# Town of Palm Beach
## Florida

# Annual Comprehensive Financial Report

**Fiscal Year Ended September 30, 2024**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

# TOWN OF PALM BEACH, FLORIDA

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Prepared by the Finance Department

Robert Miracle, CPA
Deputy Town Manager, Finance and Administration

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# TOWN OF PALM BEACH, FLORIDA

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# INTRODUCTORY SECTION

# TOWN OF PALM BEACH

Finance Department

April 29, 2025

The Honorable Mayor, Town Council, and Citizens of the Town of Palm Beach, Florida
Town of Palm Beach
Palm Beach, Florida

The *Annual Comprehensive Financial Report* for the Town of Palm Beach (the "Town") fiscal year ended September 30, 2024, is hereby submitted pursuant to Florida Statute 11.45. This document is the official comprehensive publication of the Town's financial position on September 30, 2024. This report was prepared by the