treated as Owners. So long as any of the Bonds shall remain unpaid, the Issuer will cause books for the registration and transfer of such Bonds to be maintained and kept at the Principal Office of the Trustee, acting, only for purposes of Treasury Regulation Section 5f.103-1(c)(1)(i), as agent of the Issuer. The Bonds shall be transferable only upon the Bond Register. Notwithstanding the foregoing, a Supplemental Resolution may authorize the issuance of Taxable Bonds in bearer form.

At reasonable times and under reasonable regulations established by the Trustee, the Bond Register with respect to a series of Bonds may be inspected and copied by the Issuer, the Insurer of such series, if any, or by any Owner (or a representative of one or more Owners) of ten percent (10%) or more in aggregate principal amount of Bonds of such series then Outstanding.

Bonds of any series may be exchanged, at the option of their Owner, for Bonds of any authorized denomination or denominations of the same series in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender at the Principal Office of the Trustee of the Bond being exchanged, duly endorsed for exchange (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing.

Any Bond may be transferred upon presentation and surrender at the Principal Office of the Trustee of the Bond being transferred, duly endorsed for transfer (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing. Upon transfer of any Bond the Trustee shall deliver to the transferee a new Bond or Bonds of the same series registered in the name of the transferee, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond presented and surrendered for transfer.

In all cases in which Bonds shall be exchanged or transferred hereunder, the Issuer shall execute, and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. In each

case, the Issuer and the Trustee may require the payment by the Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and such charge shall be paid before a new Bond is issued.

Neither the Issuer nor the Trustee shall be required to transfer or exchange any Bond of a series during the period beginning ten (10) Business Days before the date of the mailing of a notice of redemption of Bonds of such series and ending at the close of business at the Principal Office of the Trustee on the day of such mailing, or to transfer or exchange any Bond called for redemption, in whole or in part.

Bonds delivered upon any transfer or exchange as provided herein, or in replacement of a lost, stolen, destroyed or mutilated Bond as provided in Section 2.07 hereof, shall be valid limited obligations of the Issuer, evidencing the same debt as the Bonds surrendered for transfer or exchange, mutilated, lost, stolen or destroyed, shall be secured by this Resolution and shall be entitled to all the security and benefits hereof to the same extent as the Bonds surrendered for transfer or exchange, mutilated, lost, stolen or destroyed, as the case may be.

The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest on any Bond shall be made only to or upon the written order of the Owner or the Owner's duly authorized attorney-in-fact. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.09. Destruction of Bonds. Whenever any Bond shall be delivered to the Trustee upon payment of the principal amount, in whole or in part, and premium, if any, and interest represented thereby, or for replacement pursuant to Sections 2.07 or 2.08 hereof, or otherwise for cancellation, such Bond shall be promptly canceled and cremated or otherwise destroyed, and a certificate of destruction evidencing such cremation or other destruction shall be retained by the Trustee and a copy thereof shall be forwarded to the Issuer upon request.

Section 2.10. Issuance of Bonds. Prior to the issuance of any series of the Bonds there shall be filed with the Trustee:

- (1) A copy, duly certified by the Secretary or a Supervisor, of this Resolution and the Supplemental Resolution or Resolutions adopted by the Issuer authorizing the issuance of such series of Bonds and fixing the details thereof;
- (2) A request and authorization of the Issuer to the Trustee, signed by the President, to authenticate and deliver the Bonds to the Original Purchaser, upon payment to or for the account of the Issuer, of a sum specified in such request and authorization;
- (3) A copy, duly certified as being in full force and effect by the Secretary or a Supervisor, of the Tax Resolution; and
- (4) An opinion or opinions of Bond Counsel to the effect that the issuance of such Bonds is permitted hereby and by applicable law.

[End of Article II]

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.01. Authorization of Redemption Provisions. The Bonds may be subject to redemption prior to maturity in the manner and on such date or dates as specified by Supplemental Resolution(s).

Section 3.02. Notice of Redemption. Unless otherwise provided in a Supplemental Resolution for a series of Bonds, notice of the call for any redemption of Bonds shall be given by the Trustee by mailing a copy of a redemption notice by Mail, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption, to the Owner, as shown on the Bond Register at the close of business at the Principal Office of the Trustee on the Record Date, of each Bond to be redeemed in whole or in part at the address of such Owner shown on the Bond Register. No notice of the optional redemption of Bonds may be given unless funds for such redemption are irrevocably deposited with the Trustee prior to giving such notice or unless the notice expressly states that the redemption is subject to deposit of funds by the Issuer. The notice of redemption shall state:

- (i) the redemption date;
- (ii) the redemption price;
- (iii) the date of the notice of redemption;
- (iv) the series designation of the Bonds being redeemed;
- (v) if less than all Bonds of a series or maturity are to be redeemed, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed;
- (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed;
- (vii) that on the redemption date the redemption price will become due and payable upon each such Bond or portion called for redemption, and that, sufficient moneys being on hand with the Trustee and available to pay such redemption price, interest thereon shall cease to accrue from and after said date;
- (viii) the place where such Bonds are to be surrendered for redemption, and giving the name, address, and telephone number of the Trustee and listing a contact person; and,
- (ix) if any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

The failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond with respect to which no such failure has occurred. Any notice prepared and mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

The Trustee shall send an additional copy of the redemption notice, by registered or certified mail, to any Owner of a Bond called for redemption in whole or in part which has not been presented for redemption by the sixtieth (60th) day after the redemption date, such notice to be sent by the Trustee at any time after the sixtieth (60th) day after the redemption date and before the ninetieth (90th) day after the redemption date. Failure of the Trustee to send any such additional notice shall not effect the validity of any proceedings for the redemption of Bonds.

Section 3.03. Redemption Payments. Upon the giving of notice of redemption in accordance with Section 3.02 hereof, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date at the redemption price and, if the funds necessary to effect such redemption are on deposit with the Trustee and available therefor, such Bonds or portions thereof shall cease to bear interest from and after the redemption date; and such Bonds or portions thereof shall cease from and after the redemption date to be entitled to any benefit of or security under this Resolution, and the Owners thereof shall have no rights in respect of such Bonds or portions thereof except the right to receive payment of the redemption price thereof. If any Bond or portion thereof called for redemption shall not be paid at the redemption date or upon surrender thereof for redemption, whichever is the later to occur, because moneys necessary to effect such redemption are not on deposit with the Trustee and available therefor, such Bond shall continue to bear interest as if it had not been called for redemption.

All moneys deposited with the Trustee for the redemption of particular Bonds or portions thereof shall be held in trust for the account of the Owners thereof and not for any other Bonds, and shall be paid to such Owners, respectively, upon presentation and surrender of those Bonds.

Section 3.04. Partial Redemption of Bonds. Unless otherwise provided by Supplemental Resolution, in the case of any partial redemption of Bonds of a particular series and maturity or maturities the Trustee shall select from such series and maturity or maturities the Bonds or portions thereof to be redeemed by lot or in such other random manner as the Trustee in its discretion may deem proper and, for this purpose, each \$5,000 unit of principal amount represented by any Bond shall be considered a separate Bond for purposes of selecting the Bonds to be redeemed. In case a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by any Bond is to be called for redemption, then, upon notice of intention to redeem such \$5,000 units of principal amount of such Bond, the Owner of such Bond shall surrender such Bond (at the place designated in the notice of redemption) for payment to such Owner of the redemption price of the principal amount of such Bond called for redemption. If the Owner of any Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 units of principal amount called for redemption (and to that extent only).

Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver or cause to be delivered to the Owner thereof, without charge, a new Bond or

Bonds of the same series and the same interest rate and maturity, of authorized denominations, in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Section 3.05. No Partial Redemption After Default. Anything in this Resolution to the contrary notwithstanding, if the payment of principal, premium, if any, or interest on the Bonds shall not be made when due and such default shall be continuing, there shall be no optional redemption of less than all of the Bonds Outstanding, unless such optional redemption shall cure such default.

[End of Article III]

ARTICLE IV

GENERAL COVENANTS OF ISSUER

Section 4.01. Levy of Drainage Taxes; Payment of Bonds. The Issuer will collect Drainage Taxes upon the lands within the Unit in accordance with the Act in amounts, subject to the limitations set forth herein and in the Act, sufficient, together with other legally available moneys of the Issuer, if any, to pay the principal of, premium, if any, and interest on the Bonds and to make any required deposits to the Reserve Fund as herein provided. The amount of Drainage Taxes, other than any portion thereof levied to pay interest on the Bonds, shall not exceed the benefits assessed against the lands in the Unit pursuant to the Act.

Section 4.02. Payment of Principal, Premium, if Any, and Interest; Limited Obligation. Subject to Section 4.01 hereof, the Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Resolution at the place, on the dates and in the manner provided herein and therein, provided that the principal of, premium, if any, and interest on the Bonds are payable solely from the Trust Estate and nothing in the Bonds or in this Resolution shall be construed as pledging any other funds or assets of Issuer. Neither the State nor the Issuer nor any other political subdivision of the State shall in any event be liable for the payment of the principal of, premium, if any, and interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by Issuer from any property other than the Trust Estate.

Section 4.03. Enforcement of Payment of Drainage Taxes. The Issuer will diligently and faithfully within the time required by law institute such actions to enforce the collection of all Drainage Taxes and any interest and penalties thereon in the manner provided by the Act. Any proceeds received by the Issuer (net of any costs of such action) from any action instituted to enforce the collection of any delinquent Drainage Taxes, including any proceeds from the sale of lands or tax certificates, shall be deposited into the Bond Fund and/or Reserve Fund as provided in Sections 5.07 and 5.09 hereof.

Section 4.04. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution and in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to adopt this Resolution, and to pledge the Drainage Taxes and other amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the adoption of this Resolution has been duly and effectively taken, and that the Bonds in the hands of the Owners will be valid and enforceable obligations of the Issuer according to the terms thereof and hereof.

Section 4.05. Instruments of Further Assurance. The Issuer will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, any such further reasonable acts, instruments and transfers as may be necessary for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Owners and the Trustee all and singular the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds.

Section 4.06. Books and Records. The Issuer shall keep an accurate record of the levy and the collection of the Drainage Taxes which books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. Such record shall be open to the inspection of the Owners and their agents and representatives at all reasonable times. At any and all reasonable times the Owners, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books and records of the Issuer pertaining to the Drainage Taxes and the Bonds, and to make such copies and memoranda from and with regard thereto as may be desired, in accordance with the provisions of the applicable public record laws of the State.

Section 4.07. Annual Audit. The Board shall, within one year after the end of each Fiscal Year, or such earlier date as may be required by law, cause the books, records and accounts relating to the Unit and the Bonds for the preceding Fiscal Year to be properly audited by an independent firm of certified public accountants. Such audits shall contain a complete report of operations of the Issuer and shall contain a certificate of the auditors disclosing any default on the part of the Issuer of any covenant herein that has been disclosed by reason of such audit, or stating that no such default has been disclosed. A copy of such annual audit shall be furnished by the Issuer to each Insurer, if any, and, upon the payment of the cost of reproduction and mailing, to any Owner of any Bond who shall have requested in writing that a copy of such audit be furnished to such Owner.

Section 4.08. Compliance with Tax Requirements. The Issuer hereby covenants and agrees, for the benefit of the Owners from time to time of the Tax-Exempt Bonds, to comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Code to the extent necessary to preserve the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(1) to pay to the United States of America from, to the extent legally available, the funds and sources of revenues pledged to the payment of the Bonds, and from any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Tax-Exempt Bonds, plus any income attributable to such excess (the "Rebate Amount");

(2) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) to refrain from using proceeds of the Bonds in a manner that would cause the Tax-Exempt Bonds or any of them, to be classified as private activity bonds under Section 141(a) of the Code; and

(4) to take any action, including the making of any "yield reduction payment" pursuant to Treas. Reg. Section 1.148-5(c), that would prevent the Tax-Exempt Bonds from becoming, and to refrain from taking any action that would cause the Tax-Exempt Bonds to become, arbitrage bonds under Section 103(b) and Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on the Issuer to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

Notwithstanding any other provision of this Resolution, the Trust Estate may be used to satisfy the Issuer's obligations under this Section 4.08 provided that such use does not impair the Issuer's ability to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable.

Unless otherwise specified in a Supplemental Resolution, the Issuer shall designate a certified public accountant, Bond Counsel, or other professional consultant having the skill and expertise necessary (the "Rebate Analyst") to make any and all calculations required pursuant to this Section regarding the Rebate Amount. Such calculation shall be made in the manner and at such times as specified in the Code. The Issuer shall engage and shall be responsible for paying the fees and expenses of the Rebate Analyst.

Section 4.09. Completion and Maintenance of Project. The Issuer will complete each Project with all reasonable dispatch in a sound and economical manner and will in accordance with the Act and the Plan of Improvements maintain each Project owned by it in good condition and state of repair. All Improvements will be owned by the Issuer or another political subdivision of the State and all Improvements shall be available for use by the general public on the same basis, subject only to conditions imposed by the Issuer or another political subdivision of the State as may be necessary to protect the health, safety and general welfare of the Unit and its inhabitants, visitors, property owners and workers or to protect such Improvements from damage, misuse, or destruction.

The Issuer shall observe and perform all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project.

Section 4.10. No Amendment of Plan of Improvements. The Issuer covenants that it will not amend the Plan of Improvements or Engineer's Report except in accordance with the Act and, except with respect to amendments which, in the opinion of the Issuer after consultation with the Issuer's Engineer, are of a nature that do not change the overall character or use of the Improvements, unless the Issuer shall first receive an opinion of Bond Counsel to the effect that any such amendment, and the completion of the Project as modified, if applicable, will not adversely affect the tax exempt status of any of the Tax-Exempt Bonds.

[End of Article IV]

ARTICLE V

REVENUES AND FUNDS

Section 5.01. Bonds Secured by Lien on Drainage Taxes. The Bonds shall be payable solely from and shall be secured solely by, and the Issuer hereby grants to the Owners, a lien on and pledge of the Drainage Taxes, and, subject to application thereof as provided herein, any amounts held in the funds and accounts established hereunder, provided, that, if so provided by the applicable Supplemental Resolution, any amounts on deposit in a separate account of the Bond Fund, Cost of Issuance Fund, Reserve Fund and/or Project Fund created in connection with a series of Bonds shall be subject to a lien in favor of and right to payment with respect to only such series of Bonds. The Issuer covenants that until all Outstanding Bonds together with any interest thereon shall have been paid or provision made for their payment it will not create or permit to be created any charge or lien on the Drainage Taxes or the funds and accounts created hereunder whether ranking prior to, equal with or subordinate to the charge or lien of the Bonds issued pursuant to this Resolution. The Bonds and the obligations evidenced thereby shall not be general obligations or indebtedness of the Issuer but shall be special obligations payable solely from the sources provided herein. No Owner shall ever have the right to compel the exercise of any taxing power of the Issuer to pay the Bonds or the interest thereon except as provided herein, or to make any other payments provided for in this Resolution, or be entitled to payment of such principal and interest from any funds other than those pledged herein for such purpose. The Bonds shall not constitute a lien upon any of the real or personal property of the Issuer other than the Trust Estate.

Section 5.02. Creation of Funds. Upon the issuance of the first series of Bonds there shall be created and established the following funds to be held by the Trustee in trust upon the terms and provisions hereof until such time as no Bonds are Outstanding (unless earlier closed in accordance herewith):

- (a) A Bond Fund;
- (b) A Project Fund;
- (c) A Reserve Fund; and
- (d) A Cost of Issuance Fund.

A separate account shall be created in each of the foregoing Funds in connection with each series of Bonds.

Section 5.03. Disposition of Bond Proceeds. Proceeds from the sale of any series of Bonds shall be applied pursuant to a Supplemental Resolution adopted prior to the issuance of such series of Bonds.

Section 5.04. Disbursements From and Records of Cost of Issuance Fund. Amounts shall be deposited in the accounts in the Cost of Issuance Fund pursuant to Supplemental Resolution(s). Amounts in an account in the Cost of Issuance Fund shall be used to pay the costs of issuance of the series of Bonds to which such account relates as the same shall be incurred. The Trustee shall make disbursements from the Cost of Issuance Fund only upon receipt of a Disbursement Approval signed by an Issuer Representative. Upon written certification to the Trustee by the Issuer that any funds remaining in an account of the Cost of Issuance Fund are unnecessary for the purposes of such account, such funds shall be transferred first to the

account in the Reserve Fund established in connection with the same series of Bonds to which the account in the Cost of Issuance Fund relates to the extent of any deficiency therein and then to the account in the Bond Fund established in connection with the same series of Bonds to which the account in the Cost of Issuance Fund relates, and such account in the Cost of Issuance Fund shall then be closed.

Section 5.05. Payments into Project Fund. Amounts shall be deposited in the accounts in the Project Fund pursuant to Supplemental Resolution(s).

Section 5.06. Disbursements from and Records of Project Fund; Completion Date.

(a) Monies in the Project Fund shall be used to pay the Cost of a Project as the same shall be incurred. Amounts in an account in the Project Fund shall be expended solely for the purposes described in the Supplemental Resolution that created such account.

(b) The Trustee shall make disbursements from the Project Fund only upon receipt of a Disbursement Approval signed by an Issuer Representative. The Issuer Representative shall not sign a Disbursement Approval except upon the approval of the Board. If so requested by the Issuer, after the Project Fund or any account therein has been fully disbursed, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer, provided that the Trustee shall keep such records until no Bonds remain Outstanding.

(c) The completion of a Project in accordance with the Plan of Improvements shall be determined by the Issuer's Engineer who shall indicate such fact in writing to the Issuer and the Trustee. Upon the completion of a Project and payment of all costs thereof that are to be paid from an account in the Project Fund, as provided herein, or upon a determination of the Issuer that no further Costs of such Project shall be paid from such account in the Project Fund, which determination shall be based in part upon a written opinion of Issuer's Counsel or Bond Counsel that such determination and the application of remaining amounts in such account in the Project Fund as hereafter set forth are permitted by the Act and do not legally impair the Issuer's ability to impose the Drainage Taxes, any unused proceeds of the Bonds remaining in such account in the Project Fund shall first be deposited in the account in the Reserve Fund established in connection with the same series of Bonds as to which such account in the Project Fund was established to the extent of any deficiency therein and any remaining amounts shall be deposited in the account in Bond Fund established in connection with the same series of Bonds as to which such account in the Project Fund was established and applied to the payment of Bonds of such series in accordance with Section 5.08 hereof. Any transfers from the Project Fund to the Reserve Fund and/or the Bond Fund as provided in this Section 5.06(c) shall be made by the Trustee only upon the written direction of the Issuer, upon which the Trustee may conclusively rely.

Section 5.07. Payments into Bond Fund. There shall be deposited to the credit of the Bond Fund such amount, if any, as may be set forth in the applicable Supplemental Resolution. The Issuer covenants and agrees to deposit to the credit of the various accounts in the Bond Fund, as and when received, all Drainage Tax proceeds, which amounts, together with other moneys on deposit therein, shall be sufficient to pay the principal, premium, if any, and interest on the Bonds as the same shall become due and payable whether at maturity or upon proceedings for mandatory or optional redemption.

Amounts deposited in the Bond Fund in any Bond Year shall be credited among the various accounts therein in the same proportion that the debt service coming due in such Bond Year on each of the various

series of Bonds secured by such account bears to the total debt service coming due in such Bond Year on all Bonds. The Issuer shall instruct the Trustee in writing as to the application of each deposit made by the Issuer to the credit of the Bond Fund, and the Trustee may conclusively rely upon such direction.

The Issuer shall not be required to make any further payments into the Bond Fund when the aggregate amount on deposit therein and in the account in the Reserve Fund established in connection with the same series of Bonds as to which such account in the Bond Fund was established is at least equal to the total amount of principal, premium, if any, and interest due or to become due on the then Outstanding Bonds of the series as to which such account relates until their scheduled maturity or redemption.

Section 5.08. Payments from Bond Fund. Moneys in an account of the Bond Fund shall be used solely to pay principal, premium, if any, and interest on the Bonds outstanding of the series to which such account relates when due whether at maturity or upon mandatory or optional redemption. The Trustee shall, from time to time, as principal, premium, if any, and interest on the Bonds shall become due, withdraw from appropriate account(s) in the Bond Fund for payment to the Owners, such amounts as shall be due and payable. If on the fifth (5th) business day prior to an Interest Payment Date there shall be insufficient funds in the Bond Fund to pay debt service due on the Bonds on such Interest Payment Date, the Trustee shall, either by telephone or telefacsimile, notify the Issuer of the amount of such deficiency.

Section 5.09. Payments into Reserve Fund; Disbursements. There shall be deposited in an account in the Reserve Fund the amount, if any, set forth in a Supplemental Resolution. No further payments shall be required to be made into any account of the Reserve Fund as long as there shall be on deposit therein an amount equal to the Reserve Fund Requirement therefor. If at any time the amount on deposit in an account of the Reserve Fund is less than the Reserve Fund Requirement therefor, the Issuer may, but shall not be required to, restore such deficiency from legally available funds of the Issuer, otherwise such deficiency shall be subsequently restored from the first Drainage Tax proceeds available therefore after all required current payments pursuant to Section 5.07 hereof have been made in full, and the Issuer shall levy Drainage Taxes sufficient to restore such deficiency at the earliest legal opportunity. If at any time there shall be a deficiency in more than one account in the Reserve Fund, except as provided in Section 5.04 and 5.06 hereof, funds available for deposit to the Reserve Fund shall be allocated among the accounts as to which the deficiency exists pro-rata, based upon the relative deficiencies among all such accounts. If at the time of any valuation of amounts on deposit in the Reserve Fund pursuant to Section 6.01(c) hereof the amount on deposit in an account in the Reserve Fund exceeds the Reserve Fund Requirement therefor, the excess amount shall be deposited into the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established and shall be credited against any future moneys required to be deposited in such account in the Bond Fund.

Moneys in an account of the Reserve Fund shall be used only for the purpose of making payments into the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established to the extent the amounts otherwise therein are insufficient for the purposes established for such account and for no other purpose. If at any time there shall be insufficient funds in an account of the Bond Fund to fulfill the requirements established for such account, the Trustee shall transfer from the account of the Reserve Fund established in connection with the same series of the Bonds as to which such account in Bond Fund was established and deposit into such account of the Bond Fund an amount equal to such deficiency.

The Issuer shall not be required to make any further payments into an account of the Reserve Fund when the aggregate amount on deposit therein and in the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established is at least equal to the total amount of principal, premium, if any, and interest due or to become due on the then Outstanding Bonds of such series to which such account relates until their scheduled maturity or redemption.

Notwithstanding the foregoing provisions, with the written consent of each Insurer of Bonds secured thereby, in lieu of the required deposits into an account of the Reserve Fund, and/or in substitution for money on deposit in an account of the Reserve Fund, the Issuer may, at its sole option and discretion, cause to be deposited a Reserve Fund Insurance Policy in an amount equal to the difference between the Reserve Fund Requirement applicable thereto and the sums then on deposit in such account of the Reserve Fund, if any, and, in the case of a substitution of a Reserve Fund Insurance Policy for money on deposit in such account of the Reserve Fund, the Issuer may withdraw money from such account of the Reserve Fund in excess of the Reserve Fund Requirement and may use such money for any lawful purpose provided the Issuer first obtains an opinion of Bond Counsel that such use is permitted and will not, in and of itself, adversely affect the exclusion from gross income of interest on any Tax-Exempt Bonds. Such Reserve Fund Insurance Policy shall be payable to the Trustee for such Series (upon the giving of notice as required thereunder) on any interest payment or redemption date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose.

If five (5) days prior to an interest or principal payment or redemption date, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Fund Insurance Policy, and (b) the Insurer, if any, of the amount of such deficiency and the date on which such payment is due, and shall take all action to cause such issuer or Insurer to provide moneys sufficient to pay all amounts due on such interest or principal payment or redemption date.

If a disbursement is made from a Reserve Fund Insurance Policy provided pursuant to this Section 5.09, the Issuer shall cause to be restored or reinstated the maximum limits of such Reserve Fund Insurance Policy following such disbursement from moneys becoming available in the applicable account of the Reserve Fund in accordance with the provisions of the first paragraph of this Section 5.09, by depositing funds in the amount of the disbursement made under such instrument with the issuer thereof. In addition, after the amount on deposit in the applicable account of the Reserve Fund equals the Reserve Fund Requirement therefor, the Issuer shall reimburse the issuer of the Reserve Fund Insurance Policy for interest and all reasonable expenses incurred by such issuer in connection with the draw on such Reserve Fund Insurance, as the case may be, if the Issuer is so obligated under the terms of the Reserve Fund Insurance Policy.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Fund Insurance Policy by executing and delivering to such issuer a promissory note or other written evidence thereof, provided, however, any such note or written evidence (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from moneys available in the applicable account of the Reserve Fund in accordance with the provisions of the first paragraph of this Section 5.09.

Section 5.10. Nonpresentment of Bonds; Disposition of Unclaimed Money. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or otherwise, if

funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for any subsequent interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on the part of such Owner under this Resolution or on, or with respect to, such Bond. Any moneys so deposited with and held by the Trustee for the payment of Bonds not so claimed within seven years after the date the payment of such Bonds shall have become due, whether at maturity or otherwise, shall be presumed abandoned and shall be returned to the Issuer, and the Issuer shall comply with the provisions of Chapter 717, Florida Statutes, or any successor thereof, in respect of such moneys.

Section 5.11. Moneys To Be Held in Trust. Subject to the provisions hereof concerning amounts in accounts in the Bond Fund, Reserve Fund, Cost of Issuance Fund and Project Fund, all moneys required to be deposited with or paid to the Trustee for the account of any fund referred to in any provision of this Resolution shall be held by the Trustee in trust for the benefit of the Owners, and except for moneys deposited with or paid to the Trustee for the purchase of Bonds, notice of the purchase of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 5.12. Repayment to Issuer From Funds. Any amounts remaining in any accounts in the Bond Fund (except amounts held by the Trustee pursuant to Section 5.10 hereof), Project Fund (after the completion or abandonment of the Project pursuant to Section 5.06 hereof), Cost of Issuance Fund or Reserve Fund, after the payment in full of the principal of, premium, if any, and interest on the series of Bonds to which such accounts relate, the fees, charges and expenses of the Issuer and the Trustee and all other amounts required to be paid hereunder, shall be paid to the Issuer.

Section 5.13. Application of Funds Upon Refunding. Notwithstanding any other provision hereof, in the event of a refunding of Bonds of a series, amounts in the account of the Bond Fund for such series in excess of amounts needed to pay debt service on Outstanding Bonds of such series not being refunded, amounts in the account of the Reserve Fund for such series in excess of the Reserve Fund Requirement for the Outstanding Bonds of such series not being refunded and proceeds of such Bonds being refunded as are on deposit in a separate account in the Project Fund, may at the written direction of the Issuer be applied by the Issuer to the payment of the Bonds being refunded.

In addition to the foregoing, amounts on deposit in the Bond Fund, Reserve Fund and Project Fund, as aforesaid, may also be applied to such other use as directed by the Issuer in writing, provided that the Issuer shall have received an opinion of Bond Counsel to the effect that such use is permitted by the Act, and would not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds.

[End of Article V]

ARTICLE VI

INVESTMENT OF MONEYS

Section 6.01. Investment of Moneys.

(a) Any moneys held as part of the Bond Fund, Project Fund, Cost of Issuance Fund or Reserve Fund shall be invested and reinvested by the Trustee, at the written direction of the Issuer (or oral direction promptly confirmed in writing) in Qualified Investments maturing at such times and in such amounts as shall enable the Issuer to make timely payment of all amounts due hereunder. Any such Qualified Investments shall be held by or under the control of the Trustee. The Trustee shall sell and reduce to cash such Qualified Investments upon the direction of the Issuer, but in any event at such times as are necessary to timely make all payments required hereunder. Investments and earnings and losses thereon in each fund and account hereunder shall be a part of such fund or account except as otherwise set forth herein.

(b) If the Issuer does not provide directions to the Trustee for investment of funds in accordance with the requirements hereof, the Trustee shall hold such moneys uninvested and promptly request investment instructions from the Issuer. In making investments hereunder, or in selling or disposing of investments as required hereby, the Trustee shall be fully protected in relying solely upon the directions of the Issuer as aforesaid. Under no circumstances whatsoever shall the Trustee be liable to the Issuer or any Owner for any loss of tax-exempt status of the Tax-Exempt Bonds, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, including for any losses on any investments, so long as the Trustee acts only in accordance with the directions of the Issuer as provided hereunder.

(c) For the purpose of determining the amount on deposit in any Fund, investments therein shall be valued at fair market value. The Trustee shall value the amounts on deposit in the Bond Fund and the Reserve Fund (i) on August 1 (or if not a Business Day, the next succeeding Business Day) of each year after the payment of debt service on the Bonds due on such date, (ii) on the day after any withdrawal from the Reserve Fund, and (iii) on such other date or dates as the Issuer may direct in writing.

[End of Article VI]

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01. Discharge of Lien. If the Issuer shall pay or cause to be paid to the Owners of the Bonds the principal of, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein and herein, and if the Issuer is not in default in any of the other covenants and promises in the Bonds and in this Resolution or any Supplemental Resolution expressed as to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Trustee shall, upon demand of the Issuer, execute and deliver to the Issuer such instruments in writing, if any, as shall be requisite to release

the lien hereof, and reconvey, release, assign and deliver unto the Issuer any and all of the estate, right, title and interest in and to any and all rights or interests in property assigned or pledged to the Trustee or otherwise subject to the lien of this Resolution, except for amounts held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds. Notwithstanding the foregoing, those provisions of this Resolution and any Supplemental Resolution relating to the maturity of the Bonds, interest payments and dates thereof, redemption provisions, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, and the duties of the Trustee in connection with all of the foregoing shall remain in full force and effect and shall be binding upon the Trustee and the Owners notwithstanding the release and discharge of the lien of this Resolution. Any written instrument as shall be requisite to release the lien of this Resolution as described in the first sentence hereof shall be prepared by the Issuer, at its expense, and provided to the Trustee for execution by the Trustee.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Resolution when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms hereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) Governmental Obligations maturing as to principal, premium, if any, and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be accepted by the Trustee or deemed a payment of any such Bond as aforesaid until (I) proper and irrevocable notice is given by the Issuer to the Trustee to give proper notice of redemption of such Bond and to redeem such Bond in accordance with Article III of this Resolution, (II) in the event such Bond is not to be redeemed within the next succeeding sixty (60) days, until the Issuer shall have given the Trustee on behalf of the Issuer, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owner(s) of the Bond that the deposit required by (a)(ii) above has been made with the Trustee and that said Bond is deemed to have been paid in accordance with this Article VII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bond, plus interest thereon to the due date thereof, and (III) the Trustee shall have received an opinion of Bond Counsel, addressed to at least the Issuer and Trustee, to the effect that such deposit and use will not in and of itself adversely affect the exclusion from gross income of the Owners for federal income tax purposes of the interest on any Tax-Exempt Bonds issued hereunder.

All moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth. Notwithstanding any provision of any other Article of this Resolution which may be contrary to the provisions of this Article VII, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest and premium thereon,

if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Governmental Obligations have been so set aside in trust, provided, that any amounts held by the Trustee pursuant to this Article VII which are not required for the payment of the principal, premium, if any, and interest thereon with respect to which such moneys shall have been so deposited shall be deposited in such account of the Bond Fund as designated by the Issuer as and when realized and collected for use and application as are other moneys deposited in such account of the Bond Fund, provided that if all the Bonds shall have been paid any such amounts shall be paid to the Issuer.

Anything in Article IX hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact become due and payable, no amendment to the provisions of this Article shall be made without the consent of the Owner of each Bond affected thereby.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the second paragraph of this Section 7.01 shall be accepted by the Trustee or deemed a payment of Bonds as aforesaid until, in addition to the items required by the third paragraph of this Section 7.01, the Trustee shall have received (x) a report of an independent certified public accountant selected by the Issuer and approved in writing by the Insurer, if any, (unless the Insurer shall be in default in its payment obligations under the Insurance Policy), and addressed to at least the Trustee, and verifying the mathematical accuracy of calculations performed by or on behalf of the Issuer demonstrating the sufficiency of the Governmental Obligations and/or cash deposited with the Trustee to pay the principal of, premium, if any, and interest on the Bonds to their date of maturity or redemption as aforesaid and (y) an opinion of Bond Counsel addressed to at least the Issuer and the Trustee to the effect that all requirements hereof to the defeasance of such Bonds shall have been satisfied. The Trustee may conclusively rely upon such report as establishing the sufficiency of such investments and cash to make such payments.

[End of Article VII]

ARTICLE VIII

TRUSTEE

Section 8.01. Acceptance of Trusts. The Bank of New York Mellon Trust Company, N.A. is appointed as the initial Trustee hereunder. Prior to the issuance of Bonds hereunder the Issuer shall obtain a written acceptance of such Trustee of the duties, obligations and trusts imposed upon the Trustee by this Resolution.

Section 8.02. Certain Rights of the Trustee. The duties, obligations and trusts imposed upon the Trustee hereunder shall be subject to the following:

(a) Prior to the occurrence of an Event of Default, the Trustee undertakes to perform such duties and only such duties of the Trustee as are specifically set forth in this Resolution and no implied duties or obligations shall be imposed against the Trustee. Subject to Section 8.11 hereof, during the occurrence and continuation of an Event of Default the Trustee shall use the same degree of care and skill in the exercise of its rights and powers hereunder as an ordinary prudent trustee would exercise or use in the conduct of its own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds), or for the validity of this Resolution or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, except as hereinafter set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Trust Estate.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by the Issuer Representative as sufficient evidence of the facts therein contained and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the officials of the Issuer who executed the Bonds (or their successors in office) under the seal of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Resolution shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default.

(h) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(i) With respect to the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Resolution, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such

action, deemed desirable by the Trustee provided that this subsection 8.02(i) shall not limit the obligation of the Trustee to comply with the provisions hereof, and in particular, those with respect to payment of the Bonds.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law.

(k) The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(l) No provision of this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the proper performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(m) The Trustee shall not be responsible or liable for any loss suffered in connection with any investment made in accordance herewith which is made at the instruction of the Issuer.

(n) The Trustee shall provide to any Owner, upon written request, upon payment of any reasonable fee, copies of any documents deposited with the Trustee by the Issuer pursuant to this Resolution.

Section 8.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Trustee in connection with such services, and the Issuer agrees to pay such fees from legally available moneys of the Issuer, provided that the Issuer shall not be required to pay any counsel fees or other expenses incurred by the Trustee as a result of the Trustee's own negligence or willful misconduct.

Section 8.04. Successor Trustee. Subject to Section 8.01 hereof, any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. All covenants and stipulations herein shall inure to the benefit of and be available to the successors and assigns of Trustee.

Section 8.05. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice by registered or certified mail to the Issuer. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article VIII prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the resigning Trustee shall forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such resignation shall only become effective upon the appointment of a successor Trustee.

Section 8.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by an authorized Issuer Representative and delivered to the Trustee, such removal to become effective only upon the appointment of a successor Trustee.

Section 8.07. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer. Every such Trustee appointed pursuant to the provisions of this Section shall be a financial institution with powers of a trust company within the State in good standing, authorized by law to perform the duties required of it hereunder.

Section 8.08. Acceptance by Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder. Every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be in a form recordable under the laws of the State, and shall be filed or recorded by the successor Trustee in each recording office, if any, where this Resolution shall have been filed or recorded. The predecessor Trustee shall retain the right to any fee or charges due and owing to such predecessor Trustee.

Section 8.09. Appointment of Co-Trustee. It is the purpose of this Resolution that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that in case of litigation under this Resolution and in particular in case of the enforcement hereof upon default hereunder, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold the properties in trust as herein provided, or take any other action which may be desirable or necessary in connection therewith, the Trustee may upon notice to the Issuer appoint an individual or institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Resolution to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them. Every Co-Trustee appointed pursuant to this section shall be an individual or institution legally empowered to perform as such hereunder.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments

in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or Co-Trustee, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

Section 8.10. Accounting by Trustee. Upon request of the Issuer, the Trustee shall render a full accounting of any funds held by it from time to time pursuant to this Resolution.

Section 8.11. Responsibilities of Trustee - Default. The Trustee is not required or authorized by this Resolution to take any action in the event that the Issuer defaults in the payment of the Bonds or fails to fulfill any other covenant or condition required of the Issuer or imposed upon the Issuer by the Resolution, except as expressly set forth in this Resolution or a Supplemental Resolution. This Section 8.11 may not be amended without the prior written consent of the Trustee.

[End of Article VIII]

ARTICLE IX

SUPPLEMENTAL RESOLUTIONS

Section 9.01. Limitations. Prior to the issuance of Bonds hereunder, this Resolution may be amended, revised or revoked, in whole or in part, by subsequent resolution of the Issuer. This Resolution shall not be modified or amended in any respect subsequent to the issuance of Bonds hereunder except as provided in and in accordance with this Article IX.

Section 9.02. Supplemental Resolutions Not Requiring Consent of Owners. After the issuance of Bonds hereunder, the Issuer may, without consent of or notice to any Owner, enact one or more Supplemental Resolutions for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Resolution;
- (b) To grant to or confer upon the Owners or the Trustee for the benefit of the Owners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners or the Trustee;
- (c) To subject to this Resolution additional revenues, properties or collateral or to add to the covenants and agreements of the Issuer herein set forth other covenants and agreements hereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer;
- (d) To modify, amend or supplement this Resolution or any Supplemental Resolution in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the states or of the United States of America, or to achieve compliance of the Bonds with applicable federal tax law;

(e) In connection with any other change herein which, in the judgment of the Issuer, is not materially adverse to the Trustee or the Owners;

(f) To provide for the issuance of additional series of Bonds.

Section 9.03. Supplemental Resolutions Requiring Consent of Owners. Exclusive of Supplemental Resolutions permitted by Section 9.02 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of more than fifty percent (50%) in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Resolution other than in this Article IX to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such other Supplemental Resolutions as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any Supplemental Resolution; provided, however, that nothing in this Article IX shall permit, or be construed as permitting, without the written consent of the Owners of all Bonds Outstanding, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bonds over any other Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolutions, or (e) the creation of any lien ranking prior to or on a parity with the lien of the Bonds on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the Owner of any Outstanding Bond of the lien hereby created on the Trust Estate.

If at any time the Issuer shall determine that it is desirable to adopt any such Supplemental Resolution for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Resolution to be given by Mail to each Owner. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Owners. If the Owners of more than the required percentage in aggregate principal amount of the Bonds Outstanding shall have in writing consented to and approved the adoption thereof as herein provided (which consent and approval shall, if given, be irrevocable), no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the adoption of any such Supplemental Resolution as in this Section permitted and provided, this Resolution shall be and be deemed to be modified and amended in accordance therewith. A Supplemental Resolution may be adopted by the Issuer prior to obtaining the requisite consent of Owners provided that the effectiveness of such Supplemental Resolution is conditioned upon the obtaining of such consent.

Section 9.04. Required Opinion of Bond Counsel. The Issuer shall not enter into or consent to any Supplemental Resolution unless the Issuer and Trustee have received an opinion of Bond Counsel to the effect that such action is permitted hereunder and will not impair the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. The Issuer and the Trustee may rely upon an opinion of Bond Counsel to the effect that any such Supplemental Resolution is permitted by the provisions of this Article IX.

[End of Article IX]

ARTICLE X

MISCELLANEOUS

Section 10.01. Consents of Owners. Any consent, request, direction, approval, objection or other instrument required by this Resolution to be signed and executed by the Owners may be in any number of concurrent documents and may be executed by such Owners in person or by an attorney-in-fact duly appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such attorney-in-fact or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the Trustee and Issuer with regard to any action taken by either of them under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

Section 10.02. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any Person other than the Issuer, the Insurer, if any, the Trustee and the Owners, any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Insurer, if any, the Trustee, and the Owners.

Section 10.03. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 10.04. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram addressed as follows:

If to the Issuer:

Northern Palm Beach County Improvement District
359 Hiatt Drive
Palm Beach Gardens, Florida 33418

If to the Trustee, at the address thereof designated in a Supplemental Resolution or in a written certificate delivered to the Issuer. The Issuer and the Trustee may designate any further or different addresses

to which subsequent notices, certificates or other communications shall be sent by a written certificate delivered to each other.

Section 10.05. Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption.

Section 10.06. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 10.07. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

Section 10.08. Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 10.09. Limited Liability of Issuer. It is hereby expressly made a condition of this Resolution and of the Bonds that any agreements or representations herein or therein contained or contained in the documents and instruments executed in connection therewith do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the Issuer and in the event of a breach of any agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Issuer shall arise therefrom. Nothing contained in this Section 10.09, however, shall relieve the Issuer from the observance and performance of the several covenants and agreements on its part herein contained.

Section 10.10. Members, Officers, Employees and Agents of the Issuer Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Resolution or for any claim based thereon or otherwise in respect thereof, shall be had against any Supervisor of the Issuer, or any officer, agent, or employee, as such, of the Issuer past, present or future, either directly or through the Issuer whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly understood (a) that the obligation of the Issuer under this Resolution is solely a corporate one, limited as provided in the preceding Section 10.09, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the Supervisors of the Issuer, or the officers, agents, or employees, as such, of the Issuer, or any of them, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (c) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such Supervisor of the Issuer, and every officer, agent, or employee, as such, of the Issuer under or by reason of the obligations, covenants or agreements contained in this Resolution, or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Resolution on the part of the Issuer.

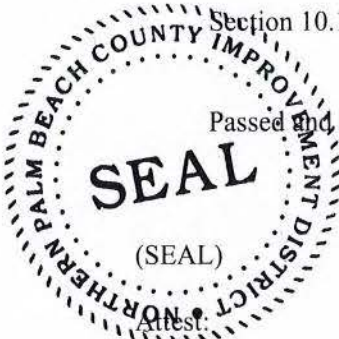
Section 10.11. Rule 15c2-12. The Executive Director of the Issuer or the President are severally authorized to "deem final" for purposes of Securities and Exchange Commission Rule 15c2-12, a preliminary official statement for any series of the Bonds.

Section 10.12. Validation. Caldwell Pacetti Edwards Schoech & Viator, LLP, the attorneys for the Issuer, are authorized and directed to commence a proceeding for the validation for the Bonds.

Section 10.13. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

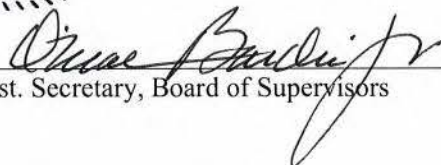
Section 10.14. Effective Date. This Resolution shall take effect immediately upon its adoption.

Passed and approved this 26th day of March, 2014.





President, Board of Supervisors



Asst. Secretary, Board of Supervisors

EXHIBIT A-- FORM OF THE BONDS

No. R-__ UNITED STATES OF AMERICA \$ __, __, __.00

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

WATER CONTROL AND IMPROVEMENT [REFUNDING] BOND

UNIT OF DEVELOPMENT NO. 2C

[TAXABLE] SERIES 20__

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____%	August 1, 20__	_____, 20__	665588 ____

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS that Northern Palm Beach County Improvement District (the "District"), a water control district of the State of Florida created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of the registered owner hereof, or registered assigns, on the maturity date set forth above, upon surrender hereof at the Principal Office of _____, as Trustee (the "Trustee"), the principal sum stated above (such principal amount to be repaid in accordance with the Resolution (as defined hereinafter)), and in like manner to pay interest on said sum until payment thereof has been made or duly provided for at the rate per annum set forth above based on a 360-day year consisting of twelve 30-day months from the Dated Date hereof, unless this bond (this "Bond") is issued in exchange or for transfer on or after an Interest Payment Date, in which case interest shall be payable from the next preceding Interest Payment Date unless this Bond is authenticated on an Interest Payment Date, in which case interest shall be payable from such date of authentication, provided that if this Bond is issued in exchange or for transfer after a Record Date, as hereinafter defined, and before the next succeeding Interest Payment Date, interest shall be payable from such next succeeding Interest Payment Date, provided, further, if interest on this Bond shall be in default when issued in exchange or for transfer, interest shall be payable from the date to which interest is paid in full, or if no interest has ever been paid on this Bond, from the date hereof. Such interest is due and payable on _____ 1, 20__ on which date the interest accruing from _____, 20__ to and including _____, 20__ shall be paid, and thereafter on each February 1 and August 1 (the "Interest Payment Date"), for the period beginning on the preceding Interest Payment Date and ending on and including the day preceding such Interest Payment Date. Payment of interest on this Bond shall be made to such person as is the registered Owner hereof on the Record Date and shall be paid by check or draft mailed on the Interest Payment Date to such Owner at the Owner's address as it appears on the registration books of the District or at such other address or in such other manner as is agreed upon by the Trustee and such registered Owner. The "Record Date" for payments of interest on this Bond is the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date.

Principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an authorized issue of \$ _____ principal amount of Northern Palm Beach County Improvement District Water Control and Improvement [Refunding] Bonds, Unit of Development No. 2C, Series ____ (the "Bonds"), issued for the primary purpose of [providing funds to pay costs of improvements related to the District's Unit of Development No. 2C] [refunding the District's Water Control and Improvement [Refunding] Bonds, Unit of Development No. 2C, Series ____][maturing in the years _____] [and paying necessary expenses incidental thereto].

The Bonds are issued pursuant to Chapter 2000-467, Laws of Florida, as amended, Chapter 298, Florida Statutes, and under and are equally and ratably secured by and entitled to the protection of Resolution 2014-__ adopted by the Board of Supervisors of the District on _____, 2014, as from time to time amended and supplemented (herein referred to as the "Resolution"), and are subject to all the terms and conditions of the Resolution.

This Bond is secured by a lien upon and pledge of Drainage Taxes levied by the District upon lands within Unit of Development No. 2C of the District and upon amounts held by the Trustee in certain funds and accounts established pursuant to the Resolution.

[Insert redemption provisions]

Copies of the Resolution are on file at the Principal Office of the Trustee, and reference is hereby made to the Resolution for a description of the property pledged and assigned to payment of the Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the District, the Trustee and the Owners of the Bonds, and the terms upon which the Bonds are issued and secured. Each Owner by acceptance hereof accepts and consents to all provisions of the Resolution. All terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in the Resolution.

This Bond may be exchanged or transferred by the registered Owner hereof or by such Owner's attorney-in-fact duly authorized in writing at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender of this Bond. Upon such transfer, a new Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations for the proper principal amount, will be issued to the transferee in exchange therefor.

The person in whose name this Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest on this Bond shall be made only to or upon the written order of the Owner or his duly authorized attorney-in-fact but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Fifteenth Judicial Circuit of Florida, in and for Palm Beach County, Florida rendered on _____, 2014.

THIS BOND AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION BUT SHALL BE PAYABLE SOLELY FROM THE MONEYS AND SOURCES PLEDGED THEREFOR. NEITHER THE FULL FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE

PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENTAL HERETO.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the District, does not exceed or violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Trustee.

IN WITNESS WHEREOF, Northern Palm Beach County Improvement District has caused this Bond to be executed in its name by the manual signature of its President and attested by the manual signature of its Secretary, and its seal to be impressed hereon, all as of the ____ day of _____, ____.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

[SEAL]

By: _____
President

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

Date Authenticated: _____, _____

[Name of Trustee],
as Trustee

By: _____
Authorized Signatory

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as through they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

Insert Social Security or Other
Identifying Number of Assignee

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____, as attorneys to register the transfer of the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

EXHIBIT B
FORM OF DISBURSEMENT APPROVAL

[TRUSTEE]

Attention: [Corporate Trust Department]

Re: \$_____ Northern Palm Beach County Improvement District, Water Control and
 Improvement [Refunding] Bonds, Unit of Development No. 2C, Series __ (the "Bonds")

Pursuant to the provisions of Section [5.04 or 5.06] of the General Bond Resolution of Northern Palm Beach County Improvement District (the "Issuer") adopted _____, as amended and supplemented (the "Resolution"), you are hereby requested and directed to disburse from the [Cost of Issuance Fund or (____ Account in the) Project Fund] referred to in the Resolution the amounts indicated below. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

The undersigned hereby certifies:

1. This is Disbursement Approval number _____.
2. The name and address of the person(s), firm(s), or corporation(s) to whom the disbursement(s) is (are) due is (are), and the amount(s) thereof is (are) as follow(s):

(a)

NORTHERN PALM BEACH COUNTY
IMPROVEMENT DISTRICT

By: _____
 Issuer Representative

Date: _____

RESOLUTION NO. 2024-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$55,000,000 PRINCIPAL AMOUNT OF THE DISTRICT'S WATER CONTROL AND IMPROVEMENT REFUNDING BONDS, UNIT OF DEVELOPMENT NO. 2C, SERIES 2024; PROVIDING A METHOD TO DETERMINE THE PRINCIPAL AMOUNT, INTEREST RATES, MATURITY SCHEDULE AND REDEMPTION PROVISIONS FOR SUCH BONDS; PROVIDING A METHOD FOR AWARDING THE SALE OF SUCH BONDS TO THE UNDERWRITERS AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; APPOINTING THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. AS TRUSTEE FOR SUCH BONDS; AUTHORIZING THE PREPARATION AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT AND AN ESCROW DEPOSIT AGREEMENT; DELEGATING TO CERTAIN OFFICIALS THE AUTHORITY WHETHER TO UTILIZE MUNICIPAL BOND INSURANCE FOR THE BONDS, THE RESERVE ACCOUNT REQUIREMENT, IF ANY, THE RESERVE ACCOUNT INSURANCE PROVIDER, IF ANY, AND CERTAIN OTHER MATTERS; AUTHORIZING AND DIRECTING CERTAIN OFFICIALS TO TAKE ALL ACTION REQUIRED IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on March 26, 2014, the Board of Supervisors (the "Board") of Northern Palm Beach County Improvement District (the "Issuer") adopted a General Bond Resolution No. 2014-04 (as heretofore amended and supplemented, the "Bond Resolution") authorizing the issuance of one or more series of Water Control and Improvement Bonds, Unit of Development No. 2C of the Issuer; and

WHEREAS, the Issuer has issued its Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 (the "Prior Bonds"); and

WHEREAS, the Issuer has determined that it would be financially desirable to refinance certain of the Prior Bonds that remain outstanding (such refinanced Prior Bonds, the "Refunded Bonds") in order to achieve debt service savings; and

WHEREAS, pursuant to the Bond Resolution, prior to the issuance of a series of Bonds thereunder there is to be adopted by the Issuer a Supplemental Resolution or Resolutions authorizing the issuance of such series of Bonds and fixing the details thereof; and

WHEREAS, the Issuer has determined to authorize its Water Control and Improvement Refunding Bonds, Unit of Development No. 2C, Series 2024 (the "Series 2024 Bonds") under the Bond Resolution as further provided herein in order to provide for the refinancing of the Refunded Bonds; and

WHEREAS, the Issuer expects to receive an offer to purchase the Series 2024 Bonds in the form of a Bond Purchase Agreement (the "Bond Purchase Agreement") from Piper Sandler & Co. and RBC Capital Markets, LLC (collectively, the "Underwriters"); and

WHEREAS, the Issuer desires to authorize the sale of the Series 2024 Bonds to the Underwriters pursuant to the terms and provisions of the Bond Purchase Agreement (as completed pursuant to the authority hereinafter granted); and

WHEREAS, it is necessary and desirable to authorize the preparation and utilization of a Preliminary Official Statement and to authorize the preparation, execution and delivery of an Official Statement in connection with the issuance of the Series 2024 Bonds; and

WHEREAS, it is necessary and desirable to delegate to certain officials of the Issuer the authority to specify the amount, the date, the interest rates, maturity dates, and prepayment or redemption provisions for the Series 2024 Bonds; and

WHEREAS, it is necessary and desirable to appoint The Bank of New York Mellon Trust Company, N.A. as trustee (the "Trustee") for the Series 2024 Bonds, and to authorize the execution of a Trustee Agreement between the Issuer and the Trustee (the "Trustee Agreement"); and

WHEREAS, it is necessary and desirable to provide for the optional redemption and payment of the Refunded Bonds and to utilize an Escrow Deposit Agreement between The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") and the Issuer (the "Escrow Agreement"), and to authorize the execution of the Escrow Agreement; and

WHEREAS, the issuance of the Series 2024 Bonds and their sale to the Underwriters will, in the judgment of the Issuer, serve a public purpose and in all respects conform to the provisions and requirements of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Northern Palm Beach County Improvement District that:

SECTION 1. DEFINITIONS. Terms used herein in capitalized form and not otherwise defined herein have the meanings ascribed thereto in the Bond Resolution.

SECTION 2. AUTHORITY FOR THIS RESOLUTION. This resolution shall constitute a "Supplemental Resolution" as defined in the Bond Resolution and is adopted pursuant to the provisions of Chapter 2000-467, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, and other applicable provisions of law (collectively, the "Act") and the Bond Resolution.

SECTION 3. AUTHORIZATION OF SERIES 2024 BONDS. Obligations of the Issuer known as "Water Control and Improvement Refunding Bonds, Unit of Development No. 2C, Series 2024" (the "Series 2024 Bonds") are hereby authorized to be issued under and pursuant to Section 2.02 of the Bond Resolution and in accordance with the terms set forth in Section 4 hereof. The Series 2024 Bonds shall be issued to provide funds, together with other available funds of the Issuer, to refund the Refunded Bonds and to pay costs of issuance of the Series 2024 Bonds.

Prior to the issuance of the Series 2024 Bonds, there shall be filed with the Trustee:

- (1) Copies, duly certified by the Secretary or a Supervisor, of the Bond Resolution and this resolution;
- (2) A copy, duly executed by the Issuer and the Escrow Agent, of the Escrow Agreement, if necessary;
- (3) If deemed necessary by Bond Counsel, a report prepared by a firm of certified public accountants demonstrating the sufficiency of amounts deposited with the Escrow Agent under the Escrow Agreement, including investment earnings on such amounts, to pay the principal, premium, if any, and interest on the Refunded Bonds to the date on which such Refunded Bonds are to be redeemed, together with an opinion of Bond Counsel that upon the issuance of the Series 2024 Bonds the lien of the Refunded Bonds on the Drainage Taxes will have been defeased in accordance with the provisions of the Bond Resolution; and
- (4) The items required by Section 2.10 of the Bond Resolution.

SECTION 4. TERMS OF THE SERIES 2024 BONDS. The Series 2024 Bonds shall be issued in denominations of \$5,000 and integral multiples thereof, shall be numbered consecutively from R-1 upward and shall be in the form of the Bond attached to the Bond Resolution as Exhibit A, with such changes as may be permitted or required by the Bond Resolution, as approved by the officers of the Issuer executing the Series 2024 Bonds, such execution to be conclusive evidence of such approval. The Series 2024 Bonds shall be issued on such date, shall be dated such date, and shall bear interest from such date, payable on the first day of February and August of each year (the "Interest Payment Dates"), commencing on such date, shall be issued in the aggregate principal amount (not exceeding \$55,000,000), shall bear interest at the rates per annum (not in excess of the maximum legal rate), computed on the basis of a 360-day year consisting of twelve thirty-day months, shall be subject to optional and/or mandatory redemption and shall mature on August 1 of the years, all as to be set forth in a certificate in the form attached hereto as EXHIBIT A (the "Bond Terms Certificate") completed and signed by the President, and in the absence or inability to act of the President, any other member of the Board, provided, however, that the final maturity date of the Series 2024 Bonds shall not be later than August 1, 2046 and the Issuer shall realize net present value debt service savings as a result of the issuance of the Series 2024 Bonds and refunding of the Refunded Bonds in an amount not less than 3% of the principal amount of the Refunded Bonds, calculated using the arbitrage yield on the Series 2024 Bonds as the discount rate; a certificate of Public Resources Advisory Group, Inc. (the "Financial Advisor") setting forth the net present value debt service savings shall be conclusive as to the satisfaction of the foregoing condition. The Bond Terms Certificate may reflect acceptance by the Issuer of commitments for a municipal bond insurance policy and/or a reserve fund insurance policy meeting the conditions set forth in Section 7 hereof. The President, and in the absence of the President, any other member of the Board, are, jointly and severally, authorized to determine the details of the Series 2024 Bonds within the parameters set forth above, and upon such determination to execute the Bond Terms Certificate, appropriately modified and completed with the details of the Series 2024 Bonds, thereby conclusively establishing such details.

Series 2024 Bonds issued in exchange for or upon the registration of transfer of the Series 2024 Bonds on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Series 2024 Bonds has been paid in full or duly provided for, in which case such Series 2024 Bonds shall bear interest from such Interest Payment Date, provided that any Series 2024 Bond issued in exchange for or upon the transfer of any Series 2024 Bond on or after a Record Date and before the Interest Payment Date next succeeding such Record Date shall bear interest from such Interest Payment Date; provided further that if, as shown by the records of the Trustee, interest on the Series 2024 Bonds shall be in default, a Series 2024 Bond issued in exchange for or upon the registration of transfer of a Series 2024 Bond shall bear interest from the date to which interest has been paid in full on such Series 2024

Bond, or if no interest has been paid on the Series 2024 Bonds, from the dated date of such Series 2024 Bonds.

On each Interest Payment Date, interest accruing on the Series 2024 Bonds from and including the preceding Interest Payment Date (or the dated date of the Series 2024 Bonds, as the case may be), to but not including such Interest Payment Date shall be due and payable. Interest will be paid by check or draft mailed on the Interest Payment Date by the Trustee to the registered Owners as of the close of business at the Principal Office of the Trustee on the Record Date; provided, however, that upon the written request of and at the expense of any Owner of at least \$1,000,000 principal amount of Series 2024 Bonds (or of all Series 2024 Bonds if less than \$1,000,000 shall be unpaid), interest will be paid by wire transfer to a bank account specified in such written request. Principal, and premium, if any, of the Series 2024 Bonds is payable when due upon presentation and surrender of the Series 2024 Bonds at the Principal Office of the Trustee.

The Reserve Fund Requirement for the Series 2024 Bonds shall be as set forth in the Bond Terms Certificate.

SECTION 5. TRUSTEE. The Issuer hereby appoints The Bank of New York Mellon Trust Company, N.A., as the Trustee with respect to the Series 2024 Bonds. The President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed for and in the name of the Issuer to execute and deliver the Trustee Agreement, in such form as shall be approved by a herein authorized official executing the same consistent with this resolution and the terms of the Act, such execution to constitute conclusive evidence of such approval.

SECTION 6. AUTHORITY TO AWARD THE SERIES 2024 BONDS. The Issuer hereby determines that a negotiated sale of the Series 2024 Bonds is in the best interest of the Issuer and the citizens and inhabitants of the Issuer by reason of the volatility of the market for bonds such as the Series 2024 Bonds.

Upon establishment of the terms of the Series 2024 Bonds pursuant to Section 4 hereof, the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized to award the Series 2024 Bonds to the Underwriters at a price of not less than 98% of the par amount of the Series 2024 Bonds, exclusive of any original issue discount or original issue premium. Upon the award of the Series 2024 Bonds, the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed for and in the name of the Issuer to execute and deliver the Bond Purchase Agreement between the Issuer and the Underwriters, in such form as shall be approved by the official executing the same consistent with this resolution and the terms of the Act, with such execution to constitute conclusive evidence of such approval by the Issuer. Prior to the execution by the Issuer of the Bond Purchase Agreement, the Underwriters shall have filed with the Issuer the disclosure statement required by Section 218.385(6), Florida

Statutes, and the competitive bidding for the Series 2024 Bonds is hereby waived by the Issuer pursuant to the authority of Section 218.385(1), Florida Statutes.

SECTION 7. MUNICIPAL BOND INSURANCE; RESERVE ACCOUNT INSURANCE POLICY. (a) If the President or the Executive Director determines, in consultation with the Financial Advisor and the Underwriters, that all or any portion of the Series 2024 Bonds (the "Insured Bonds") will be insured by a municipal bond insurance policy, then the President or the Executive Director, in consultation with the Financial Advisor and Bond Counsel to the Issuer, shall select either Assured Guaranty Municipal Corp. ("AGM") or Build America Mutual Assurance Company ("BAM") as the municipal bond insurer with respect to the Insured Bonds (the "Insurer") and a sufficient portion of the proceeds of the Series 2024 Bonds shall be applied to the payment of the premium for the Insurer's standard form of municipal bond insurance policy (the "Insurance Policy"). The President, and in the absence or inability to act of the President, any other member of the Board is authorized and directed to execute, any insurance agreement (the "Bond Insurance Agreement") that is necessary to incorporate the standard municipal bond insurance provisions required by the Insurer, such Bond Insurance Agreement to be subject to the approval of the Issuer's Counsel and Bond Counsel, such approval being evidenced by the execution thereof. So long as the Insurance Policy issued by the Insurer is in full force and effect and the Insurer has not defaulted in its payment obligations under the Insurance Policy, the Issuer agrees to comply with the provisions of any Insurance Agreement executed in accordance with this section.

(b) If the President or the Executive Director determines, in consultation with the Financial Advisor and the Underwriters, that the Reserve Fund Requirement for the Series 2024 Bonds is greater than \$0, then the President or the Executive Director, in consultation with the Financial Advisor and Bond Counsel to the Issuer, may select to fund such amount with proceeds of the Series 2024 Bonds, other legally available moneys or select either AGM or BAM (the "Reserve Fund Insurance Provider") as the provider of a debt service reserve fund insurance policy or surety bond with respect to the Series 2024 Bonds and a sufficient portion of the proceeds of the Series 2024 Bonds shall be applied to the payment of the premium for the Reserve Fund Insurance Provider's standard form of debt service reserve fund insurance policy or surety bond (the "Reserve Fund Insurance Policy"). The President, and in the absence or inability to act of the President, any other member of the Board is authorized and directed to execute, any insurance agreement (the "Reserve Fund Insurance Agreement") that is necessary to incorporate the standard Reserve Fund Insurance Policy provisions required by the Reserve Fund Insurance Provider, such Reserve Fund Insurance Agreement to be subject to the approval of the Issuer's Counsel and Bond Counsel, such approval being evidenced by the execution thereof. So long as the Reserve Fund Insurance Policy issued by the Reserve Fund Insurance Provider is in full force and effect and the Reserve Fund Insurance Provider has not defaulted in its payment obligations under the Reserve Fund Insurance Policy, the

Issuer agrees to comply with the provisions of any Reserve Fund Insurance Agreement executed in accordance with this section.

SECTION 8. PRELIMINARY AND FINAL OFFICIAL STATEMENT.

The Issuer hereby authorizes the President or Executive Director, jointly and severally, to approve the final form of a Preliminary Official Statement for the Series 2024 Bonds and to "deem final" the Preliminary Official Statement for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and upon such deeming, authorizes the utilization of the Preliminary Official Statement in connection with the offering of the Series 2024 Bonds. The Issuer hereby authorizes the preparation of a final Official Statement relating to the Series 2024 Bonds, which shall be in the form of the Preliminary Official Statement with such changes, alterations and corrections therein as may be approved by the official of the Issuer executing the same, with such approval to be conclusively established by such execution, and the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, hereby authorized and directed for and in the name of the Issuer to execute and deliver the Official Statement, as hereby approved.

SECTION 9. REDEMPTION OF REFUNDED BONDS. The President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed for and in the name of the Issuer to direct the Trustee to send a conditional notice of redemption of the Refunded Bonds in accordance with the Bond Resolution and, if necessary, to execute and deliver the Escrow Agreement to provide for the refunding and redemption of such of the Refunded Bonds as shall be, in the determination of the President, in the best interests of the Issuer, in such form as shall be approved by the official executing the same consistent with this resolution and the terms of the Act, such execution to constitute conclusive evidence of such approval. The Issuer hereby appoints The Bank of New York Mellon Trust Company, N.A. as Escrow Agent pursuant to the Escrow Agreement, if such document is deemed necessary.

The Issuer hereby irrevocably elects, effective upon and only upon the issuance of the Series 2024 Bonds, that the Refunded Bonds shall be called for redemption on such date as indicated in the Escrow Agreement.

SECTION 10. APPLICATION OF BOND PROCEEDS. The proceeds from the sale of the Series 2024 Bonds and amounts held under the Bond Resolution at the time of issuance of the Series 2024 Bonds, together with any other funds available to the Issuer which, but for the refunding of the Refunded Bonds, would have been used to pay debt service on the Refunded Bonds, shall be applied for deposit to the funds and accounts established pursuant to the Bond Resolution and the Escrow Agreement, if any, and to pay the costs of issuance of the Series 2024 Bonds, all as provided in the Bond Terms Certificate, appropriately completed, and the President, and in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized

and directed to conclusively establish such application of funds by signing the Bond Terms Certificate.

SECTION 11. EXECUTION AND DELIVERY OF THE SERIES 2024 BONDS. The President, Secretary or Assistant Secretary are hereby authorized and directed on behalf of the Issuer to execute the Series 2024 Bonds as provided in the Bond Resolution and herein, and such officials are hereby authorized and directed upon the execution of the Series 2024 Bonds in the form and manner set forth herein and in the Bond Resolution to deliver the Series 2024 Bonds in the amount authorized to be issued hereunder to the Trustee for authentication and delivery to or upon the order of the Underwriters upon payment of the purchase price set forth in the Bond Terms Certificate as completed pursuant to the provisions of this resolution.

SECTION 12. CONTINUING DISCLOSURE. The Issuer agrees, in accordance with the provisions of, and to the degree necessary to comply with, the secondary market disclosure requirements of the Rule, to file with the MSRB (hereinafter defined) in an electronic format and with such identifying information as prescribed by the MSRB and described below:

(a) The following annual financial information and operating data (the "Annual Information"), commencing with the Fiscal Year ending September 30, 2024:

(i) updates of the financial information and operating data of the type set forth in the final Official Statement for the Series 2024 Bonds, including updates of the historical assessment levy and collection rates and assessed valuation data, in a form which is generally consistent with the presentation of such information in the final Official Statement for the Series 2024 Bonds; and

(ii) audited financial statements with respect to the Issuer utilizing generally accepted accounting principles to local governments.

The information in clauses (i) and (ii) above will be available for each Fiscal Year on or prior to the next May 1 following the end of such Fiscal Year. The audited financial statements referred to in clause (ii) above may be available separately from the information in clause (i) above and will be provided by the Issuer as soon as practical after acceptance of such statements from the auditors by the Issuer; if not available by the first May 1 after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and such audited financial statements will be provided as soon after such time as they become available.

(b) In a timely manner not in excess of ten (10) Business Days after the event, notice of occurrence of any of the following events with respect to the Series 2024 Bonds:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasance;
- (x) release, substitution or sale of any property securing repayment of the Series 2024 Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar proceeding of the Issuer. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or

governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(xiii) mergers, consolidations, or acquisitions of the Issuer, the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect the Owners of the Series 2024 Bonds, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For purposes of clauses (xv) and (xvi) above, the term "Financial Obligation" means a (A) debt obligation, (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B).

(c) In a timely manner, to the MSRB, notice of its failure to provide the Annual Information with respect to itself.

For purposes of this Section 12, "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

The foregoing covenants shall run to the benefit of the Owners and the beneficial owners of Bonds owned in book entry format. However, failure to meet the covenants set forth in this Section 12 shall not be deemed to constitute an event of default or a breach of any other covenant under this resolution or the Bond Resolution, and the sole remedy for such a default or breach shall be as described in the next paragraph.

Any Owner or any beneficial owner may either at law or in equity, by suit, action, mandamus or other proceeding in any court or competent jurisdiction, protect and enforce any and all rights granted or contained in this Section 12 and may enforce and compel the performance of all duties required hereby to be performed by the Issuer or by any officers thereof.

Notwithstanding any other provision of this resolution or the Bond Resolution, this Section 12 may be amended only as follows: (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or the type of business conducted by the Issuer; (b) the provisions of this Section 12, as amended, would have complied with the requirements of the Rule as in effect as of the date of issuance of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially impair the interest of the Owners and/or beneficial owners as determined by an opinion of Bond Counsel delivered to the Issuer, or by approving vote of the majority of Owners or beneficial owners of a maturity in principal amount of the Outstanding Series 2024 Bonds at the time of the amendment. In the event of any amendment hereto, the annual financial information provided subsequent to such amendment shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided by the Issuer. If the amendment affects the accounting principles to be followed in preparing financial statements of the Issuer, the annual financial information for the year in which the change is made must present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison must include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles must be sent to the MSRB in the same manner as for listed events under Section 12(b) above.

SECTION 13. AUTHORIZATIONS. The Supervisors, Secretary, Assistant Secretary and Executive Director of the Issuer are hereby jointly and severally authorized to do all acts and things required of them by this resolution, the Bond Resolution and the Bond Purchase Agreement, or desirable or consistent with the requirements hereof or thereof, for the full, punctual and complete performance of all terms, covenants and agreements contained in the Series 2024 Bonds, the Bond Resolution, this resolution, the Trustee Agreement, the Escrow Agreement, if any and the Bond Purchase Agreement. Any or all of the Supervisors, Secretary, Assistant Secretary and Executive Director are hereby individually authorized to execute, publish, file and record such other documents, instruments, notices, and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this resolution and the Bond Resolution. If necessary, the Executive Director and/or the Escrow Agent are authorized to subscribe for United States Treasury Obligations - State and Local Government Series or to arrange for the purchase, from funds available for such purpose pursuant to the terms hereof, of other

United States Treasury obligations to the extent necessary to accomplish the refunding of the Refunded Bonds.

SECTION 14. RESOLUTION TO CONSTITUTE A CONTRACT. In consideration of the purchase and acceptance of the Series 2024 Bonds authorized to be issued hereunder by those who shall be the Owners thereof from time to time, this resolution shall constitute a contract between the Issuer and such Owners, and all covenants and agreements herein set forth to be performed by the Issuer for the benefit of the Owners shall be for the equal benefit and security of all of the Owners.

SECTION 15. NO IMPLIED BENEFICIARY. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this resolution or the Series 2024 Bonds is intended or shall be construed to give any person other than the Issuer, the Trustee, the Escrow Agent, the Underwriters and the Owners, any legal or equitable right, remedy or claim under or with respect to this resolution, or any covenants, conditions and provisions herein contained; this resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Trustee, the Escrow Agent, the Underwriters and the Owners.

SECTION 16. SEVERABILITY. If any provision of this resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatsoever, unless the same shall materially and adversely affect the obligations of the Issuer otherwise set forth herein.

SECTION 17. REPEALER. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of any such conflict, hereby superseded and repealed.

[Signature page follows]

[SIGNATURE PAGE TO RESOLUTION]


SECTION 18. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this 26th day of June, 2024.





President, Board of Supervisors



Assistant Secretary, Board of Supervisors

EXHIBIT A

**FORM OF CERTIFICATE ESTABLISHING TERMS OF THE
SERIES 2024 BONDS**

- (a) Issue Date:
- (b) Amounts, Maturities and Interest Rates:

<u>Amount</u>	<u>Maturity (August 1)</u>	<u>Interest Rate</u>
---------------	--------------------------------	----------------------

[*Denotes maturity subject to municipal insurance policy issued by _____.]

(c) Optional Redemption. The Series 2024 Bonds are not subject to redemption at the option of the Issuer prior to August 1, ____, except as described below. The Series 2024 Bonds are subject to redemption prior to maturity at the option of the Issuer, in whole or in part, on any date on or after August 1, ____ at the redemption price equal to the principal amount being redeemed, plus accrued interest thereon to the date of redemption.

(d) Mandatory Redemption of Term Bonds. The Series 2024 Bonds maturing on August 1, ____ shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the Issuer at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on August 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
*	\$

*Maturity

The Series 2024 Bonds maturing on August 1, ____ shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the Issuer at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on August 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
*	\$

*Maturity

If as of any date the Issuer shall have discharged, whether through purchase for cancellation, redemption or otherwise, Series 2024 Bonds of a maturity in excess of the aggregate mandatory redemption requirements to but not including such date, such excess of Series 2024 Bonds of such maturity so discharged and not previously applied as a credit as described in this paragraph shall be credited over such of the remaining mandatory redemption dates for such Series 2024 Bonds as the Issuer shall determine, and shall reduce the amount of such Series 2024 Bonds of such maturity otherwise subject to mandatory redemption on such date(s). Provided, however, that no such excess shall be credited to the amount of Series 2024 Bonds subject to mandatory redemption on a particular August 1 after the selection of Series 2024 Bonds to be redeemed on such date has been made.

(e) Sale Price of Series 2024 Bonds to Underwriters: \$_____ (par, minus underwriters' discount of \$_____, minus original issue discount of \$_____ plus original issue premium of \$_____).

(f) Reserve Fund Requirement: \$_____

(g) Application of Proceeds of Series 2024 Bonds:

Deposit to Series 2024 Account of Bond Fund	\$ _____
Deposit to Series 2024 Account of Reserve Fund	\$ _____
Deposit to Series 2024 Account of Cost of Issuance Fund	\$ _____
[Transfer for payment of municipal insurance policy/surety]	
[Deposit to Escrow Deposit Trust Fund]	\$ _____

(h) Application of other available funds: [describe source and use].

(i) Costs of Issuance to be paid from Series 2024 Account of Cost of Issuance Fund:

Public Resources Advisory Group, Inc.	\$ _____
Nabors, Giblin & Nickerson, P.A.	\$ _____
Caldwell Pacetti Edwards Schoech & Viator LLP	\$ _____
The Bank of New York Mellon Trust Company, N.A.	\$ _____
Digital Assurance Certification, LLC	\$ _____
S&P Global Ratings	\$ _____
Causey Demgen & Moore, Inc.	\$ _____
ImageMaster LLC	\$ _____

The above terms and provisions relating to the Northern Palm Beach County Improvement District Water Control and Improvement Refunding Bonds, Unit of Development No. 2C, Series 2024, are hereby approved pursuant to the authority granted by a resolution adopted by the Board of Supervisors on June 26, 2024.

**NORTHERN PALM BEACH COUNTY
IMPROVEMENT DISTRICT**

By: _____

Its: _____

Date: _____, 2024.

APPENDIX B

Audited Financial Report of the District for the Fiscal Year Ended September 30, 2023

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NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT



Annual Financial Report

For The Fiscal Year Ended
September 30, 2023

359 Hiatt Drive, Palm Beach Gardens, FL
33418, www.npbcid.org

**NORTHERN PALM BEACH COUNTY
IMPROVEMENT DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

About the Cover

Photographer: Lucas Schaffer, Environmental Manager for Northern Palm Beach County Improvement District

Subject: Preserve Boardwalk

Location: Unit of Development No. 27B, Botanica

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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INTRODUCTORY SECTION

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

PRINCIPAL DISTRICT OFFICIALS

SEPTEMBER 30, 2023

Board of Supervisors

Matthew J. Boykin, CPA	President
L. Marc Cohn	Vice President
Gregory Block	Treasurer
Ellen T. Baker	Secretary
Brian J. LaMotte	Supervisor

Executive Director

C. Danvers Beatty, P.E.

Counsel to the District

Caldwell Pacetti Edwards Schoech & Viator LLP
West Palm Beach, Florida

District Engineer

Kimberly A. Leser, P.E.

Independent Auditor

Marcum LLP

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

UNITS OF DEVELOPMENT – SEPTEMBER 30, 2023

UNIT 1	-	Gramercy Park (Cypress Run)	UNIT 21	-	Old Marsh
UNIT 2	-	Frenchman's Creek	UNIT 22	-	Inactive (Western Business Park)
UNIT 2A	-	MacArthur Overlay	UNIT 23	-	The Shores
UNIT 2B	-	Dissolved 06/23/04	UNIT 24	-	Ironhorse
UNIT 2C	-	Alton	UNIT 24A	-	Dissolved 12/19/12
UNIT 3	-	Horseshoe Acres/Square Lake	UNIT 25	-	Inactive (Palm Beach International Raceway)
UNIT 3A	-	Woodbine	UNIT 26	-	Inactive (Eastpointe Lake Sealing Project)
UNIT 4	-	West of Villages of Palm Beach Lakes	UNIT 27	-	Inactive (Jupiter High Tech Park)
UNIT 5	-	Henry Rolf	UNIT 27A	-	Inactive
UNIT 5A	-	Vista Center of Palm Beach	UNIT 27B	-	Botanica
UNIT 5B	-	Baywinds	UNIT 28	-	Inactive (Water Resource Program)
UNIT 5C	-	RiverWalk	UNIT 29	-	North Fork Development
UNIT 5D	-	Andros Isle	UNIT 30	-	Incorporated into Unit 25 07/23/08
UNIT 5E	-	Dissolved 09/28/01	UNIT 31	-	BallenIsles Country Club
UNIT 5F	-	Dissolved 05/27/98	UNIT 32	-	Palm Cove
UNIT 6	-	Dissolved 05/27/98	UNIT 32A	-	Palm Cove Sub-Unit
UNIT 6A	-	Dissolved 12/21/94	UNIT 33	-	Cypress Cove
UNIT 7	-	Dyer Boulevard	UNIT 34	-	Hidden Key
UNIT 7A	-	Inactive (North County PUD)	UNIT 35	-	(not created as yet)
UNIT 8	-	Dissolved 03/28/18	UNIT 36	-	Dissolved 11/16/11
UNIT 8A	-	Dissolved 03/28/18	UNIT 37	-	Dissolved 10/27/99
UNIT 9	-	Admirals Cove West	UNIT 38	-	Harbour Isles
UNIT 9A	-	Abacoa I	UNIT 39	-	Inactive (Mariner's Key)
UNIT 9B	-	Abacoa II	UNIT 40	-	Inactive (Prosperity Bay Village)
UNIT 10	-	Inactive (Caloosa)	UNIT 41	-	Mystic Cove
UNIT 11	-	PGA National	UNIT 42	-	Inactive (Blue Green Enterprises)
UNIT 11A	-	Dissolved 2/22/12	UNIT 43	-	Mirasol
UNIT 12	-	Highland Pines	UNIT 44	-	The Bear's Club
UNIT 12A	-	Gardens Hunt Club Sub-Unit	UNIT 45	-	Paseos
UNIT 13	-	Inactive (Mecca Farms)	UNIT 46	-	Jupiter Country Club
UNIT 14	-	Eastpointe 14A - 14B	UNIT 47	-	Jupiter Isles
UNIT 15	-	Villages of Palm Beach Lakes	UNIT 47A	-	Dissolved 09/24/03
UNIT 16	-	Palm Beach Park of Commerce	UNIT 48	-	Dissolved 09/28/05
UNIT 16A	-	Inactive (PB Park of Commerce Water & /Sewer Sub-Unit)	UNIT 49	-	Northern Palm Beach County Business Park
UNIT 17	-	Dissolved 3/26/03	UNIT 50	-	Inactive (Balsamo)
UNIT 18	-	Ibis Golf & Country Club	UNIT 51	-	Frenchman's Harbor
UNIT 19	-	Regional Center	UNIT 52	-	Dissolved 02/28/07
UNIT 19A	-	Irrigation	UNIT 53	-	Arden
UNIT 20	-	Juno Isles 20A - 20B - 20C - 20D			

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors and Executive Director
Northern Palm Beach County Improvement District

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2023, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 5 through 17 and 47 through 48 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor financial statements and other supplementary financial data and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, Florida
February 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Northern Palm Beach County Improvement District ("Northern" or the "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, 2023. 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 position at the end of the fiscal year was approximately \$215,403,000. Of this amount, approximately \$27,276,000 (unrestricted net position) may be used to meet the District's ongoing operations.
- Total net position of the District decreased by approximately \$4,493,000 at September 30, 2023.
 - Net investment in capital assets increased by approximately \$103,000. This was mainly due to the net increase in drainage improvements and water and sewer improvements in Units of Development 2C, Alton, and 53, Arden.
 - Net position restricted for debt service decreased by approximately \$6,360,000 primarily due to principal payments on outstanding bonds decreasing debt outstanding.
 - Unrestricted net position increased by approximately \$1,765,000 this year mainly due to the accumulation of funds in various special revenue funds for upcoming large projects in the District's Five Year Capital Improvement Plan.
- The District's total revenues (on an accrual basis) were approximately \$29,654,000 for the fiscal year ended September 30, 2023. This is an increase of approximately \$3,221,000 or 12% from the prior year and is primarily due to increases in investment earnings and capital contributions from Land Owners. Investment earnings increased by approximately \$1,770,000 primarily because of rising interest rates and the increase in investment diversification during fiscal year 2023. Capital contributions from Land Owners increased by approximately \$1,224,000 because more developer funded projects were completed during the year within Units of Development No. 2C, Alton, 16, Palm Beach Park of Commerce, and 53, Arden, pursuant to funding agreements with the landowners. Operating grants and contributions increased by approximately \$256,000 primarily because of an increase in Alum treatment cost reimbursements from the City of West Palm Beach related to a Sediment Control Plan in Unit of Development 18, Ibis. Also contributing to the increase was approximately \$59,000 received from FEMA for Hurricane Ian costs reimbursement. Capital asset contributions from Land Owners increased by approximately \$126,000 mainly due to the conveyance of certain drainage and right of way improvements to Northern by Hartz of Palm LLC and YTG Palm Beach IG WR, LP, in Unit 16, Palm Beach Park of Commerce.
- Total expenses/outflow for all of the District's activities were approximately \$34,147,000 for the year. This is a decrease of approximately \$2,551,000 or 7% from the previous year, primarily attributable to a decrease in capital assets contributed to other governments. During the fiscal year ended September 30, 2023, in Unit of Development No. 2C, Alton, and in Unit of Development No. 53, Arden, water and sewer improvements with a value approximating \$3,018,000 were contributed to Palm Beach County Water Utilities and Seacoast Utility Authority, whereas in 2022 similar contributions totaled approximately \$4,925,000. Despite increased prices for contractual services, and increased repairs and maintenance expense, physical environment expenses had an overall net decrease approximating \$352,000 as a result of decreased depreciation expense. A significant amount of roadway and other infrastructure assets had reached their final year of depreciable life in 2022 since they had been originally capitalized in 2002 and were assigned estimated lives of 20 years. Accordingly, no

depreciation was recorded for these assets in 2023 as they were fully depreciated. Interest on long-term debt decreased by approximately \$292,000 primarily because of decreased principal outstanding.

- The District expended approximately \$6,930,000 on capital projects during the year, mainly in Units of Development No. 2C, Alton, and 53, Arden. This is an approximate \$3,983,000 or 36% decrease from the prior year, primarily because of decrease in construction activity in Units of Development No. 2C, Alton, 31, BallenIsles, and 53, Arden. Unit of Development No. 2C is nearing the completion of its Plan of Improvement. The largest capital projects during the fiscal year ended September 30, 2023, were approximately \$3,760,000 for the continued construction of improvements in Unit of Development No. 53, Arden, approximately \$632,000 in Unit of Development No. 16, Palm Beach Park of Commerce, for the extension of Venture Way, approximately \$516,000 for the Avenue of the Masters milling and overlay in Unit of Development No. 11, PGA, approximately \$504,000 for Parcel G and final paving in Unit of Development No. 2C, Alton, and approximately \$169,000 for weir improvements in Unit of Development No. 20, Juno Isles.
- Governmental Accounting Standards Board (GASB) issued Statement No. 75 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB) in June 2015. 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 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 statements. At September 30, 2023, Northern employed 24 people and had no retirees on the health insurance plan. The actuarially determined annual required contribution and expense for fiscal year ended September 30, 2019 under GASB 75 was \$229. The actuarial accrued liability as of September 30, 2019, was \$2,266. There were no changes to the OPEB plan or significant changes to the number of employees or their retirement status this fiscal year. As such, it was determined not to recalculate the contribution, liability, and expense for the fiscal year ended September 30, 2023 since any changes would be minimal. Since these amounts are not material, the District will not present them in the financial statements or the notes.

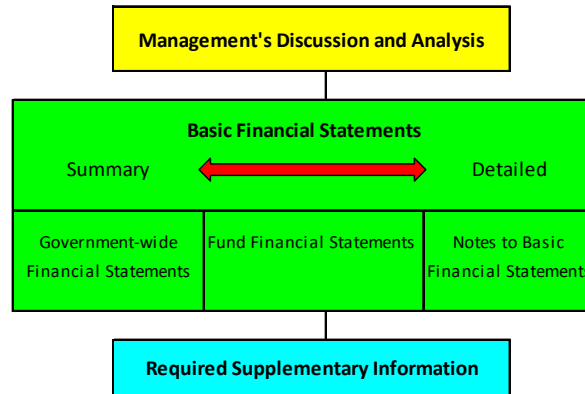
USING THIS ANNUAL REPORT

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 reporting section*. The basic financial statements themselves consist of three components: government-wide financial statements, fund financial statements and notes to basic 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 position includes *all* of the District's assets, deferred outflows of resources 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 position presents information on all of the District's assets, deferred outflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position 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 position 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 position changed during the fiscal year. All changes in net position 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 18 - 19 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 position 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. Restricted revenues mainly come from special assessments, interest earnings and loan proceeds. Expenditures are for maintenance activities in established Units of Development. These expenditures 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 notes 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. Expenditures 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. Expenditures are for capital outlay.

The District maintains 66 individual governmental funds: 47 special revenue funds, 13 debt service funds, 5 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 monies. 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 (nonmajor funds) are reported in these statements as a combined total.

The Fund Financial Statements and reconciliations can be found on pages 20 - 23 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 24 - 46 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes required supplementary information, combining nonmajor financial statements (supplementary information), as well as other supplementary financial data, schedules, and other information which can be found on pages 47 through 90 of this report.

Capital Assets

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, as amended, 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 utilizes the depreciation method.

Intangible Assets

Northern is required to track and capitalize the cost of intangible assets including software and easements. The cost of software has always been captured in machinery and equipment when purchased. Northern obtains easements over property for various reasons ranging from road rights-of-way to access easements to cross property to maintain our assets, to flowage easements to move stormwater across lakes. The most frequent easement obtained by Northern is an access easement to maintain District assets. The value that is assigned to the right (easement) is the fair value based on the average cost per acre of surrounding property. Northern has established that the threshold for capitalizing the cost of the easement on the financial statements is \$50,000. No easements met the threshold for fiscal year ended September 30, 2023.

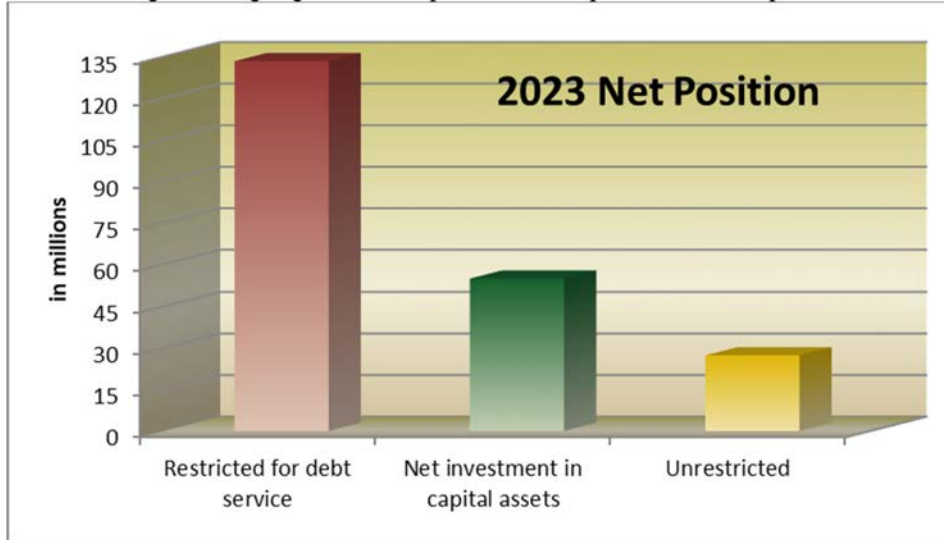
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's net position decreased by 2.0% and was \$215,403,371 and \$219,895,988 as of September 30, 2023 and 2022, respectively. Assets decreased by 3.5% 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. Also, cash and cash equivalents decreased by approximately \$342,000, or 0.6%, and investments decreased by approximately \$751,000, or 48.6%. This reduction in the amount of cash and cash equivalents along with investments was primarily the result of cash outlays for capital asset construction during the year in Units 2C (Alton), 11 (PGA), 16 (Palm Beach Park of Commerce), 20 (Juno Isles), and 53 (Arden). Capital assets not being depreciated decreased by approximately 1.8% due to the transfer of completed construction in progress to various capital assets being depreciated. Capital assets being depreciated, net, decreased due to the fiscal year depreciation expense plus the value of assets given to other governments exceeding the amount of additions in fiscal year 2023. Total liabilities decreased by 5.5% due to a decrease in long-term obligations at year end. The largest change in liabilities was a decrease of approximately \$10,713,000, or 6.2%, in long-term obligations due in more than one year, due to scheduled debt service payments.

The largest portion of the District's net position (\$133,346,298 or 61.9%) represents net position restricted for debt service. An additional portion of the District's net position (\$54,780,777 or 25.4%) represents investment in capital assets (infrastructure, buildings, machinery and equipment, etc.) less any related outstanding debt and deferred outflows of resources 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. The remaining unrestricted net position (\$27,276,296) may be used to meet the District's ongoing operations.

The following chart highlights the components of net position as of September 30, 2023:



The following table summarizes the statement of net position as of September 30, 2023 and September 30, 2022:

	<u>2023</u>	<u>2022</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
ASSETS				
Cash and cash equivalents	\$ 52,634,657	\$ 52,977,067	\$ (342,410)	-0.6%
Investments	793,800	1,545,296	(751,496)	-48.6%
Receivables	173,406,880	183,519,634	(10,112,754)	-5.5%
Prepaid items	149,875	171,460	(21,585)	-12.6%
Capital assets not being depreciated	42,681,934	43,456,036	(774,102)	-1.8%
Capital assets being depreciated, net	117,590,175	119,482,965	(1,892,790)	-1.6%
Total assets	387,257,321	401,152,458	(13,895,137)	-3.5%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	4,800,520	5,657,883	(857,363)	-15.2%
LIABILITIES				
Accounts payable	1,021,739	836,919	184,820	22.1%
Contracts and retainage payable	531,796	720,173	(188,377)	-26.2%
Advances from landowners	256,421	221,907	34,514	15.6%
Accrued interest payable	1,225,873	1,286,866	(60,993)	-4.7%
Unearned revenue	121,604	129,920	(8,316)	-6.4%
Long-term obligations:				
Due within one year	10,824,560	10,332,644	491,916	4.8%
Due in more than one year	162,672,477	173,385,924	(10,713,447)	-6.2%
Total liabilities	176,654,470	186,914,353	(10,259,883)	-5.5%
NET POSITION				
Net investment in capital assets	54,780,777	54,677,549	103,228	0.2%
Restricted for debt service	133,346,298	139,706,724	(6,360,426)	-4.6%
Unrestricted	27,276,296	25,511,715	1,764,581	6.9%
Total net position	\$ 215,403,371	\$ 219,895,988	\$ (4,492,617)	-2.0%

Changes in Net Position

The following table highlights the changes in net position for the fiscal years ended September 30, 2023 and September 30, 2022:

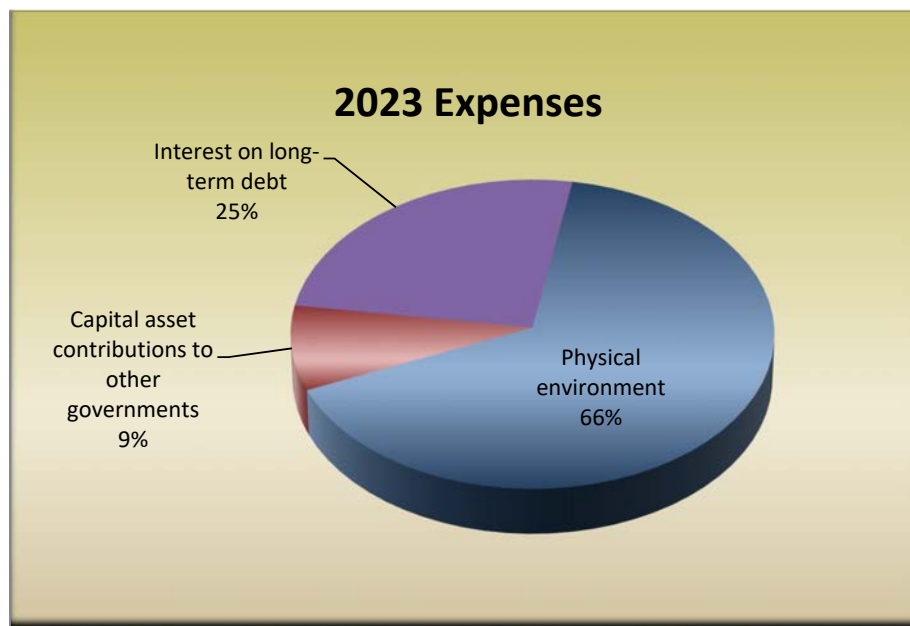
	<u>2023</u>	<u>2022</u>	<u>Dollar Difference</u>	<u>Percentage Change</u>
Revenues:				
Program revenues				
Charges for services	\$ 25,051,183	\$ 25,194,823	\$ (143,640)	-1%
Capital contributions from Land Owners	1,458,879	234,592	1,224,287	522%
Operating Grants and Contributions	298,274	42,496	255,778	602%
General revenues				
Investment earnings	2,073,610	303,860	1,769,750	582%
Gain on disposal of capital assets	17,344	28,976	(11,632)	-40%
Capital asset contributions from Land Owners	754,900	628,759	126,141	20%
Total revenues	29,654,190	26,433,506	3,220,684	12%
Program expenses:				
Physical environment	22,428,780	22,780,528	(351,748)	-2%
Interest on long-term debt	8,700,366	8,992,712	(292,346)	-3%
Capital asset contributions to other governments	3,017,661	4,925,066	(1,907,405)	-39%
Total expenses	34,146,807	36,698,306	(2,551,499)	-7%
Change in net position	(4,492,617)	(10,264,800)	5,772,183	-56%
Net position, beginning of year	219,895,988	230,160,788	(10,264,800)	-4%
Net position, end of year	\$ 215,403,371	\$ 219,895,988	\$ (4,492,617)	-2%

The District's total revenues (including general revenues) increased by approximately \$3,221,000 or 12% from 2022 to 2023. The largest component of the increase was investment earnings which rose approximately \$1,770,000 or 582% as a result of rising interest rates and increased diversification of investment holdings. Capital contributions from Land Owners increased by approximately \$1,224,000 or 522% primarily because there was more developer funded construction of infrastructure improvements within Units of Development No. 2C, Alton, 16, Palm Beach Park of Commerce, and 53, Arden, pursuant to funding agreements with the landowners. Operating Grants and Contributions increased by approximately \$256,000 or 602% primarily because of an increase in Alum treatment cost reimbursements from the City of West Palm Beach related to a Sediment Control Plan in Unit of Development 18, Ibis. Also contributing to the increase was approximately \$59,000 received from FEMA for Hurricane Ian cost reimbursement. Capital asset contributions from Land Owners increased by approximately \$126,000 mainly due to the conveyance of certain drainage and right of way improvements to Northern by Hartz of Palm LLC and YTG Palm Beach IG WR, LP, in Unit 16, Palm Beach Park of Commerce.

Total expenses decreased by approximately \$2,551,000 or 7% from 2022 to 2023 primarily due to a decrease in capital assets contributed to other governments. During the fiscal year ended September 30, 2023, in Unit of Development No. 2C, Alton, and in Unit of Development No. 53, Arden, water and sewer improvements with a value approximating \$3,018,000 were contributed to Palm Beach County Water Utilities and Seacoast Utility Authority, whereas in 2022 similar contributions totaled approximately \$4,925,000. The approximate \$352,000 or 2% decrease in Physical environment expenses from 2022 to 2023 is primarily attributable to decreased depreciation expense. A significant amount of roadway and other infrastructure assets had reached their final year of depreciable life in 2022 since they had been

originally capitalized in 2002 and were assigned estimated lives of 20 years. Accordingly, no depreciation was recorded for these assets in 2023 as they were fully depreciated.

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, 2023 compared to the fiscal year ended September 30, 2022.

The general fund is the primary fund for tracking administrative and operation costs associated with the daily management of the District. Unassigned fund balance in the general fund was approximately \$1,184,000 at September 30, 2023. This is an increase of approximately \$154,000 is primarily attributable to a planned accumulation of funds for future major building repairs to the Emergency Operations Center, such as a roof replacement.

The debt service fund for Unit of Development No. 2C, Alton, had an approximate \$372,000 increase in fund balance primarily as a result of favorable interest earnings. The debt service fund for Unit of Development No. 53, Arden, had an approximate \$224,000 increase in fund balance primarily due to interest income. The fund balance of the capital projects fund for Unit of Development No. 53, Arden, decreased by approximately \$3,629,000 due to capital outlay related to the construction of Unit of Development No. 53, Arden's Plan of Improvements.

BUDGETARY HIGHLIGHTS

The District adopted the fiscal year 2022/2023 budget on August 24, 2022. There were no budget amendments made to the budget. Total expenditures budgeted in the general fund for the fiscal year ended September 30, 2023 were approximately \$4,933,000, with planned funding entirely through operating transfers from other funds.

As presented in the Budgetary Comparison Schedule, the total of revenues and other financing sources budgeted for the general fund was approximately \$5,038,000, solely from transfers in. "Transfers in" reimburse the general fund for expenditures incurred within the general fund. Actual transfers in was approximately \$428,000 less than budgeted due to savings in the general fund expenditures which required less funds transferred in from other funds.

Total budgeted expenditures in the general fund were approximately \$4,933,000. Actual expenditures were approximately \$410,000 less than budget primarily due to favorable variances in salaries, engineering, health insurance, and retirement contributions. The favorable budget variances in salaries was primarily a result of changes after the retirement of long time employees and some staff positions that were vacant during a part of the year. Health insurance premiums did not increase as anticipated. The favorable variance in retirement contributions is correlated with the salaries budget variance. Engineering expenses were less than budget because of changing the services of District Engineer in-house during fiscal year 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the beginning of the fiscal year ended September 30, 2023, the District had \$162,939,002, 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 \$2,666,893 decreased the total to \$160,272,109, net of accumulated depreciation, by the end of the fiscal year. The components of the change in capital assets included \$7,685,049 of additions during fiscal year 2023, comprised of construction, land, machinery and equipment, \$3,102,424 in dispositions, and depreciation expense of \$7,334,235.

The more significant changes to capital assets included the following:

- Unit of Development No. 1, Gramercy Park (Cypress Run) - Capital outlay totaling approximately \$32,000 included three new access gates.
- Unit of Development No. 2C, Alton - Three aerators totaling \$64,500 were conveyed to the District for ownership, operation and maintenance by the Alton Property Owner Association (POA). However, an amendment to the maintenance agreement between the POA and the District requires the POA to continue to be responsible for the electrical power of the aerators and fountains. Water and sewer improvements totaling approximately \$856,000 were conveyed to Seacoast Utility Authority for ownership, operation and maintenance. Capital asset additions also included expenditures approximating \$439,000 for Parcel G Improvements and Phase 2 final asphalt along with paving markings.
- Unit of Development No. 3, Horseshoe Acres/Square Lake - Capital outlay totaling approximately \$91,000 included the purchase and installation of four new aerators.
- Unit of Development No. 4, West of Villages of Palm Beach Lakes - Capital asset additions totaling approximately \$87,000 included the purchase and installation of three new aerators, and a new access gate.
- Unit of Development No. 5, Henry Rolf - Capital outlay totaling approximately \$53,000 included 2 new access gates and the Vista Parkway culvert repair and replacement project.
- Unit of Development No. 9A, Abacoa I - Three pedestrian access gates totaling \$5,000 were conveyed to the District for ownership, operation and maintenance by Workplace Florida, Ltd. Capital asset additions also approximately \$60,000 included the purchase and installation of three new aerators.
- Unit of Development No. 9B, Abacoa II - Capital asset additions totaling approximately \$50,000 included the purchase and installation of three new aerators.
- Unit of Development No. 11, PGA National - Capital asset additions totaling approximately \$645,000 included the Avenue of Masters milling and overlay, Ryder Cup Boulevard pedestrian crossings. It also included the purchase of two new aerators and electrical conversions for three aerators.
- Unit of Development No. 15, villages of Palm Beach Lakes - Capital asset additions totaling approximately \$56,000 included the purchase and installation of three new aerators.
- Unit of Development No. 16, Palm Beach Park of Commerce - Storm drainage and right of way improvements totaling \$685,400 were conveyed to the District for ownership, operation and maintenance. The conveyed assets were comprised of \$531,587 from Hartz of Palm, LLC, and \$153,813 from YTG Palm Beach IG NR, LP. Capital asset additions also included approximately \$733,000 for civil engineering related to Venture Way.
- Unit of Development No. 18, Ibis - Capital asset additions totaling approximately \$33,000 included telemetry dock repairs.
- Unit of Development No. 19, Regional Center - Capital asset additions totaling approximately \$84,000 included the purchase and installation of four new aerators.
- Unit of Development No. 19A, Irrigation - Capital asset additions totaling approximately \$64,000 included the purchase and installation of three new aerators.
- Unit of Development No. 20, Juno Isles – Capital asset additions totaling approximately \$219,000 included improvements to the Juno Isles weir.
- Unit of Development No. 31, Ballen Isles Country Club - Capital asset additions totaling approximately \$127,000 included the purchase and installation of four new aerators, and power conversions to two existing aerators.

- Unit of Development No. 43, Mirasol - Capital asset additions totaling approximately \$27,000 included the purchase and installation of three new aerators.
- Unit of Development No. 53, Arden - Capital asset additions totaling approximately \$3,758,000 included Parcels G, H, I, J improvements. Water and sewer improvements totaling approximately \$2,162,000 were conveyed to Palm Beach County Water Utilities for ownership, operation and maintenance.
- General Fund - Capital asset additions totaling approximately \$158,000 included the purchase of two new trucks, replacement computers, and parts for the fuel dispenser.

The following table summarizes the District's capital assets, net of accumulated depreciation, for the fiscal years ended September 30, 2023 and September 30, 2022:

	2023	2022
Land	\$ 20,417,218	\$ 20,417,218
Lakes and canal improvements	11,073,524	11,073,524
Preserve improvements	8,985,296	8,985,296
Construction in progress	2,205,896	2,979,999
Buildings and improvements	3,449,382	3,916,489
Parks and facilities	2,958,462	3,224,178
Machinery and equipment	2,001,165	1,890,590
Roadway improvements	35,287,459	38,340,380
Storm water pump stations	2,224,021	2,344,276
Surface water management system	44,496,005	44,206,637
Water control structures	7,425,512	7,507,759
Water, sewer and irrigation facilities	19,748,169	18,052,656
Total Capital Assets, net	<u>\$ 160,272,109</u>	<u>\$ 162,939,002</u>

Additional information on the District's capital assets can be found in Note 3 on page 37 of this report.

Debt

The District's total outstanding debt in bonds and notes, net of bond premiums and discount, was \$173,045,879 and \$183,217,729 for the fiscal years ended September 30, 2023 and 2022, respectively.

Additional information on the District's long-term debt can be found in Note 4 on pages 38 - 43 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following highlights for Special Revenue Funds were considered in creating the fiscal year 2023/2024 budget:

- Unit of Development No. 2 – One new aerator.
- Unit of Development No. 2C – Culvert inspections, dog park structures (2), one new aerator.
- Unit of Development No. 3 – Two new aerators.
- Unit of Development No. 3A – Heavy cleaning of culverts, one new aerator.
- Unit of Development No. 4 – Culvert repair/replacement, three new aerators.

- Unit of Development No. 5 – Culvert cleaning and restoration.
- Unit of Development No. 5A – Roadway catch basin cleaning and inspection.
- Unit of Development No. 5B – Pump station site enhancements.
- Unit of Development No. 5C – Dock repair.
- Unit of Development No. 5D – Fuel polisher for fuel tank.
- Unit of Development No. 9 – Culvert cleaning.
- Unit of Development No. 9A and 9B – Culvert cleaning and restoration, construct aluminum catwalk for RTU access, four new aerators, preserve structures repair and replacement.
- Unit of Development No. 11 – Sidewalk and sign repairs, engineering design of multiple projects, lake interconnect culvert rehabilitation, catch basins inspections and cleaning, inner berm repair, fuel polisher for fuel tank.
- Unit of Development No. 12 – New access gate.
- Unit of Development No. 14 – One new aerator, culvert cleaning, fuel polisher for fuel tank.
- Unit of Development No. 15 – Weir W3 and W4 replacements, guard rail at Brandywine Curve, four new aerators.
- Unit of Development No. 16 – Drainage improvements, catch basin cleaning, internal roadway maintenance and overlay.
- Unit of Development No. 18 – Alum application treatment project, BioNest biological weed control, telemetry upgrade enhancements, road and sidewalk improvements, catch basin cleaning, fuel polisher for fuel tank.
- Unit of Development No. 19 - Four new aerators, two new access gates.
- Unit of Development No. 20 – Boat ramp for maintenance access.
- Unit of Development No. 21 – Culvert cleaning.
- Unit of Development No. 23 - Culvert cleaning.
- Unit of Development No. 24 - Culvert inspections, Australian pine removal, new pump station control panels, fuel polisher for fuel tank.
- Unit of Development No. 31 – Culvert repair and cleaning, catch basin cleaning, construct aluminum catwalk for RTU access, V weir replacement, six new aerators.
- Unit of Development No. 32 – Outfall canal excavation.
- Unit of Development No. 34 – Road and sidewalk repairs, new plantings, catch basin cleaning.
- Unit of Development No. 38 - Catch basin cleaning.
- Unit of Development No. 43 –New garage door / lift repair.
- Unit of Development No. 44 – Culvert inspections, catch basin cleaning.
- Unit of Development No. 45 – Preserve structures repair and replacements, tree damage mitigation – sidewalks and curbs.
- Unit of Development No. 47 – Catch basin cleaning.
- Unit of Development No. 53 – Culvert inspections.
- Unit of Development – Administration and Operations- New plantings, computer upgrades and replacements, EOC diesel fuel dispenser replacement, vehicle purchase/replacement, EOC building roof replacement.

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, C. Danvers Beatty, 359 Hiatt Drive, Palm Beach Gardens, Florida 33418.

BASIC FINANCIAL STATEMENTS

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

Assets	
Cash and cash equivalents	\$ 52,634,657
Investments	793,800
Receivables	173,406,880
Prepaid items	149,875
Capital assets not being depreciated	42,681,934
Capital assets being depreciated, net	<u>117,590,175</u>
Total Assets	<u>387,257,321</u>
Deferred Outflows Of Resources	
Deferred amount on refunding	<u>4,800,520</u>
Total Assets And Deferred Outflows Of Resources	<u>392,057,841</u>
Liabilities	
Accounts payable	1,021,739
Contracts and retainage payable	531,796
Advances from landowners	256,421
Accrued interest payable	1,225,873
Unearned revenue	121,604
Long-term obligations:	
Due within one year	10,824,560
Due in more than one year	<u>162,672,477</u>
Total Liabilities	<u>176,654,470</u>
Net Position	
Net investment in capital assets	54,780,777
Restricted for debt service	133,346,298
Unrestricted	<u>27,276,296</u>
Total Net Position	<u><u>\$ 215,403,371</u></u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Contributions from Land Owners	
Governmental Activities:					
Physical environment	\$ 22,428,780	\$ 25,051,183	\$ 298,274	\$ 1,458,879	\$ 4,379,556
Interest on long-term debt	<u>8,700,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,700,366)</u>
Total Governmental Activities	<u>\$ 31,129,146</u>	<u>\$ 25,051,183</u>	<u>\$ 298,274</u>	<u>\$ 1,458,879</u>	<u>(4,320,810)</u>
General Revenues					
Unrestricted investment earnings					2,073,610
Gain on disposition of capital assets					17,344
Capital asset contributions to other governments					(3,017,661)
Capital asset contributions from land owners					<u>754,900</u>
Total General Revenues					<u>(171,807)</u>
Change in Net Position					(4,492,617)
Net Position - Beginning of Year					<u>219,895,988</u>
Net Position - End of Year					<u>\$ 215,403,371</u>

See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Major Funds				Nonmajor	Total
	General	Debt Service 2C	Debt Service 53	Capital Projects 53	Governmental Funds	Governmental Funds
Assets						
Cash and cash equivalents	\$ 1,347,072	\$ 7,427,240	\$ 4,795,967	\$ 1,873,350	\$ 37,191,028	\$ 52,634,657
Investments	-	793,800	-	-	-	793,800
Receivables:						
Assessments	57,405	73,250,000	43,105,000	-	56,712,443	173,124,848
Interest	-	21,477	14,031	9,487	6,368	51,363
Accounts	-	28,085	16,032	-	186,552	230,669
Prepaid items	10,563	-	-	-	-	10,563
Total Assets	<u>\$ 1,415,040</u>	<u>\$ 81,520,602</u>	<u>\$ 47,931,030</u>	<u>\$ 1,882,837</u>	<u>\$ 94,096,391</u>	<u>\$ 226,845,900</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 162,640	\$ -	\$ -	\$ 3,799	\$ 855,300	\$ 1,021,739
Contracts and retainage payable	-	-	-	-	531,796	531,796
Advances from landowners	-	-	-	-	256,421	256,421
Unearned revenue	-	-	-	-	121,604	121,604
Total Liabilities	<u>162,640</u>	<u>-</u>	<u>-</u>	<u>3,799</u>	<u>1,765,121</u>	<u>1,931,560</u>
Deferred Inflows of Resources						
Unavailable revenue - special assessments	57,405	73,250,000	43,105,000	-	56,712,443	173,124,848
Total liabilities and deferred inflows of resources	<u>220,045</u>	<u>73,250,000</u>	<u>43,105,000</u>	<u>3,799</u>	<u>58,477,564</u>	<u>175,056,408</u>
Fund Balances						
Non-spendable	10,563	-	-	-	-	10,563
Restricted	-	8,270,602	4,826,030	1,879,038	9,225,680	24,201,350
Committed	-	-	-	-	26,393,147	26,393,147
Unassigned	1,184,432	-	-	-	-	1,184,432
Total Fund Balances	<u>1,194,995</u>	<u>8,270,602</u>	<u>4,826,030</u>	<u>1,879,038</u>	<u>35,618,827</u>	<u>51,789,492</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,415,040</u>	<u>\$ 81,520,602</u>	<u>\$ 47,931,030</u>	<u>\$ 1,882,837</u>	<u>\$ 94,096,391</u>	<u>\$ 226,845,900</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 POSITION

SEPTEMBER 30, 2023

Total Governmental Fund Balances (Page 20)	\$	51,789,492
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Amounts reported for governmental activities in the statement of net position are different because:

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

Cost of assets	\$ 300,643,571	
Accumulated depreciation	<u>(140,371,462)</u>	160,272,109

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 inflow in the governmental funds and thus are not included in fund balance:

Adjustment of deferred inflows - unavailable revenue		173,124,848
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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 insurance 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	(173,045,879)	
Less unamortized deferred amount on refunding	4,800,520	
Less unamortized bond costs (insurance)	139,312	
Accrued interest payable on long-term debt	(1,225,873)	
Compensated absences	(451,158)	(169,783,078)

Total Net Position (Page 18)	\$	215,403,371
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See notes to basic financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Funds				Nonmajor	Total
	General	Debt Service 2C	Debt Service 53	Capital Projects 53	Governmental Funds	Governmental Funds
Revenues						
Non-ad valorem assessments	\$ -	\$ 5,402,382	\$ 3,089,974	\$ -	\$ 26,355,733	\$ 34,848,089
Intergovernmental revenues	-	-	-	-	298,274	298,274
Capital contributions from landowners	-	-	-	-	1,458,879	1,458,879
Investment income	24,534	394,508	230,344	151,597	1,272,627	2,073,610
Miscellaneous	24,502	-	-	-	309,546	334,048
Total Revenues	<u>49,036</u>	<u>5,796,890</u>	<u>3,320,318</u>	<u>151,597</u>	<u>29,695,059</u>	<u>39,012,900</u>
Expenditures						
Current:						
Physical environment	4,344,535	-	-	-	10,799,693	15,144,228
Capital outlay	158,043	-	-	3,757,980	3,014,126	6,930,149
Debt service:						
Principal	18,199	1,680,000	895,000	-	7,537,755	10,130,954
Interest	2,331	3,719,300	2,186,300	-	1,935,797	7,843,728
Other	-	25,463	14,536	-	41,415	81,414
Total Expenditures	<u>4,523,108</u>	<u>5,424,763</u>	<u>3,095,836</u>	<u>3,757,980</u>	<u>23,328,786</u>	<u>40,130,473</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,474,072)</u>	<u>372,127</u>	<u>224,482</u>	<u>(3,606,383)</u>	<u>6,366,273</u>	<u>(1,117,573)</u>
Other Financing Sources (Uses)						
Transfers in	4,609,483	-	-	-	-	4,609,483
Transfers out	-	-	-	(22,505)	(4,586,978)	(4,609,483)
Proceeds from sales/disposals of capital assets	17,389	-	-	-	-	17,389
Total Other Financing Sources (Uses)	<u>4,626,872</u>	<u>-</u>	<u>-</u>	<u>(22,505)</u>	<u>(4,586,978)</u>	<u>17,389</u>
Net Change in Fund Balances	152,800	372,127	224,482	(3,628,888)	1,779,295	(1,100,184)
Fund Balances - Beginning of Year	<u>1,042,195</u>	<u>7,898,475</u>	<u>4,601,548</u>	<u>5,507,926</u>	<u>33,839,532</u>	<u>52,889,676</u>
Fund Balances - End of Year	<u>\$ 1,194,995</u>	<u>\$ 8,270,602</u>	<u>\$ 4,826,030</u>	<u>\$ 1,879,038</u>	<u>\$ 35,618,827</u>	<u>\$ 51,789,492</u>

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**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Net Change in Fund Balances - Total Governmental Funds (Page 22)	\$ (1,100,184)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlay	\$ 6,930,149	
Less current year depreciation expense	<u>(7,334,235)</u>	(404,086)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.

Capital asset contributions to other governments	(3,017,661)	
Capital asset contribution from land owners	754,900	
Sale/disposal of capital assets activity	<u>(45)</u>	(2,262,806)

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.

(10,130,954)

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:

Changes in compensated absences	49,681
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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 bond insurance are amortized:

Net effect of accrued interest on long-term debt	60,993	
Net amortized bond discount and premium	40,896	
Amortization of bond insurance costs	<u>(877,111)</u>	(775,222)

Bonds and notes issued 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 position.

Principal payments on long-term debt	<u>10,130,954</u>
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Change in Net Position of Governmental Activities (Page 19)	<u><u>\$ (4,492,617)</u></u>
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NOTES TO BASIC FINANCIAL STATEMENTS

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 Chapters 2004-467, 2005-302, 2006-330, 2009-256, and 2010-243, 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, or the District has operational responsibility on the organization. Based upon the application of these criteria, there were no organizations that met the criteria described above.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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. However, debt service expenditures, as well as expenditures for compensated absences, are recorded only when payment is due.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 2C 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 2C.

The *Unit 53 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 53.

The *Unit 53 Capital Projects Fund*, is used to account for the construction and acquisition of capital assets, such as buildings, water control structures, surface water management system, equipment, roads and roadway improvements for Unit of Development 53.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the District reports the following non-major 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.

D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY

1. Deposits 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.

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, other than short-term investments, are reported at fair value.

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

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (CONTINUED)

2. Accounts Receivable

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

3. Assessments Receivable/Unavailable Revenue

Assessments receivable recorded in the Debt Service and Special Revenue 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 unavailable revenue as a deferred inflow of resources 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. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2023, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is classified as non-spendable, as this amount is not available for general appropriation.

5. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and intangible assets 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 the government-wide statement of net position.

Capital assets are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition 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 cost.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (CONTINUED)

5. Capital Assets and Depreciation (continued)

The District uses a capitalization threshold of \$1,000 for tangible assets as well as certain intangible assets, such as computer software. Other intangible assets, such as easements, have a capitalization threshold of \$50,000.

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported in the government-wide statement of net position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (CONTINUED)

6. Deferred Outflows/Inflows of Resources (continued)

reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the balance of outstanding assessments levied by the District to repay outstanding debt. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the governmental fund statements and the government-wide statements, unearned revenues represent the corresponding liability for cash advances received to fund future expected expenditures related to permit and plat petitions.

8. Compensated Absences

The District's employees are granted compensated absence pay for vacation leave based on length of service up 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.

9. Long-Term Debt

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

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (CONTINUED)

9. Long-Term Debt (continued)

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds are reported net of the applicable bond premium or discount. Bond issuance costs, other than prepaid insurance, are expensed at issuance. Prepaid insurance associated with the issuance of debt is reported as an asset and amortized over the term of the related debt. Deferred amounts on refunding are reported as deferred inflows or outflows of resources on the statement of net position. These deferred amounts are amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

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

10. Net Position

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted for debt service, and 3) unrestricted. Net investment in capital assets consist of capital assets reduced by accumulated depreciation, and by any outstanding debt/liabilities and deferred inflows and outflows of resources incurred to acquire, construct, or improve those assets. Net position is 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 position consists of all net position that does not meet the definition of either of the other two components.

11. Fund Balances

Classifications of fund balance are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the GASB Statement requires the District to classify and report amounts in the appropriate fund balance classifications. The District's accounting policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of non-spendable, restricted, committed, assigned or unassigned.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (CONTINUED)

11. Fund Balances (continued)

The District reports the following classifications in accordance with its officially adopted policy on fund balance:

Non-spendable fund balance. Non-spendable fund balances are amounts that are (a) not in spendable form, such as inventory, prepaids or capital assets, or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only from specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. Committed fund balance can only be used for the specific purposes determined by a formal action (Board approval or Resolution having equal authority) of the Board, the District's highest level of decision making authority. Commitments may be changed or lifted only by the Board taking the same formal action (Board approval or Resolution) that imposed the constraint originally.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by management of the District to which the Board has delegated the authority by formal policy to assign, modify, or rescind amounts to be used for specific purposes. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted, or committed, and (b) amounts in the General Fund or governmental funds that are intended to be used for a specific purpose. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

Unassigned fund balance. Unassigned fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION OR EQUITY (CONTINUED)

12. Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

13. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

14. 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, liabilities, and deferred inflows/outflows, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenditures/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.

E. IMPLEMENTATION OF RECENT ACCOUNTING PRONOUNCEMENTS

The District considered the new accounting standards which effective dates are applicable for the fiscal year ended September 30, 2023. The implementation of GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and GASB Statement No. 99, *Omnibus 2022*, did not have a significant impact on the District's financial statements.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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.

INVESTMENTS

The District has adopted an investment policy in accordance with Florida Statutes to establish guidelines for the efficient management of its cash reserves.

Interest Rate Risk

As of September 30, 2023, 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.S. Government agencies	<u>\$ 793,800</u>	0.16 years

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.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

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. As of the fiscal year end, the credit quality ratings of debt securities were as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
U.S. government agencies:			
Federal National Mortgage Association	\$ 793,800	AA+	S&P

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.
- 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.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 – Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 – Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 – Investments' fair values based upon unobservable inputs.

The following is a description of the fair value techniques for the District's investments. Level 1 and 2 prices are obtained from various pricing sources by the District's custodian bank:

Short-term investments, which consist of money market funds, are reported at amortized cost.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity based on a combination of matrix pricing, actual observable trades in similar securities, and yield curve analysis (Level 2). This includes U.S. federal agencies, mortgage backed and collateralized securities and state and local government securities.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 20,417,218	\$ -	\$ -	\$ -	\$ 20,417,218
Lakes and canal improvements	11,073,524	-	-	-	11,073,524
Preserve improvements	8,985,296	-	-	-	8,985,296
Construction in progress	2,979,999	5,844,974	-	(6,619,077)	2,205,896
Total Capital Assets Not Being Depreciated	43,456,037	5,844,974	-	(6,619,077)	42,681,934
Capital Assets Being Depreciated:					
Buildings and improvements	9,512,922	8,758	-	-	9,521,680
Parks and facilities	12,319,505	5,000	-	-	12,324,505
Machinery and equipment	13,787,592	942,837	84,763	-	14,645,666
Roadway improvements	103,178,711	-	-	-	103,178,711
Storm water pump stations	14,522,228	-	-	280,860	14,803,088
Surface water management system	64,738,313	-	2,161,698	3,794,972	66,371,587
Water control structures	12,995,318	198,080	-	-	13,193,398
Water, sewer and irrigation facilities	21,550,320	685,400	855,963	2,543,245	23,923,002
Total Capital Assets Being Depreciated	252,604,909	1,840,075	3,102,424	6,619,077	257,961,637
Less Accumulated Depreciation For:					
Buildings and improvements	(5,596,433)	(475,865)	-	-	(6,072,298)
Parks and facilities	(9,095,327)	(270,716)	-	-	(9,366,043)
Machinery and equipment	(11,897,002)	(832,216)	84,717	-	(12,644,501)
Roadway improvements	(64,838,331)	(3,052,921)	-	-	(67,891,252)
Storm water pump stations	(12,177,952)	(401,115)	-	-	(12,579,067)
Surface water management system	(20,531,676)	(1,343,906)	-	-	(21,875,582)
Water control structures	(5,487,559)	(280,327)	-	-	(5,767,886)
Water, sewer and irrigation facilities	(3,497,664)	(677,169)	-	-	(4,174,833)
Total Accumulated Depreciation	(133,121,944)	(7,334,235)	84,717	-	(140,371,462)
Total Capital Assets Being Depreciated, Net	119,482,965	(5,494,160)	3,017,707	6,619,077	117,590,175
Governmental Activities Capital Assets, Net	\$ 162,939,002	\$ 350,814	\$ 3,017,707	\$ -	\$ 160,272,109

Depreciation expense was charged to functions as follows:

Governmental activities:

Physical environment \$ 7,334,235

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 - LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES

Long-term obligations are comprised of limited obligation bonds (special assessment debt), 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 1.99% to 5.625% and mature in future years through 2051, and are collateralized by pledged future drainage and maintenance assessments (non-ad valorem assessments). The total principal and interest remaining on the debt is \$267,703,105 payable through August 1, 2051, 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 \$17,974,682 and \$34,848,089, respectively.

The District's failure to pay the principal or interest on any debt when due or failure to observe and perform any covenant, condition, agreement or provision in any indenture applicable to the District's various debt obligations, constitutes an event of default for the District. In the event of a default, bondholders may sue to enforce their rights or to enjoin any acts of the District that may be unlawful or in violation of their rights. In certain cases, in the event of a default, the interest rate on the debt may be increased.

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, 2023, are as follows:

\$3,390,000 Series 2023 Water Control and Improvement Refunding Bonds, Unit 2A, due in annual installments of \$275,000 to \$350,000 from August 1, 2024, through August 1, 2033, with interest rate of 2.06% payable semi-annually on February 1 and August 1 of each year.	\$ 3,120,000
\$59,380,000 Series 2014 Water Control and Improvement Bonds, Unit 2C, comprised of term bonds subject to mandatory redemptions due in annual installments totaling \$1,240,000 to \$3,725,000 from August 1, 2024, to August 1, 2046, with interest from 4.50% to 5.20% payable semiannually on February 1 and August 1 of each year.	52,085,000
Subtotal (Forward)	55,205,000

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT (CONTINUED)

Subtotal (Forward)	55,205,000
\$23,495,000 Series 2017 Water Control and Improvement Bonds, Unit 2C, comprised of term bonds subject to mandatory redemptions due in annual installments totaling \$520,000 to \$1,510,000 from August 1, 2024, to August 1, 2046, with interest from 4.00% to 5.00% payable semiannually on February 1 and August 1 of each year.	21,165,000
\$3,670,000 Water Control and Improvement Refunding Bonds, Unit 3A, Taxable Series 2004B, due on August 1, 2027, subject to mandatory redemptions due in annual installments of \$340,000 to \$400,000 from August 1, 2024 through August 1, 2027 with interest of 5.375% payable semi-annually on February 1 and August 1 of each year.	1,480,000
\$2,400,000 2022 Unit 5 Promissory Note, due in equal semi-annual installments of \$152,434 including interest through August 1, 2032, with an interest rate of 3.53%, payable on February 1 and August 1 of each year.	2,333,227
\$3,473,198 Series 2015 Water Control and Improvement Refunding Bonds, Unit 5B, due in annual installments of \$376,165 to \$384,553 from August 1, 2024 to August 1, 2025, with interest at 2.23% payable semi-annually on February 1 and August 1 of each year.	760,718
\$32,064,999 2013 Unit 9A Promissory Note, due in annual installments of \$2,519,096 to \$2,749,479 from August 1, 2024, through August 1, 2027, with an interest rate of 2.96%, payable semi-annually on February 1 and August 1 of each year.	10,532,669
\$14,460,000 Series 2015 Water Control and Improvement Refunding Bonds, Unit 9B, due in annual installments of \$1,095,000 to \$1,285,000 from August 1, 2024 to August 1, 2029, with interest from 3.00% to 5.00%, payable semi-annually on February 1 and August 1 of each year.	7,140,000
\$3,275,000 Series 2021 Water Control and Improvement Refunding Bonds, Unit 16, due in annual installments of \$235,000 to \$510,00 from August 1, 2024, through August 1, 2032, with an interest rate of 2.41%, payable semi-annually on February 1 and August 1 of each year.	2,680,000
Subtotal (Forward)	<u>101,296,614</u>

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

Subtotal (Forward)	101,296,614
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\$325,000 2014 Unit 34 Promissory Note, due in annual installments of \$21,668 from August 1, 2024 through August 1, 2029, with interest at 4.0% until the first interest adjustment date of November 20, 2024, and for each successive one year period beginning on November 20 thereafter, at which time the interest rate will be adjusted to the Treasury Rate (as hereinafter defined) plus 3.00%. "Treasury Rate" means, as of each Adjustment Date, the yield on the Treasury Constant Maturity Series with a maturity of one year, as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System. Interest is payable semi-annually on February 1, and August 1 of each year.

\$625,000 Series 2021A Water Control and Improvement Refunding Bonds, Unit 44, with a final installment of \$160,000 due August 1, 2024, with interest rate of 2.71% payable semi-annually on February 1 and August 1 of each year.	160,000
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\$4,160,000 Series 2021B Water Control and Improvement Refunding Bonds, Unit 44 (Taxable), due in annual installments of \$300,000 to \$595,00 from August 1, 2024, to August 1, 2031, with interest of 2.22% payable semiannually on February 1 and August 1 of each year.	4,040,000
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Subtotal (Forward)	116,391,604
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NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT (CONTINUED)

Subtotal (Forward)	116,391,604
 \$3,503,598 2016 Unit 45 Promissory Note, due in annual installments of \$196,907 to \$264,423 from August 1, 2024, to August 1, 2033, with interest at 3.33% payable semiannually on February 1 and August 1 of each year.	 2,291,924
 \$11,930,000 Series 2016A Water Control and Improvement Refunding Bonds, Unit 46, term bonds due August 1, 2041. The bonds are subject to mandatory redemptions due in annual installments of \$435,000 to \$755,000 from August 1, 2024, through August 1, 2041, with interest from 2.50% to 3.625% payable semi-annually on February 1 and August 1 of each year.	 10,430,000
 \$24,785,000 Series 2015 Water Control and Improvement Bonds, Unit 53, term bonds due August 1, 2046. The bonds are subject to mandatory redemptions due in annual installments of \$515,000 to \$1,675,000 from August 1, 2024, through August 1, 2046, with interest from 4.65% to 5.50% payable semi-annually on February 1 and August 1 of each year.	 22,550,000
 \$10,975,000 Series 2018 Water Control and Improvement Bonds, Unit 53, term bonds due August 1, 2049. The bonds are subject to mandatory redemptions due in annual installments of \$190,000 to \$730,000 from August 1, 2024, through August 1, 2049, with interest from 4.5% to 5.625% payable semi-annually on February 1 and August 1 of each year.	 10,300,000
 \$10,700,000 Series 2021 Water Control and Improvement Bonds, Unit 53, term bonds due August 1, 2051. The bonds are subject to mandatory redemptions due in annual installments of \$230,000 to \$580,000 from August 1, 2024, through August 1, 2051, with interest from 2.30% to 4.00% payable semi-annually on February 1 and August 1 of each year.	 10,255,000
 \$3,950,000 2011 Unit 11 and 14 Promissory Note, due in annual installments of \$294,588 to \$309,691 from August 1, 2024 through August 1, 2026, with interest at 3.075% payable semi-annually on February 1, and August 1 of each year.	 906,320
 Total Special Assessment Debt With Governmental Commitment	 <u>\$ 173,124,848</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT (CONTINUED)

Changes in long-term obligations for the fiscal year ended September 30, 2023, are summarized below:

	Balance September 30, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>2023</u>	Due Within <u>One Year</u>
Bonds payable	\$ 139,775,000	\$ -	\$ 4,370,000	\$ 135,405,000	\$ 4,565,000
Notes from direct borrowings and direct placements	43,480,802	-	5,760,954	37,719,848	6,082,889
Plus premium	1,039,908	-	96,932	942,976	-
Less discount	(1,077,981)	-	(56,036)	(1,021,945)	-
Total bonds and notes payable	183,217,729	-	10,171,850	173,045,879	10,647,889
Compensated absences	500,839	351,929	401,610	451,158	176,671
	<u>\$ 183,718,568</u>	<u>\$ 351,929</u>	<u>\$ 10,573,460</u>	<u>\$ 173,497,037</u>	<u>\$ 10,824,560</u>

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

	Bonds Payable		Notes from Direct Borrowings and Direct Placements		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
Fiscal Year Ending September 30:					
2024	\$ 4,565,000	\$ 6,478,603	\$ 6,082,889	\$ 999,335	\$ 18,125,827
2025	4,755,000	6,280,315	5,972,849	833,976	17,842,140
2026	4,960,000	6,088,925	5,772,773	671,533	17,493,231
2027	5,155,000	5,881,146	5,607,700	512,683	17,156,529
2028	4,970,000	5,661,633	2,929,334	359,300	13,920,267
2029-2033	22,780,000	25,113,060	11,354,303	693,432	59,940,795
2034-2038	27,340,000	19,374,260	-	-	46,714,260
2039-2043	33,300,000	12,018,434	-	-	45,318,434
2044-2048	25,175,000	3,434,759	-	-	28,609,759
2049-2051	2,405,000	176,863	-	-	2,581,863
	<u>\$ 135,405,000</u>	<u>\$ 90,507,998</u>	<u>\$ 37,719,848</u>	<u>\$ 4,070,259</u>	<u>\$ 267,703,105</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

SPECIAL ASSESSMENT DEBT WITH GOVERNMENTAL COMMITMENT (CONTINUED)

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 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, 2023, the District was in compliance with such bond covenants.

NOTE 5 - 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.

Fund	Transfers In	Transfers Out
Major Funds:		
General fund	\$ 4,609,483	\$ -
Capital projects unit 53	-	22,505
Nonmajor funds in the aggregate	-	4,586,978
Total Interfund Transfers	<u>\$ 4,609,483</u>	<u>\$ 4,609,483</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". There were no amounts due from and to other funds at September 30, 2023.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 - CONSTRUCTION COMMITMENTS

The status of contracts at September 30, 2023 is as follows:

Project	Total Contract Amount	Expended Through September 30, 2023	Payable At September 30, 2023	Balance to Complete
Unit of Development No. 2C	\$ 2,016,943	\$ 136,456	\$ 140,409	\$ 1,740,078
Unit of Development No. 5	2,215,543	76,153	2,192	2,137,198
Unit of Development No. 11	802,059	557,190	41,379	203,490
Unit of Development No. 16	1,085,849	488,431	305,654	291,764
Unit of Development No. 18	786,191	267,504	-	518,687
Unit of Development No. 20	438,490	263,472	42,162	132,856
Unit of Development No. 43	68,450	26,828	-	41,622
Unit of Development No. 53	<u>4,931,104</u>	<u>3,923,144</u>	<u>-</u>	<u>1,007,960</u>
Total Contracts	<u><u>\$ 12,344,629</u></u>	<u><u>\$ 5,739,178</u></u>	<u><u>\$ 531,796</u></u>	<u><u>\$ 6,073,655</u></u>

NOTE 7 - DEFINED CONTRIBUTION PLAN

The Northern Palm Beach County Improvement District Simplified Employee Pension (SEP) Plan is a defined contribution pension plan established 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 \$402,314 for fiscal year ended September 30, 2023.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 - 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 \$200,000/\$300,000 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 9 - INTERLOCAL AGREEMENTS

The District has executed interlocal agreements with forty (40) 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 fiscal year ended September 30, 2023, the District received \$546,505 from the governmental entities including interest earnings, and spent \$628,622 on the NPDES application program. The cumulative excess of receipts over disbursements from inception of the NPDES application program through September 30, 2023 was \$272,472.

NOTE 10 - 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 management and the 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.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 – SUBSEQUENT EVENTS

CONSTRUCTION CONTRACTS

The District awarded the following construction contract subsequent to September 30, 2023:

Contract				Original
Award Date	Unit	Contractor	Project Description	Contract Amount
11/15/2023	43	CJ Contracting LLC	Mirasol Boardwalk Repair and Renovation Project	\$ 385,000

NOTE PROCEEDS

In December 2023, the District authorized issuance of a note in the principal amount of \$4,000,000 to finance major rehabilitation and replacement of capital assets within Units of Development Nos. 5A, 18, 21, and 29. The Note matures on August 1, 2033, and is due in equal installments of \$259,161 payable semiannually on February 1 and August 1 of each year, beginning February 1, 2024. The interest rate is 5.65%.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance from Final Positive (Negative)
	Original	Final	Actual	
Revenues				
Investment income	\$ -	\$ -	\$ 24,534	\$ 24,534
Miscellaneous	-	-	24,502	24,502
Total Revenues	-	-	49,036	49,036
Expenditures				
Current:				
Physical environment	4,691,091	4,691,091	4,344,535	346,556
Capital outlay	221,000	221,000	158,043	62,957
Debt service:				
Principal	18,199	18,199	18,199	-
Interest	2,325	2,325	2,331	(6)
Total Expenditures	4,932,615	4,932,615	4,523,108	409,507
(Deficiency) of Revenues over Expenditures	(4,932,615)	(4,932,615)	(4,474,072)	458,543
Other Financing Sources				
Transfers in	5,037,615	5,037,615	4,609,483	(428,132)
Proceeds from sales/disposals of capital assets	-	-	17,389	17,389
Total Other Financing Sources	5,037,615	5,037,615	4,626,872	(410,743)
Net Change in Fund Balance	105,000	105,000	152,800	47,800
Fund Balance - Beginning of Year	1,128,154	1,128,154	1,042,195	(85,959)
Fund Balance - End of Year	\$ 1,233,154	\$ 1,233,154	\$ 1,194,995	\$ (38,159)

See note to budgetary comparison schedule.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

NOTE TO BUDGETARY COMPARISON SCHEDULE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 June 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, 2023.
- 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 NONMAJOR FINANCIAL
STATEMENTS
(SUPPLEMENTARY INFORMATION)**

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 27,567,871	\$ 3,430,363	\$ 6,192,794	\$ 37,191,028
Receivables:				
Assessments	3,312,133	53,400,310	-	56,712,443
Interest	-	5,109	1,259	6,368
Accounts	140,875	45,677	-	186,552
Total Assets	<u>\$ 31,020,879</u>	<u>\$ 56,881,459</u>	<u>\$ 6,194,053</u>	<u>\$ 94,096,391</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 854,034	\$ -	\$ 1,266	\$ 855,300
Contracts and retainage payable	83,540	-	448,256	531,796
Advances from landowners	256,421	-	-	256,421
Unearned revenue	121,604	-	-	121,604
Total Liabilities	<u>1,315,599</u>	<u>-</u>	<u>449,522</u>	<u>1,765,121</u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	3,312,133	53,400,310	-	56,712,443
Total liabilities and deferred inflows of resources	<u>4,627,732</u>	<u>53,400,310</u>	<u>449,522</u>	<u>58,477,564</u>
Fund Balances				
Restricted	-	3,481,149	5,744,531	9,225,680
Committed	26,393,147	-	-	26,393,147
Total Fund Balances	<u>26,393,147</u>	<u>3,481,149</u>	<u>5,744,531</u>	<u>35,618,827</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 31,020,879</u>	<u>\$ 56,881,459</u>	<u>\$ 6,194,053</u>	<u>\$ 94,096,391</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT								
	1	2	2A	2C	3	3A	4	5	5A
Assets									
Cash and cash equivalents	\$ 214,752	\$ 522,279	\$ 370,744	\$ 566,794	\$ 480,582	\$ 432,088	\$ 859,146	\$ 803,689	\$ 843,281
Receivables:									
Assessments	-	-	-	-	-	-	-	2,333,227	-
Accounts	270	1,903	648	1,789	1,738	1,248	2,819	2,602	2,062
Total Assets	<u>\$ 215,022</u>	<u>\$ 524,182</u>	<u>\$ 371,392</u>	<u>\$ 568,583</u>	<u>\$ 482,320</u>	<u>\$ 433,336</u>	<u>\$ 861,965</u>	<u>\$ 3,139,518</u>	<u>\$ 845,343</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 4,104	\$ 10,061	\$ 2,933	\$ 12,150	\$ 18,808	\$ 9,083	\$ 66,556	\$ 3,314	\$ 5,422
Contracts and retainage payable	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	-	-	-	-
Unearned revenue	360	22,180	1,107	11,569	2,472	-	-	40	-
Total Liabilities	<u>4,464</u>	<u>32,241</u>	<u>4,040</u>	<u>23,719</u>	<u>21,280</u>	<u>9,083</u>	<u>66,556</u>	<u>3,354</u>	<u>5,422</u>
Deferred Inflows of Resources									
Unavailable revenue - special assessments	-	-	-	-	-	-	-	2,333,227	-
Total liabilities and deferred inflows of resources	<u>4,464</u>	<u>32,241</u>	<u>4,040</u>	<u>23,719</u>	<u>21,280</u>	<u>9,083</u>	<u>66,556</u>	<u>2,336,581</u>	<u>5,422</u>
Fund Balances									
Committed	210,558	491,941	367,352	544,864	461,040	424,253	795,409	802,937	839,921
Total Fund Balances	<u>210,558</u>	<u>491,941</u>	<u>367,352</u>	<u>544,864</u>	<u>461,040</u>	<u>424,253</u>	<u>795,409</u>	<u>802,937</u>	<u>839,921</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 215,022</u>	<u>\$ 524,182</u>	<u>\$ 371,392</u>	<u>\$ 568,583</u>	<u>\$ 482,320</u>	<u>\$ 433,336</u>	<u>\$ 861,965</u>	<u>\$ 3,139,518</u>	<u>\$ 845,343</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT								
	5B	5C	5D	7	9	9A	9B	11	12
Assets									
Cash and cash equivalents	\$ 188,885	\$ 271,989	\$ 273,496	\$ 410,454	\$ 371,884	\$ 1,230,185	\$ 964,648	\$ 2,530,591	\$ 196,540
Receivables:									
Assessments	-	-	-	-	-	-	-	552,312	-
Accounts	516	233	467	2,642	686	5,022	4,085	21,435	339
Total Assets	<u>\$ 189,401</u>	<u>\$ 272,222</u>	<u>\$ 273,963</u>	<u>\$ 413,096</u>	<u>\$ 372,570</u>	<u>\$ 1,235,207</u>	<u>\$ 968,733</u>	<u>\$ 3,104,338</u>	<u>\$ 196,879</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 1,953	\$ 183	\$ 1,341	\$ 3,660	\$ 5,404	\$ 47,800	\$ 33,579	\$ 147,994	\$ 630
Contracts and retainage payable	-	-	-	-	-	-	-	41,378	-
Advances from landowners	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	424	-	416	-	-	68
Total Liabilities	<u>1,953</u>	<u>183</u>	<u>1,341</u>	<u>4,084</u>	<u>5,404</u>	<u>48,216</u>	<u>33,579</u>	<u>189,372</u>	<u>698</u>
Deferred Inflows of Resources									
Unavailable revenue - special assessments	-	-	-	-	-	-	-	552,312	-
Total liabilities and deferred inflows of resources	<u>1,953</u>	<u>183</u>	<u>1,341</u>	<u>4,084</u>	<u>5,404</u>	<u>48,216</u>	<u>33,579</u>	<u>741,684</u>	<u>698</u>
Fund Balances									
Committed	187,448	272,039	272,622	409,012	367,166	1,186,991	935,154	2,362,654	196,181
Total Fund Balances	<u>187,448</u>	<u>272,039</u>	<u>272,622</u>	<u>409,012</u>	<u>367,166</u>	<u>1,186,991</u>	<u>935,154</u>	<u>2,362,654</u>	<u>196,181</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 189,401</u>	<u>\$ 272,222</u>	<u>\$ 273,963</u>	<u>\$ 413,096</u>	<u>\$ 372,570</u>	<u>\$ 1,235,207</u>	<u>\$ 968,733</u>	<u>\$ 3,104,338</u>	<u>\$ 196,879</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT						
	12A	14	15	16	18	19	19A 20
Assets							
Cash and cash equivalents	\$ 119,188	\$ 866,495	\$ 1,067,789	\$ 1,730,645	\$ 2,357,013	\$ 577,760	\$ 471,073 \$ 372,466
Receivables:							
Assessments	-	296,604	-	-	-	-	-
Accounts	126	4,156	4,767	10,717	33,141	2,631	212 1,147
Total Assets	<u>\$ 119,314</u>	<u>\$ 1,167,255</u>	<u>\$ 1,072,556</u>	<u>\$ 1,741,362</u>	<u>\$ 2,390,154</u>	<u>\$ 580,391</u>	<u>\$ 471,285 \$ 373,613</u>
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	\$ 472	\$ 47,192	\$ 47,828	\$ 33,173	\$ 86,517	\$ 19,812	\$ - \$ 2,841
Contracts and retainage payable	-	-	-	-	-	-	- 42,162
Advances from landowners	-	-	-	-	-	-	-
Unearned revenue	-	42,210	-	-	-	210	- 435
Total Liabilities	<u>472</u>	<u>89,402</u>	<u>47,828</u>	<u>33,173</u>	<u>86,517</u>	<u>20,022</u>	<u>- 45,438</u>
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	296,604	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>472</u>	<u>386,006</u>	<u>47,828</u>	<u>33,173</u>	<u>86,517</u>	<u>20,022</u>	<u>- 45,438</u>
Fund Balances							
Committed	118,842	781,249	1,024,728	1,708,189	2,303,637	560,369	471,285 328,175
Total Fund Balances	<u>118,842</u>	<u>781,249</u>	<u>1,024,728</u>	<u>1,708,189</u>	<u>2,303,637</u>	<u>560,369</u>	<u>471,285 328,175</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 119,314</u>	<u>\$ 1,167,255</u>	<u>\$ 1,072,556</u>	<u>\$ 1,741,362</u>	<u>\$ 2,390,154</u>	<u>\$ 580,391</u>	<u>\$ 471,285 \$ 373,613</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT								
	21	23	24	27B	29	31	32	32A	33
Assets									
Cash and cash equivalents	\$ 459,743	\$ 332,605	\$ 840,110	\$ 329,669	\$ 81,698	\$ 1,852,652	\$ 29,918	\$ 38,422	\$ 63,674
Receivables:									
Assessments	-	-	-	-	-	-	-	-	-
Accounts	2,567	1,570	1,222	906	245	3,488	104	28	91
Total Assets	<u>\$ 462,310</u>	<u>\$ 334,175</u>	<u>\$ 841,332</u>	<u>\$ 330,575</u>	<u>\$ 81,943</u>	<u>\$ 1,856,140</u>	<u>\$ 30,022</u>	<u>\$ 38,450</u>	<u>\$ 63,765</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 37,745	\$ 6,413	\$ 12,185	\$ 531	\$ 952	\$ 81,866	\$ 317	\$ 313	\$ 109
Contracts and retainage payable	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	221,907	-	-	-
Unearned revenue	190	130	73	350	-	620	-	-	-
Total Liabilities	<u>37,935</u>	<u>6,543</u>	<u>12,258</u>	<u>881</u>	<u>952</u>	<u>304,393</u>	<u>317</u>	<u>313</u>	<u>109</u>
Deferred Inflows of Resources									
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>37,935</u>	<u>6,543</u>	<u>12,258</u>	<u>881</u>	<u>952</u>	<u>304,393</u>	<u>317</u>	<u>313</u>	<u>109</u>
Fund Balances									
Committed	424,375	327,632	829,074	329,694	80,991	1,551,747	29,705	38,137	63,656
Total Fund Balances	<u>424,375</u>	<u>327,632</u>	<u>829,074</u>	<u>329,694</u>	<u>80,991</u>	<u>1,551,747</u>	<u>29,705</u>	<u>38,137</u>	<u>63,656</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 462,310</u>	<u>\$ 334,175</u>	<u>\$ 841,332</u>	<u>\$ 330,575</u>	<u>\$ 81,943</u>	<u>\$ 1,856,140</u>	<u>\$ 30,022</u>	<u>\$ 38,450</u>	<u>\$ 63,765</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT								
	34	38	41	43	44	45	46	47	49
Assets									
Cash and cash equivalents	\$ 281,642	\$ 354,486	\$ 38,512	\$ 1,162,112	\$ 519,038	\$ 582,398	\$ 291,660	\$ 445,274	\$ 224,067
Receivables:									
Assessments	129,990	-	-	-	-	-	-	-	-
Accounts	955	385	25	4,959	377	2,172	373	255	344
Total Assets	<u>\$ 412,587</u>	<u>\$ 354,871</u>	<u>\$ 38,537</u>	<u>\$ 1,167,071</u>	<u>\$ 519,415</u>	<u>\$ 584,570</u>	<u>\$ 292,033</u>	<u>\$ 445,529</u>	<u>\$ 224,411</u>
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts payable	\$ 5,471	\$ 7	\$ 3	\$ 52,317	\$ 1,065	\$ 26,063	\$ 62	\$ 510	\$ 10,238
Contracts and retainage payable	-	-	-	-	-	-	-	-	-
Advances from landowners	-	-	-	-	-	-	-	-	-
Unearned revenue	190	-	-	1,198	2,280	-	-	54	776
Total Liabilities	<u>5,661</u>	<u>7</u>	<u>3</u>	<u>53,515</u>	<u>3,345</u>	<u>26,063</u>	<u>62</u>	<u>564</u>	<u>11,014</u>
Deferred Inflows of Resources									
Unavailable revenue - special assessments	129,990	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>135,651</u>	<u>7</u>	<u>3</u>	<u>53,515</u>	<u>3,345</u>	<u>26,063</u>	<u>62</u>	<u>564</u>	<u>11,014</u>
Fund Balances									
Committed	276,936	354,864	38,534	1,113,556	516,070	558,507	291,971	444,965	213,397
Total Fund Balances	<u>276,936</u>	<u>354,864</u>	<u>38,534</u>	<u>1,113,556</u>	<u>516,070</u>	<u>558,507</u>	<u>291,971</u>	<u>444,965</u>	<u>213,397</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 412,587</u>	<u>\$ 354,871</u>	<u>\$ 38,537</u>	<u>\$ 1,167,071</u>	<u>\$ 519,415</u>	<u>\$ 584,570</u>	<u>\$ 292,033</u>	<u>\$ 445,529</u>	<u>\$ 224,411</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT			
	51	53	Common Area	Total
Assets				
Cash and cash equivalents	\$ 115,899	\$ 321,992	\$ 107,844	\$ 27,567,871
Receivables:				
Assessments	-	-	-	3,312,133
Accounts	217	510	12,681	140,875
Total Assets	<u>\$ 116,116</u>	<u>\$ 322,502</u>	<u>\$ 120,525</u>	<u>\$ 31,020,879</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 6	\$ 136	\$ 4,915	\$ 854,034
Contracts and retainage payable	-	-	-	83,540
Advances from landowners	-	34,514	-	256,421
Unearned revenue	-	34,252	-	121,604
Total Liabilities	<u>6</u>	<u>68,902</u>	<u>4,915</u>	<u>1,315,599</u>
Deferred Inflows of Resources				
Unavailable revenue - special assessments	-	-	-	3,312,133
Total liabilities and deferred inflows of resources	<u>6</u>	<u>68,902</u>	<u>4,915</u>	<u>4,627,732</u>
Fund Balances				
Committed	116,110	253,600	115,610	26,393,147
Total Fund Balances	<u>116,110</u>	<u>253,600</u>	<u>115,610</u>	<u>26,393,147</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 116,116</u>	<u>\$ 322,502</u>	<u>\$ 120,525</u>	<u>\$ 31,020,879</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT							
	2A	3A	5B	9A	9B	16	27B	43
Assets								
Cash and cash equivalents	\$ 43,854	\$ 53,620	\$ 21,532	\$ 782,029	\$ 888,888	\$ 100,134	\$ 46,273	\$ 500,710
Receivables:								
Assessments	3,120,000	1,480,000	760,718	10,532,668	7,140,000	2,680,000	1,845,000	8,920,000
Interest	32	44	16	-	2,985	55	34	4
Accounts	1,712	2,163	2,037	14,371	6,765	2,754	1,167	6,374
Total Assets	<u>\$ 3,165,598</u>	<u>\$ 1,535,827</u>	<u>\$ 784,303</u>	<u>\$ 11,329,068</u>	<u>\$ 8,038,638</u>	<u>\$ 2,782,943</u>	<u>\$ 1,892,474</u>	<u>\$ 9,427,088</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Deferred Inflows of Resources								
Unavailable revenue - special assessments	<u>\$ 3,120,000</u>	<u>\$ 1,480,000</u>	<u>\$ 760,718</u>	<u>\$ 10,532,668</u>	<u>\$ 7,140,000</u>	<u>\$ 2,680,000</u>	<u>\$ 1,845,000</u>	<u>\$ 8,920,000</u>
Total liabilities and deferred inflows of resources	<u>3,120,000</u>	<u>1,480,000</u>	<u>760,718</u>	<u>10,532,668</u>	<u>7,140,000</u>	<u>2,680,000</u>	<u>1,845,000</u>	<u>8,920,000</u>
Fund Balances								
Restricted	<u>45,598</u>	<u>55,827</u>	<u>23,585</u>	<u>796,400</u>	<u>898,638</u>	<u>102,943</u>	<u>47,474</u>	<u>507,088</u>
Total Fund Balances	<u>45,598</u>	<u>55,827</u>	<u>23,585</u>	<u>796,400</u>	<u>898,638</u>	<u>102,943</u>	<u>47,474</u>	<u>507,088</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,165,598</u>	<u>\$ 1,535,827</u>	<u>\$ 784,303</u>	<u>\$ 11,329,068</u>	<u>\$ 8,038,638</u>	<u>\$ 2,782,943</u>	<u>\$ 1,892,474</u>	<u>\$ 9,427,088</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS (CONTINUED)

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT			
	44	45	46	Total
Assets				
Cash and cash equivalents	\$ 144,186	\$ 87,076	\$ 762,061	\$ 3,430,363
Receivables:				
Assessments	4,200,000	2,291,924	10,430,000	53,400,310
Interest	75	-	1,864	5,109
Accounts	2,969	1,419	3,946	45,677
Total Assets	<u>\$ 4,347,230</u>	<u>\$ 2,380,419</u>	<u>\$ 11,197,871</u>	<u>\$ 56,881,459</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Deferred Inflows of Resources				
Unavailable revenue - special assessments	\$ 4,200,000	\$ 2,291,924	\$ 10,430,000	\$ 53,400,310
Total liabilities and deferred inflows of resources	<u>4,200,000</u>	<u>2,291,924</u>	<u>10,430,000</u>	<u>53,400,310</u>
Fund Balances				
Restricted	147,230	88,495	767,871	3,481,149
Total Fund Balances	<u>147,230</u>	<u>88,495</u>	<u>767,871</u>	<u>3,481,149</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,347,230</u>	<u>\$ 2,380,419</u>	<u>\$ 11,197,871</u>	<u>\$ 56,881,459</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT				
	2C	5	16	25	Total
Assets					
Cash and cash equivalents	\$ 2,832,566	\$ 2,391,179	\$ 948,305	\$ 20,744	\$ 6,192,794
Receivables:					
Interest	-	-	1,259	-	1,259
Total Assets	<u>\$ 2,832,566</u>	<u>\$ 2,391,179</u>	<u>\$ 949,564</u>	<u>\$ 20,744</u>	<u>\$ 6,194,053</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 1,266	\$ -	\$ -	\$ -	\$ 1,266
Contracts and retainage payable	140,409	2,193	305,654	-	448,256
Total Liabilities	<u>141,675</u>	<u>2,193</u>	<u>305,654</u>	<u>-</u>	<u>449,522</u>
Fund Balances					
Restricted	2,690,891	2,388,986	643,910	20,744	5,744,531
Total Fund Balances	<u>2,690,891</u>	<u>2,388,986</u>	<u>643,910</u>	<u>20,744</u>	<u>5,744,531</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,832,566</u>	<u>\$ 2,391,179</u>	<u>\$ 949,564</u>	<u>\$ 20,744</u>	<u>\$ 6,194,053</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Non-ad valorem assessments	\$ 17,475,899	\$ 8,879,834	\$ -	\$ 26,355,733
Intergovernmental revenues	298,274	-	-	298,274
Capital contributions from landowners	262,887	-	1,195,992	1,458,879
Investment income	853,380	246,551	172,696	1,272,627
Miscellaneous	309,546	-	-	309,546
Total Revenues	<u>19,199,986</u>	<u>9,126,385</u>	<u>1,368,688</u>	<u>29,695,059</u>
Expenditures				
Current:				
Physical environment	10,799,693	-	-	10,799,693
Capital outlay	1,789,486	-	1,224,640	3,014,126
Debt service:				
Principal	357,561	7,180,194	-	7,537,755
Interest	126,286	1,809,511	-	1,935,797
Other	-	41,415	-	41,415
Total Expenditures	<u>13,073,026</u>	<u>9,031,120</u>	<u>1,224,640</u>	<u>23,328,786</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,126,960</u>	<u>95,265</u>	<u>144,048</u>	<u>6,366,273</u>
Other Financing Sources (Uses)				
Transfers out	(4,545,112)	-	(41,866)	(4,586,978)
Total Other Financing Sources (Uses)	<u>(4,545,112)</u>	<u>-</u>	<u>(41,866)</u>	<u>(4,586,978)</u>
Net Change in Fund Balances	1,581,848	95,265	102,182	1,779,295
Fund Balances - Beginning of Year	<u>24,811,299</u>	<u>3,385,884</u>	<u>5,642,349</u>	<u>33,839,532</u>
Fund Balances - End of Year	<u>\$ 26,393,147</u>	<u>\$ 3,481,149</u>	<u>\$ 5,744,531</u>	<u>\$ 35,618,827</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT								
	1	2	2A	2C	3	3A	4	5	5A
Revenues									
Non-ad valorem assessments	\$124,157	\$370,791	\$124,804	\$344,254	\$354,344	\$228,346	\$556,491	\$504,256	\$331,442
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Capital contributions from landowners	-	-	-	-	11,430	-	-	-	-
Investment income	6,488	15,932	10,275	15,889	13,163	12,349	25,920	25,032	32,570
Miscellaneous	27,187	2,820	26,425	20,711	3,253	190	4,006	60	11,516
Total Revenues	<u>157,832</u>	<u>389,543</u>	<u>161,504</u>	<u>380,854</u>	<u>382,190</u>	<u>240,885</u>	<u>586,417</u>	<u>529,348</u>	<u>375,528</u>
Expenditures									
Current:									
Physical environment	66,372	104,883	29,487	150,269	129,168	92,592	186,002	40,139	543,521
Capital outlay	31,964	12,504	4,507	-	91,303	-	86,853	24,688	-
Debt service:									
Principal	-	-	-	-	-	-	-	66,773	-
Interest	-	-	-	-	-	-	-	85,661	-
Total Expenditures	<u>98,336</u>	<u>117,387</u>	<u>33,994</u>	<u>150,269</u>	<u>220,471</u>	<u>92,592</u>	<u>272,855</u>	<u>217,261</u>	<u>543,521</u>
Excess (Deficiency) of Revenues over Expenditures	<u>59,496</u>	<u>272,156</u>	<u>127,510</u>	<u>230,585</u>	<u>161,719</u>	<u>148,293</u>	<u>313,562</u>	<u>312,087</u>	<u>(167,993)</u>
Other Financing Sources (Uses)									
Transfers out	(63,292)	(169,789)	(60,340)	(95,442)	(103,557)	(59,621)	(175,450)	(127,211)	(142,591)
Total Other Financing Sources (Uses)	<u>(63,292)</u>	<u>(169,789)</u>	<u>(60,340)</u>	<u>(95,442)</u>	<u>(103,557)</u>	<u>(59,621)</u>	<u>(175,450)</u>	<u>(127,211)</u>	<u>(142,591)</u>
Net Change in Fund Balances	(3,796)	102,367	67,170	135,143	58,162	88,672	138,112	184,876	(310,584)
Fund Balances - Beginning of Year	<u>214,354</u>	<u>389,574</u>	<u>300,182</u>	<u>409,721</u>	<u>402,878</u>	<u>335,581</u>	<u>657,297</u>	<u>618,061</u>	<u>1,150,505</u>
Fund Balances - End of Year	<u>\$210,558</u>	<u>\$491,941</u>	<u>\$367,352</u>	<u>\$544,864</u>	<u>\$461,040</u>	<u>\$424,253</u>	<u>\$795,409</u>	<u>\$802,937</u>	<u>\$839,921</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT							
	5B	5C	5D	7	9	9A	9B	11
Revenues								
Non-ad valorem assessments	\$ 99,160	\$ 45,232	\$ 89,813	\$ 116,908	\$ 120,436	\$ 986,836	\$ 801,974	\$ 2,846,942
Intergovernmental revenues	4,702	-	3,004	4,513	-	-	-	11,922
Capital contributions from landowners	-	-	-	-	-	-	-	-
Investment income	5,743	7,235	7,794	11,579	10,452	38,554	30,778	97,750
Miscellaneous	199	199	100	7,132	689	12,378	423	34,567
Total Revenues	<u>109,804</u>	<u>52,666</u>	<u>100,711</u>	<u>140,132</u>	<u>131,577</u>	<u>1,037,768</u>	<u>833,175</u>	<u>2,991,181</u>
Expenditures								
Current:								
Physical environment	59,920	5,927	42,930	36,688	23,565	591,099	512,654	1,657,824
Capital outlay	-	376	-	20,785	3,208	59,512	50,237	700,527
Debt service:								
Principal	-	-	-	-	-	-	-	175,092
Interest	-	-	-	-	-	-	-	22,425
Total Expenditures	<u>59,920</u>	<u>6,303</u>	<u>42,930</u>	<u>57,473</u>	<u>26,773</u>	<u>650,611</u>	<u>562,891</u>	<u>2,555,868</u>
Excess (Deficiency) of Revenues over Expenditures	<u>49,884</u>	<u>46,363</u>	<u>57,781</u>	<u>82,659</u>	<u>104,804</u>	<u>387,157</u>	<u>270,284</u>	<u>435,313</u>
Other Financing Sources (Uses)								
Transfers out	(46,007)	(20,427)	(47,866)	(62,175)	(70,295)	(215,312)	(156,064)	(631,264)
Total Other Financing Sources (Uses)	<u>(46,007)</u>	<u>(20,427)</u>	<u>(47,866)</u>	<u>(62,175)</u>	<u>(70,295)</u>	<u>(215,312)</u>	<u>(156,064)</u>	<u>(631,264)</u>
Net Change in Fund Balances	3,877	25,936	9,915	20,484	34,509	171,845	114,220	(195,951)
Fund Balances - Beginning of Year	<u>183,571</u>	<u>246,103</u>	<u>262,707</u>	<u>388,528</u>	<u>332,657</u>	<u>1,015,146</u>	<u>820,934</u>	<u>2,558,605</u>
Fund Balances - End of Year	<u>\$187,448</u>	<u>\$272,039</u>	<u>\$272,622</u>	<u>\$409,012</u>	<u>\$367,166</u>	<u>\$1,186,991</u>	<u>\$935,154</u>	<u>\$2,362,654</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT							
	12	12A	14	15	16	18	19	19A
Revenues								
Non-ad valorem assessments	\$ 65,197	\$ 24,105	\$ 804,656	\$ 928,467	\$ 1,212,591	\$ 1,650,853	\$ 503,429	\$ 40,629
Intergovernmental revenues	-	-	4,284	-	-	253,897	-	-
Capital contributions from landowners	-	-	-	-	-	23,301	-	-
Investment income	5,601	3,189	29,261	32,911	50,076	71,110	17,980	12,794
Miscellaneous	3,339	-	33,763	5,190	76,224	2,901	6,705	-
Total Revenues	<u>74,137</u>	<u>27,294</u>	<u>871,964</u>	<u>966,568</u>	<u>1,338,891</u>	<u>2,002,062</u>	<u>528,114</u>	<u>53,423</u>
Expenditures								
Current:								
Physical environment	7,835	5,004	543,681	496,613	731,996	1,610,641	223,047	269
Capital outlay	4,224	-	23,030	55,590	4,112	32,876	84,144	63,775
Debt service:								
Principal	-	-	94,028	-	-	-	-	-
Interest	-	-	12,043	-	-	-	-	-
Total Expenditures	<u>12,059</u>	<u>5,004</u>	<u>672,782</u>	<u>552,203</u>	<u>736,108</u>	<u>1,643,517</u>	<u>307,191</u>	<u>64,044</u>
Excess (Deficiency) of Revenues over Expenditures	<u>62,078</u>	<u>22,290</u>	<u>199,182</u>	<u>414,365</u>	<u>602,783</u>	<u>358,545</u>	<u>220,923</u>	<u>(10,621)</u>
Other Financing Sources (Uses)								
Transfers out	(47,110)	(9,305)	(158,536)	(154,292)	(207,163)	(316,071)	(109,911)	(12,396)
Total Other Financing Sources (Uses)	<u>(47,110)</u>	<u>(9,305)</u>	<u>(158,536)</u>	<u>(154,292)</u>	<u>(207,163)</u>	<u>(316,071)</u>	<u>(109,911)</u>	<u>(12,396)</u>
Net Change in Fund Balances	14,968	12,985	40,646	260,073	395,620	42,474	111,012	(23,017)
Fund Balances - Beginning of Year	<u>181,213</u>	<u>105,857</u>	<u>740,603</u>	<u>764,655</u>	<u>1,312,569</u>	<u>2,261,163</u>	<u>449,357</u>	<u>494,302</u>
Fund Balances - End of Year	<u>\$ 196,181</u>	<u>\$ 118,842</u>	<u>\$ 781,249</u>	<u>\$ 1,024,728</u>	<u>\$ 1,708,189</u>	<u>\$ 2,303,637</u>	<u>\$ 560,369</u>	<u>\$ 471,285</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT							
	20	21	23	24	27B	29	31	32
Revenues								
Non-ad valorem assessments	\$ 231,249	\$ 496,191	\$ 309,094	\$ 235,247	\$ 174,262	\$ 47,117	\$ 668,972	\$ 19,909
Intergovernmental revenues	-	3,126	-	568	-	-	-	-
Capital contributions from landowners	-	136,531	-	-	-	-	-	-
Investment income	12,715	15,139	10,660	23,569	9,720	3,129	57,990	845
Miscellaneous	1,345	299	510	5,319	1,150	-	4,771	(180)
Total Revenues	<u>245,309</u>	<u>651,286</u>	<u>320,264</u>	<u>264,703</u>	<u>185,132</u>	<u>50,246</u>	<u>731,733</u>	<u>20,574</u>
Expenditures								
Current:								
Physical environment	20,335	429,200	168,680	152,645	67,546	126,514	859,097	3,964
Capital outlay	235,784	9,661	1,343	596	739	180	126,977	76
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	<u>256,119</u>	<u>438,861</u>	<u>170,023</u>	<u>153,241</u>	<u>68,285</u>	<u>126,694</u>	<u>986,074</u>	<u>4,040</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10,810)</u>	<u>212,425</u>	<u>150,241</u>	<u>111,462</u>	<u>116,847</u>	<u>(76,448)</u>	<u>(254,341)</u>	<u>16,534</u>
Other Financing Sources (Uses)								
Transfers out	(40,132)	(187,387)	(78,115)	(102,045)	(50,714)	(27,433)	(207,660)	(6,011)
Total Other Financing Sources (Uses)	<u>(40,132)</u>	<u>(187,387)</u>	<u>(78,115)</u>	<u>(102,045)</u>	<u>(50,714)</u>	<u>(27,433)</u>	<u>(207,660)</u>	<u>(6,011)</u>
Net Change in Fund Balances	(50,942)	25,038	72,126	9,417	66,133	(103,881)	(462,001)	10,523
Fund Balances - Beginning of Year	<u>379,117</u>	<u>399,337</u>	<u>255,506</u>	<u>819,657</u>	<u>263,561</u>	<u>184,872</u>	<u>2,013,748</u>	<u>19,182</u>
Fund Balances - End of Year	<u>\$ 328,175</u>	<u>\$ 424,375</u>	<u>\$ 327,632</u>	<u>\$ 829,074</u>	<u>\$ 329,694</u>	<u>\$ 80,991</u>	<u>\$ 1,551,747</u>	<u>\$ 29,705</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT								
	32A	33	34	38	41	43	44	45	46
Revenues									
Non-ad valorem assessments	\$ 5,256	\$ 16,365	\$182,006	\$ 73,302	\$ 4,792	\$ 954,634	\$ 72,818	\$ 415,348	\$ 39,122
Intergovernmental revenues	-	-	-	-	-	12,258	-	-	-
Capital contributions from landowners	-	-	-	-	-	-	-	-	-
Investment income	1,028	1,795	8,877	9,309	1,049	36,848	14,586	16,507	7,723
Miscellaneous	-	-	810	-	-	1,312	1,366	-	120
Total Revenues	<u>6,284</u>	<u>18,160</u>	<u>191,693</u>	<u>82,611</u>	<u>5,841</u>	<u>1,005,052</u>	<u>88,770</u>	<u>431,855</u>	<u>46,965</u>
Expenditures									
Current:									
Physical environment	3,430	5,829	63,885	555	1,360	669,260	66,768	119,857	2,319
Capital outlay	-	108	127	135	53	53,375	270	442	1,130
Debt service:									
Principal	-	-	21,668	-	-	-	-	-	-
Interest	-	-	6,157	-	-	-	-	-	-
Total Expenditures	<u>3,430</u>	<u>5,937</u>	<u>91,837</u>	<u>690</u>	<u>1,413</u>	<u>722,635</u>	<u>67,038</u>	<u>120,299</u>	<u>3,449</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,854</u>	<u>12,223</u>	<u>99,856</u>	<u>81,921</u>	<u>4,428</u>	<u>282,417</u>	<u>21,732</u>	<u>311,556</u>	<u>43,516</u>
Other Financing Sources (Uses)									
Transfers out	(889)	(8,469)	(66,294)	(20,868)	(4,381)	(247,223)	(42,159)	(81,189)	(20,575)
Total Other Financing Sources (Uses)	<u>(889)</u>	<u>(8,469)</u>	<u>(66,294)</u>	<u>(20,868)</u>	<u>(4,381)</u>	<u>(247,223)</u>	<u>(42,159)</u>	<u>(81,189)</u>	<u>(20,575)</u>
Net Change in Fund Balances	1,965	3,754	33,562	61,053	47	35,194	(20,427)	230,367	22,941
Fund Balances - Beginning of Year	<u>36,172</u>	<u>59,902</u>	<u>243,374</u>	<u>293,811</u>	<u>38,487</u>	<u>1,078,362</u>	<u>536,497</u>	<u>328,140</u>	<u>269,030</u>
Fund Balances - End of Year	<u>\$ 38,137</u>	<u>\$ 63,656</u>	<u>\$276,936</u>	<u>\$354,864</u>	<u>\$38,534</u>	<u>\$ 1,113,556</u>	<u>\$516,070</u>	<u>\$ 558,507</u>	<u>\$291,971</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT					Total
	47	49	51	53	Common Area	
Revenues						
Non-ad valorem assessments	\$ 48,770	\$ 65,644	\$ 41,433	\$ 98,255	\$ -	\$ 17,475,899
Intergovernmental revenues	-	-	-	-	-	298,274
Capital contributions from landowners	-	-	-	-	91,625	262,887
Investment income	11,698	6,252	3,061	7,691	2,764	853,380
Miscellaneous	2,129	8,482	-	2,136	-	309,546
Total Revenues	<u>62,597</u>	<u>80,378</u>	<u>44,494</u>	<u>108,082</u>	<u>94,389</u>	<u>19,199,986</u>
Expenditures						
Current:						
Physical environment	7,923	48,096	312	6,922	83,070	10,799,693
Capital outlay	1,955	105	106	2,109	-	1,789,486
Debt service:						
Principal	-	-	-	-	-	357,561
Interest	-	-	-	-	-	126,286
Total Expenditures	<u>9,878</u>	<u>48,201</u>	<u>418</u>	<u>9,031</u>	<u>83,070</u>	<u>13,073,026</u>
Excess (Deficiency) of Revenues over Expenditures	<u>52,719</u>	<u>32,177</u>	<u>44,076</u>	<u>99,051</u>	<u>11,319</u>	<u>6,126,960</u>
Other Financing Sources (Uses)						
Transfers out	(25,325)	(26,335)	(9,147)	(29,082)	(2,192)	(4,545,112)
Total Other Financing Sources (Uses)	<u>(25,325)</u>	<u>(26,335)</u>	<u>(9,147)</u>	<u>(29,082)</u>	<u>(2,192)</u>	<u>(4,545,112)</u>
Net Change in Fund Balances	27,394	5,842	34,929	69,969	9,127	1,581,848
Fund Balances - Beginning of Year	<u>417,571</u>	<u>207,555</u>	<u>81,181</u>	<u>183,631</u>	<u>106,483</u>	<u>24,811,299</u>
Fund Balances - End of Year	<u>\$ 444,965</u>	<u>\$ 213,397</u>	<u>\$ 116,110</u>	<u>\$ 253,600</u>	<u>\$ 115,610</u>	<u>\$ 26,393,147</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT							
	2A	3A	5B	9A	9B	16	27B	43
Revenues								
Non-ad valorem assessments	\$ 329,654	\$ 415,580	\$ 391,595	\$ 2,786,368	\$ 1,351,313	\$ 544,490	\$ 224,588	\$ 1,229,953
Investment income	7,476	9,314	8,373	52,950	59,379	13,559	5,744	29,401
Total Revenues	<u>337,130</u>	<u>424,894</u>	<u>399,968</u>	<u>2,839,318</u>	<u>1,410,692</u>	<u>558,049</u>	<u>230,332</u>	<u>1,259,354</u>
Expenditures								
Debt service:								
Principal	270,000	325,000	367,959	2,446,674	1,045,000	490,000	180,000	995,000
Interest	83,921	97,019	25,170	384,970	303,925	76,397	40,298	245,892
Other	1,552	1,961	1,847	13,030	6,134	2,497	1,058	5,779
Total Expenditures	<u>355,473</u>	<u>423,980</u>	<u>394,976</u>	<u>2,844,674</u>	<u>1,355,059</u>	<u>568,894</u>	<u>221,356</u>	<u>1,246,671</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(18,343)</u>	<u>914</u>	<u>4,992</u>	<u>(5,356)</u>	<u>55,633</u>	<u>(10,845)</u>	<u>8,976</u>	<u>12,683</u>
Net Change in Fund Balances	<u>(18,343)</u>	<u>914</u>	<u>4,992</u>	<u>(5,356)</u>	<u>55,633</u>	<u>(10,845)</u>	<u>8,976</u>	<u>12,683</u>
Fund Balances - Beginning of Year	<u>63,941</u>	<u>54,913</u>	<u>18,593</u>	<u>801,756</u>	<u>843,005</u>	<u>113,788</u>	<u>38,498</u>	<u>494,405</u>
Fund Balances - End of Year	<u>\$ 45,598</u>	<u>\$ 55,827</u>	<u>\$ 23,585</u>	<u>\$ 796,400</u>	<u>\$ 898,638</u>	<u>\$ 102,943</u>	<u>\$ 47,474</u>	<u>\$ 507,088</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT			
	44	45	46	Total
Revenues				
Non-ad valorem assessments	\$ 574,136	\$ 271,409	\$ 760,748	\$ 8,879,834
Investment income	14,124	5,440	40,791	246,551
Total Revenues	<u>588,260</u>	<u>276,849</u>	<u>801,539</u>	<u>9,126,385</u>
Expenditures				
Debt service:				
Principal	445,000	190,561	425,000	7,180,194
Interest	105,496	82,735	363,688	1,809,511
Other	2,692	1,287	3,578	41,415
Total Expenditures	<u>553,188</u>	<u>274,583</u>	<u>792,266</u>	<u>9,031,120</u>
Excess (Deficiency) of Revenues over Expenditures	<u>35,072</u>	<u>2,266</u>	<u>9,273</u>	<u>95,265</u>
Net Change in Fund Balances	35,072	2,266	9,273	95,265
Fund Balances - Beginning of Year	<u>112,158</u>	<u>86,229</u>	<u>758,598</u>	<u>3,385,884</u>
Fund Balances - End of Year	<u>\$ 147,230</u>	<u>\$ 88,495</u>	<u>\$ 767,871</u>	<u>\$ 3,481,149</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UNIT OF DEVELOPMENT				
	2C	5	16	25	Total
Revenues					
Capital contributions from landowners	\$ 605,986	\$ -	\$ 590,006	\$ -	\$ 1,195,992
Investment income	71,875	62,031	38,254	536	172,696
Total Revenues	<u>677,861</u>	<u>62,031</u>	<u>628,260</u>	<u>536</u>	<u>1,368,688</u>
Expenditures					
Capital outlay	438,503	53,386	732,751	-	1,224,640
Total Expenditures	<u>438,503</u>	<u>53,386</u>	<u>732,751</u>	<u>-</u>	<u>1,224,640</u>
Excess (Deficiency) of Revenues over Expenditures	<u>239,358</u>	<u>8,645</u>	<u>(104,491)</u>	<u>536</u>	<u>144,048</u>
Other Financing Sources (Uses)					
Transfers out	(27,569)	-	(14,297)	-	(41,866)
Total Other Financing Sources (Uses)	<u>(27,569)</u>	<u>-</u>	<u>(14,297)</u>	<u>-</u>	<u>(41,866)</u>
Net Change in Fund Balances	211,789	8,645	(118,788)	536	102,182
Fund Balances - Beginning of Year	<u>2,479,102</u>	<u>2,380,341</u>	<u>762,698</u>	<u>20,208</u>	<u>5,642,349</u>
Fund Balances - End of Year	<u>\$ 2,690,891</u>	<u>\$ 2,388,986</u>	<u>\$ 643,910</u>	<u>\$ 20,744</u>	<u>\$ 5,744,531</u>

**OTHER SUPPLEMENTARY FINANCIAL
DATA AND SCHEDULES
(SUPPLEMENTARY INFORMATION)**

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

COMBINED SCHEDULE OF DEBT PAYABLE

SEPTEMBER 30, 2023

<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>Issued</u>	<u>Cumulative Retirements</u>	<u>Outstanding</u>
<u>Unit of Development No.</u>							
2A Water Control and Improvement Refunding Bonds, Series 2023	2.06%	5/3/2023	8/1/2033	Exhibit A-1	\$3,390,000	\$ 270,000	\$ 3,120,000
2C Water Control and Improvement Bonds, Series 2014	4.50%-5.20%	11/13/2014	8/1/2046	Exhibit A-2	59,380,000	7,295,000	52,085,000
2C Water Control and Improvement Bonds, Series 2017	4.00%-5.00%	6/21/2017	8/1/2046	Exhibit A-3	23,495,000	2,330,000	21,165,000
3A Water Control and Improvement Refunding Bonds, Series 2004B	5.375%	3/31/2004	8/1/2027	Exhibit A-4	3,670,000	2,190,000	1,480,000
5 Promissory Note	3.53%	7/27/2022	8/1/2032	Exhibit A-5	2,400,000	66,773	2,333,227
5B Water Control and Improvement Refunding Bonds, Series 2015	2.23%	5/15/2015	8/1/2025	Exhibit A-6	3,473,198	2,712,480	760,718
9A Promissory Note	2.96%	5/3/2013	8/1/2027	Exhibit A-7	32,064,999	21,532,330	10,532,669
9B Water Control and Improvement Refunding Bonds, Series 2015	3.00%-5.00%	5/14/2015	8/1/2029	Exhibit A-8	14,460,000	7,320,000	7,140,000
16 Water Control and Improvement Refunding Bonds, Series 2021	2.41%	12/28/2021	8/1/2032	Exhibit A-9	3,275,000	595,000	2,680,000
27B Water Control and Improvement Refunding Bonds, Series 2021	1.99%	12/28/2021	8/1/2032	Exhibit A-10	2,205,000	360,000	1,845,000
	4.00%, Recalculated at put option date on 11/20/2024	11/20/2014	8/1/2029	Exhibit A-11	325,000	195,010	129,990
34 Promissory Note							
43 Water Control and Improvement Refunding Bonds, Series 2017B	2.48%	8/1/2017	8/1/2031	Exhibit A-12	11,465,000	2,545,000	8,920,000
44 Water Control and Improvement Refunding Bonds, Series 2021A	2.71%	12/28/2021	8/1/2024	Exhibit A-13	625,000	465,000	160,000
44 Water Control and Improvement Refunding Bonds, Series 2021B	2.22%	12/28/2021	8/1/2031	Exhibit A-14	4,160,000	120,000	4,040,000
45 Promissory Note	3.33%	5/27/2016	8/1/2033	Exhibit A-15	3,503,598	1,211,674	2,291,924
46 Water Control and Improvement Refunding Bonds, Series 2016A	2.50%-3.625%	8/25/2016	8/1/2041	Exhibit A-16	11,930,000	1,500,000	10,430,000
53 Water Control and Improvement Bonds, Series 2015	4.65%-5.50%	12/17/2015	8/1/2046	Exhibit A-17	24,785,000	2,235,000	22,550,000
53 Water Control and Improvement Bonds, Series 2018	4.5%-5.625%	10/25/2018	8/1/2049	Exhibit A-18	10,975,000	675,000	10,300,000
53 Water Control and Improvement Bonds, Series 2021	2.3%-4.0%	3/26/2021	8/1/2051	Exhibit A-19	10,700,000	445,000	10,255,000
11 & 14 Promissory Note	3.075%	11/16/2011	8/1/2026	Exhibit A-20	3,950,000	3,043,680	906,320
Totals					<u>\$ 230,231,795</u>	<u>\$ 57,106,947</u>	<u>\$ 173,124,848</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,390,000

Water Control and Improvement Refunding Bonds, Series 2023

Unit of Development No. 2A

Dated May 3, 2023

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 275,000	\$ 64,272	\$ 339,272
2025	285,000	58,607	343,607
2026	295,000	52,736	347,736
2027	300,000	46,659	346,659
2028	305,000	40,479	345,479
2029	315,000	34,196	349,196
2030	320,000	27,707	347,707
2031	335,000	21,115	356,115
2032	340,000	14,214	354,214
2033	<u>350,000</u>	<u>7,210</u>	<u>357,210</u>
Totals	<u>\$3,120,000</u>	<u>\$ 367,195</u>	<u>\$ 3,487,195</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$59,380,000

Water Control and Improvement Bonds, Series 2014

Unit of Development No. 2C

Dated November 13, 2014

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 1,240,000	\$ 2,610,050	\$ 3,850,050
2025	1,300,000	2,554,250	3,854,250
2026	1,365,000	2,489,250	3,854,250
2027	1,435,000	2,421,000	3,856,000
2028	1,505,000	2,349,250	3,854,250
2029	1,590,000	2,274,000	3,864,000
2030	1,670,000	2,194,500	3,864,500
2031	1,750,000	2,111,000	3,861,000
2032	1,845,000	2,023,500	3,868,500
2033	1,935,000	1,931,250	3,866,250
2034	2,035,000	1,834,500	3,869,500
2035	2,140,000	1,732,750	3,872,750
2036	2,250,000	1,625,350	3,875,350
2037	2,370,000	1,512,040	3,882,040
2038	2,490,000	1,392,680	3,882,680
2039	2,620,000	1,267,270	3,887,270
2040	2,755,000	1,135,330	3,890,330
2041	2,900,000	996,590	3,896,590
2042	3,045,000	850,550	3,895,550
2043	3,205,000	697,210	3,902,210
2044	3,370,000	535,810	3,905,810
2045	3,545,000	366,100	3,911,100
2046	<u>3,725,000</u>	<u>187,580</u>	<u>3,912,580</u>
Totals	<u>\$ 52,085,000</u>	<u>\$ 37,091,810</u>	<u>\$ 89,176,810</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$23,495,000

Water Control and Improvement Bonds, Series 2017

Unit of Development No. 2C

Dated June 21, 2017

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 520,000	\$ 1,036,150	\$ 1,556,150
2025	540,000	1,015,350	1,555,350
2026	565,000	993,750	1,558,750
2027	585,000	971,150	1,556,150
2028	615,000	947,750	1,562,750
2029	645,000	917,000	1,562,000
2030	680,000	884,750	1,564,750
2031	710,000	850,750	1,560,750
2032	750,000	815,250	1,565,250
2033	785,000	777,750	1,562,750
2034	825,000	738,500	1,563,500
2035	870,000	697,250	1,567,250
2036	915,000	653,750	1,568,750
2037	960,000	608,000	1,568,000
2038	1,010,000	560,000	1,570,000
2039	1,060,000	509,500	1,569,500
2040	1,115,000	456,500	1,571,500
2041	1,175,000	400,750	1,575,750
2042	1,235,000	342,000	1,577,000
2043	1,295,000	280,250	1,575,250
2044	1,365,000	215,500	1,580,500
2045	1,435,000	147,250	1,582,250
2046	<u>1,510,000</u>	<u>75,500</u>	<u>1,585,500</u>
Totals	<u>\$21,165,000</u>	<u>\$ 14,894,400</u>	<u>\$ 36,059,400</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,670,000

Water Control and Improvement Refunding Bonds, Series 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>
2024	\$ 340,000	\$ 79,550	\$ 419,550
2025	360,000	61,275	421,275
2026	380,000	41,925	421,925
2027	<u>400,000</u>	<u>21,500</u>	<u>421,500</u>
Totals	<u>\$1,480,000</u>	<u>\$ 204,250</u>	<u>\$ 1,684,250</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$2,400,000

Promissory Note

Unit of Development No. 5

Dated July 27, 2022

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 224,469	\$ 80,399	\$ 304,868
2025	232,462	72,406	304,868
2026	240,741	64,127	304,868
2027	249,314	55,554	304,868
2028	258,192	46,676	304,868
2029	267,387	37,481	304,868
2030	276,909	27,959	304,868
2031	286,770	18,098	304,868
2032	<u>296,983</u>	<u>7,886</u>	<u>304,869</u>
Totals	<u><u>\$2,333,227</u></u>	<u><u>\$ 410,586</u></u>	<u><u>\$ 2,743,813</u></u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,473,198

Water Control and Improvement Refunding Bonds, Series 2015

Unit of Development No. 5B

Dated May 15, 2015

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 376,165	\$ 16,964	\$ 393,129
2025	<u>384,553</u>	<u>8,576</u>	<u>393,129</u>
Totals	<u>\$ 760,718</u>	<u>\$ 25,540</u>	<u>\$ 786,258</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

**\$32,064,999
Promissory Note
Unit of Development No. 9A
Dated May 3, 2013**

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	\$ 2,519,096	\$ 311,767	\$ 2,830,863
2025	2,593,661	237,202	2,830,863
2026	2,670,433	160,429	2,830,862
2027	<u>2,749,479</u>	<u>81,385</u>	<u>2,830,864</u>
Totals	<u>\$ 10,532,669</u>	<u>\$ 790,783</u>	<u>\$ 11,323,452</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$14,460,000

Water Control and Improvement Refunding Bonds, Series 2015

Unit of Development No. 9B

Dated May 14, 2015

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	\$ 1,095,000	\$ 251,675	\$ 1,346,675
2025	1,135,000	196,925	1,331,925
2026	1,175,000	162,875	1,337,875
2027	1,205,000	126,156	1,331,156
2028	1,245,000	86,994	1,331,994
2029	<u>1,285,000</u>	<u>44,975</u>	<u>1,329,975</u>
Totals	<u><u>\$ 7,140,000</u></u>	<u><u>\$ 869,600</u></u>	<u><u>\$ 8,009,600</u></u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,275,000

Water Control and Improvement Refunding Bonds, Series 2021

Unit of Development No. 16

Dated December 28, 2021

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 510,000	\$ 64,588	\$ 574,588
2025	235,000	52,297	287,297
2026	250,000	46,634	296,634
2027	255,000	40,609	295,609
2028	260,000	34,463	294,463
2029	275,000	28,197	303,197
2030	290,000	21,570	311,570
2031	295,000	14,581	309,581
2032	<u>310,000</u>	<u>7,471</u>	<u>317,471</u>
Totals	<u><u>\$2,680,000</u></u>	<u><u>\$ 310,410</u></u>	<u><u>\$ 2,990,410</u></u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$2,205,000

Water Control and Improvement Refunding Bonds, Series 2021

Unit of Development No. 27B

Dated December 28, 2021

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 185,000	\$ 36,716	\$ 221,716
2025	190,000	33,034	223,034
2026	200,000	29,253	229,253
2027	200,000	25,273	225,273
2028	205,000	21,293	226,293
2029	210,000	17,214	227,214
2030	215,000	13,035	228,035
2031	220,000	8,756	228,756
2032	<u>220,000</u>	<u>4,378</u>	<u>224,378</u>
Totals	<u><u>\$1,845,000</u></u>	<u><u>\$ 188,952</u></u>	<u><u>\$ 2,033,952</u></u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$325,000

Promissory Note

Unit of Development No. 34

Dated November 20, 2014

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 21,668	\$ 5,200	\$ 26,868
2025*	21,668	4,333	26,001
2026*	21,668	3,466	25,134
2027*	21,667	2,600	24,267
2028*	21,667	1,733	23,400
2029*	<u>21,652</u>	<u>866</u>	<u>22,518</u>
Totals	<u>\$ 129,990</u>	<u>\$ 18,198</u>	<u>\$ 148,188</u>

*Interest to be recalculated at put option on 11/20/2024.

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$11,465,000

Water Control and Improvement Refunding Bonds, Series 2017B

Unit of Development No. 43

Dated August 1, 2017

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 1,020,000	\$ 221,216	\$ 1,241,216
2025	1,045,000	195,920	1,240,920
2026	1,075,000	170,004	1,245,004
2027	1,100,000	143,344	1,243,344
2028	1,125,000	116,064	1,241,064
2029	1,155,000	88,164	1,243,164
2030	1,185,000	59,520	1,244,520
2031	<u>1,215,000</u>	<u>30,132</u>	<u>1,245,132</u>
Totals	<u>\$ 8,920,000</u>	<u>\$ 1,024,364</u>	<u>\$ 9,944,364</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$625,000

Water Control and Improvement Refunding Bonds, Series 2021A

Unit of Development No. 44

Dated December 28, 2021

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	<u>160,000</u>	<u>4,336</u>	<u>164,336</u>
Totals	<u>\$ 160,000</u>	<u>\$ 4,336</u>	<u>\$ 164,336</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$4,160,000

Water Control and Improvement Refunding Bonds, Series 2021B

Unit of Development No. 44

Dated December 28, 2021

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 300,000	\$ 89,688	\$ 389,688
2025	480,000	83,028	563,028
2026	500,000	72,372	572,372
2027	515,000	61,272	576,272
2028	530,000	49,839	579,839
2029	550,000	38,073	588,073
2030	570,000	25,863	595,863
2031	<u>595,000</u>	<u>13,209</u>	<u>608,209</u>
Totals	<u>\$4,040,000</u>	<u>\$ 433,344</u>	<u>\$ 4,473,344</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,503,598

Promissory Note

Unit of Development No. 45

Dated May 27, 2016

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	\$ 196,907	\$ 76,321	\$ 273,228
2025	203,464	69,764	273,228
2026	210,239	62,989	273,228
2027	217,240	55,988	273,228
2028	224,474	48,754	273,228
2029	231,949	41,279	273,228
2030	239,673	33,555	273,228
2031	247,654	25,574	273,228
2032	255,901	17,327	273,228
2033	<u>264,423</u>	<u>8,805</u>	<u>273,228</u>
Totals	<u>\$2,291,924</u>	<u>\$ 440,356</u>	<u>\$ 2,732,280</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$11,930,000

Water Control and Improvement Refunding Bonds, Series 2016A

Unit of Development No. 46

Dated August 25, 2016

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2024	\$ 435,000	\$ 350,938	\$ 785,938
2025	445,000	340,063	785,063
2026	460,000	328,938	788,938
2027	470,000	315,138	785,138
2028	490,000	301,038	791,038
2029	505,000	285,113	790,113
2030	520,000	268,700	788,700
2031	540,000	251,800	791,800
2032	555,000	234,250	789,250
2033	575,000	214,825	789,825
2034	595,000	194,700	789,700
2035	620,000	173,875	793,875
2036	640,000	152,175	792,175
2037	670,000	129,775	799,775
2038	690,000	105,488	795,488
2039	720,000	80,475	800,475
2040	745,000	54,375	799,375
2041	<u>755,000</u>	<u>27,369</u>	<u>782,369</u>
Totals	<u>\$10,430,000</u>	<u>\$ 3,809,035</u>	<u>\$14,239,035</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$24,785,000

Water Control and Improvement Bonds, Series 2015

Unit of Development No. 53

Dated December 17, 2015

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	\$ 515,000	\$ 1,220,355	\$ 1,735,355
2025	540,000	1,196,408	1,736,408
2026	565,000	1,171,298	1,736,298
2027	595,000	1,141,070	1,736,070
2028	630,000	1,109,238	1,739,238
2029	665,000	1,075,533	1,740,533
2030	700,000	1,039,955	1,739,955
2031	740,000	1,002,505	1,742,505
2032	780,000	962,915	1,742,915
2033	825,000	921,185	1,746,185
2034	870,000	877,048	1,747,048
2035	915,000	830,503	1,745,503
2036	965,000	781,550	1,746,550
2037	1,020,000	728,475	1,748,475
2038	1,080,000	672,375	1,752,375
2039	1,140,000	612,975	1,752,975
2040	1,205,000	550,275	1,755,275
2041	1,275,000	484,000	1,759,000
2042	1,345,000	413,875	1,758,875
2043	1,420,000	339,900	1,759,900
2044	1,500,000	261,800	1,761,800
2045	1,585,000	179,300	1,764,300
2046	<u>1,675,000</u>	<u>92,125</u>	<u>1,767,125</u>
Totals	<u>\$22,550,000</u>	<u>\$17,664,663</u>	<u>\$ 40,214,663</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$10,975,000

Water Control and Improvement Bonds, Series 2018

Unit of Development No. 53

Dated October 25, 2018

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	\$ 190,000	\$ 564,888	\$ 754,888
2025	200,000	556,338	756,338
2026	210,000	546,588	756,588
2027	220,000	536,350	756,350
2028	230,000	525,625	755,625
2029	240,000	514,413	754,413
2030	255,000	502,713	757,713
2031	265,000	488,688	753,688
2032	280,000	474,113	754,113
2033	300,000	458,713	758,713
2034	315,000	442,213	757,213
2035	335,000	424,888	759,888
2036	350,000	406,463	756,463
2037	370,000	387,213	757,213
2038	395,000	366,863	761,863
2039	415,000	345,138	760,138
2040	440,000	322,313	762,313
2041	465,000	297,563	762,563
2042	490,000	271,406	761,406
2043	520,000	243,844	763,844
2044	550,000	214,594	764,594
2045	580,000	183,656	763,656
2046	615,000	151,031	766,031
2047	650,000	116,438	766,438
2048	690,000	79,875	769,875
2049	<u>730,000</u>	<u>41,063</u>	<u>771,063</u>
Totals	<u>\$ 10,300,000</u>	<u>\$ 9,462,990</u>	<u>\$ 19,762,990</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$10,700,000

Water Control and Improvement Bonds, Series 2021

Unit of Development No. 53

Dated March 26, 2021

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	\$ 230,000	\$ 364,998	\$ 594,998
2025	235,000	359,708	594,708
2026	240,000	354,303	594,303
2027	245,000	348,783	593,783
2028	255,000	341,739	596,739
2029	260,000	334,408	594,408
2030	270,000	326,933	596,933
2031	280,000	319,170	599,170
2032	285,000	311,120	596,120
2033	295,000	301,288	596,288
2034	305,000	291,110	596,110
2035	320,000	280,588	600,588
2036	330,000	269,548	599,548
2037	340,000	258,163	598,163
2038	350,000	246,433	596,433
2039	365,000	234,358	599,358
2040	380,000	221,765	601,765
2041	390,000	208,655	598,655
2042	405,000	195,200	600,200
2043	420,000	179,000	599,000
2044	440,000	162,200	602,200
2045	455,000	144,600	599,600
2046	475,000	126,400	601,400
2047	495,000	107,400	602,400
2048	515,000	87,600	602,600
2049	535,000	67,000	602,000
2050	560,000	45,600	605,600
2051	<u>580,000</u>	<u>23,200</u>	<u>603,200</u>
Totals	<u>\$ 10,255,000</u>	<u>\$ 6,511,270</u>	<u>\$ 16,766,270</u>

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

\$3,950,000

Promissory Note

Units of Development No. 11 & 14

Dated November 16, 2011

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2024	\$ 294,588	\$ 27,869	\$ 322,457
2025	302,041	18,810	320,851
2026	<u>309,691</u>	<u>9,523</u>	<u>319,214</u>
Totals	<u>\$ 906,320</u>	<u>\$ 56,202</u>	<u>\$ 962,522</u>

OTHER INFORMATION (UNAUDITED)

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT

Exhibit 1

Data Elements As Required By Section 218.39(3)(c), Florida Statutes, and Sections 10.554(1)(i)6 and 10.554(1)(i)(7), Rules of the Auditor General (Unaudited)

<u>Element</u>	<u>Comments</u>	
Number of district employees compensated at 9/30/2023	24	
Number of independent contractors compensated in September 2023	9	
Employee compensation for FYE 9/30/2023 (paid/accrued)	\$2,404,753	
Independent contractor compensation for FYE 9/30/2023	\$946,125	
Construction projects that began on or after October 1; (>\$65k)		
	Expenditures	
	(including	
	accruals)	
	through	
	Total Amount	September
	Authorized	30, 2023
<u>Description</u>		
BallenIsles De-silt and TV	\$226,850	\$226,850
Ibis De-silt and TV	\$138,666	\$138,666
PRJ 633 Unit 16 PBPOC Venture Way Extension Project	\$989,049	\$702,395
U11 Ryder Cup Blvd Pedestrian Crossings	\$78,048	\$39,298
Emergency sink hole repair in Unit 29	\$90,500	\$90,500
Avenue of the Masters Milling and Overlay	\$692,611	\$542,970
Juno Isles Weir Improvements	\$268,000	\$188,000
Alton Phase 2 Final Paving Project	\$1,938,143	\$229,337
Vista Parkway South Culvert Rehabilitation and Replacement Project	\$2,099,930	\$0
Emergency sink hole repair in Unit 5A Vista Parkway	\$115,047	\$115,047
Unit 5A Emerald Dunes Golf Course Slip Line	\$316,430	\$316,430
Emergency pipe rehabilitation with CIPP liner in Unit 14	\$94,976	\$94,976
Emergency sink hole pipe repair with CIPP liner in Unit 14	\$101,614	\$101,614
Budget variance report	See page 47 of financial report	
Ad valorem taxes;		
Millage rate FYE 9/30/2023	Not applicable	
Ad valorem taxes collected FYE 9/30/2023	Not applicable	
Outstanding Bonds:	Not applicable	
Non ad valorem special assessments;		
Special assessment rates FYE 9/30/20223		
Maintenance	\$18.73 - \$80,185.48	
Debt service	\$0 - \$20,357.30	
Special assessments collected FYE 9/30/2023	\$34,848,089	
Outstanding Bonds:	\$173,045,879 - See Note 4	

REPORTING SECTION



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

To the Board of Supervisors and Executive Director
Northern Palm Beach County Improvement District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 16, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Marcum LLP

West Palm Beach, FL
February 16, 2024



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

To the Board of Supervisors and Executive Director
Northern Palm Beach County Improvement District

Report on the Financial Statements

We have audited the financial statements of the Northern Palm Beach County Improvement District (the "District"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 16, 2024.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 16, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The official title and legal authority is disclosed in the notes. There are no component units related to this District.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. 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 review of financial information provided by same. This assessment was done as of the fiscal year end.

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

Special District Component Units

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

Specific Information for Special Districts

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported the required information in Other Information found on page 90.

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

West Palm Beach, FL
February 16, 2024



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

To the Board of Supervisors and Executive Director
Northern Palm Beach County Improvement District

We have examined Northern Palm Beach County Improvement District's (the "District") compliance with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2023. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

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

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

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

In our opinion, the District complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2023.

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

Marcum LLP

West Palm Beach, FL
February 16, 2024

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APPENDIX C

Selected Information from the 2024 Preliminary Tax Roll and Historical Assessed Value Data

Top 10 Taxpayers - 2024

Owner	Total Assessment	% of Roll	Assessed Value ⁽³⁾
UNIVERSITY OF FLORIDA BOARD OF TRUSTEES	\$822,232.61	13.1%	\$ 47,062,344
PASTEUR HEALTHCARE PROPERTIES LLC UHS OF DELAWARE INC C/O	649,853.82	10.4	29,146,006
KH ALTON LLC	634,518.10	10.1	54,541,312
NADG BROCK ALTON PBG LP ⁽¹⁾ (RETAIL)	476,717.52	7.6	86,851,638
CARRIER CORPORATION TAX DEP - 8FS2 C/O	455,531.81	7.3	112,646,901
VILLAS AT BRIGER LLC (APARTMENTS)	158,257.61	2.5	104,236,768
CP PB GARDENS DEVELOPMENT LLC (THE MADYSON)	98,171.99	1.6	46,585,000
FLORIDA POWER & LIGHT CO PROPERTY TAX PSX/JB	20,512.62	0.3	1,650,367
CONFIDENTIAL RECORD PER FS-119.071 ⁽²⁾	15,723.81	0.3	4,507,449
GOLD GAS INC.	12,786.43	0.2	3,318,118

⁽¹⁾ NADG owns several parcels of land in Unit 2C. The lots have been aggregated for presentation purposes

⁽²⁾ Section 119.071(4)(d), Florida Statutes, provides for the exemption of home addresses and telephone numbers from public disclosure for certain occupational groups as listed therein.

⁽³⁾ Assessed value per Palm Beach County Property Appraiser as of January 1, 2024. No representation is made that the Property Appraiser's assessed valuation reflects fair market value.

Historical Assessed Value Data 2016-2024

Year	Assessed Value*	% Change
2016	\$ 141,879,455	-
2017	202,224,330	42.5%
2018	258,520,479	27.8
2019	493,584,682	90.9
2020	585,995,676	18.7
2021	678,110,291	15.7
2022	926,252,048	36.6
2023	1,219,697,279	31.7
2024*	1,517,786,981	24.4

*Assessed value per Palm Beach County Property Appraiser as of January 1, 2024. No representation is made that the Property Appraiser's assessed valuation reflects fair market value.

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APPENDIX D

Form of Bond Counsel Opinion

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.
WITH RESPECT TO THE SERIES 2024 BONDS**

Upon delivery of the Series 2024 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to such Series 2024 Bonds in substantially the following form:

(Date of Delivery)

Northern Palm Beach County
Improvement District
Palm Beach County, Florida

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of Northern Palm Beach County Improvement District (the "District") of its \$45,600,000 Northern Palm Beach County Improvement District Water Control and Improvement Refunding Bonds, Unit of Development No. 2C, Series 2024 (the "Series 2024 Bonds"). The Series 2024 Bonds are issued under the authority of the Laws of the State of Florida, including the Constitution and Laws of the State of Florida, particularly Chapter 2000-467, Laws of Florida, as amended, applicable portions of Chapter 298, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and pursuant to Resolution No. 2014-04 adopted by the Board of Supervisors (the "Board") of the District on March 26, 2014, as amended and supplemented, particularly by Resolution No. 2024-01, adopted by the Board on June 26, 2024 (collectively, the "Resolution"). All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

The Series 2024 Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Resolution. The Series 2024 Bonds will mature on the dates and in the principal amounts and will bear interest at the respective rates per annum, as provided in the Resolution and set forth in the Bond Purchase Agreement executed in connection with the sale of the Series 2024 Bonds (the "Purchase Agreement"). Interest on the Series 2024 Bonds shall be payable on each February 1 and August 1, commencing on February 1, 2025. The Series 2024 Bonds are subject to redemption prior to maturity in accordance with the Resolution and as set forth in the Purchase Agreement.

The Series 2024 Bonds are issued for the principal purpose of providing funds, together with other available funds of the District, to: (i) refinance a portion of the District's Water Control and Improvement Bonds, Unit of Development No. 2C, Series 2014 (the "Refunded Bonds"); (ii) deposit funds and pay the premium on a reserve account credit

facility to be deposited into the Reserve Fund for the Series 2024 Bonds; and (iii) pay the costs of issuing the Series 2024 Bonds, as more particularly described in the Resolution.

Certain proceeds of the Series 2024 Bonds, together with other moneys of the District, shall be deposited into an escrow deposit trust fund (the "Escrow Fund") established pursuant to the Escrow Deposit Agreement, dated as of the date hereof, between the District and The Bank of New York Mellon Trust Company, N.A., and invested in direct obligations of the United States of America (the "Escrow Securities"), such that the principal of and interest on said Escrow Securities shall be sufficient to pay the principal of, and interest on the Refunded Bonds, as the same become due or are redeemed prior to maturity.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Resolution and in the certified proceedings relating thereto and to the issuance of the Series 2024 Bonds and other certifications of public officials furnished to us in connection therewith including, but not limited to, the Final Judgment issued by the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, in connection with the validation of the Refunded Bonds, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Resolution. In addition to the foregoing, we have examined and relied upon the opinion of Caldwell Pacetti Edwards Schoech & Viator LLP, general counsel to the District as to the matters addressed therein. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2024 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The Resolution, including the lien on and pledge of Drainage Taxes as defined therein, constitutes a valid and binding obligation of the District, enforceable in accordance with its terms and the Act.
2. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Resolution in the manner and to the extent provided in the Resolution.

3. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2024 Bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2024 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2024 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2024 Bonds. The District has covenanted in the Resolution to comply with all such requirements. Ownership of the Series 2024 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2024 Bonds.

4. The Trustee Agreement constitutes a valid and binding obligation of the District, enforceable in accordance with its terms.

In rendering the opinions set forth above, we are relying upon (a) the arithmetical accuracy of certain computations included in schedules provided by Piper Sandler & Co. and RBC Capital Markets, LLC relating to the computations of projected receipts of the Escrow Securities and any other amounts deposited in the Escrow Fund, of the adequacy of such projected receipts and other sums to pay the principal of, and interest on the Refunded Bonds, and (b) the verifications of the arithmetical accuracy of such computations by Causey Demgen & Moore, Inc.

It should be noted that, except as may expressly be set forth in an opinion delivered by us to the underwriters and the District (on which opinion only they may rely) for the Series 2024 Bonds on the date hereof, we have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2024 Bonds and we express no opinion relating thereto, or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2024 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 1, 2 and 4 hereof are qualified to the extent that the enforceability of the Resolution, the Series 2024 Bonds and the Trustee Agreement may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2024 Bonds and, in our opinion, the form of the Series 2024 Bonds is regular and proper.

Respectfully submitted,



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN



**FLORIDA
ENDORSEMENT TO
MUNICIPAL BOND
INSURANCE POLICY
NO.**

This Policy is not covered by the Florida Insurance Guaranty Association created under Part II of Chapter 631 of the Florida Insurance Code.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

Authorized Officer



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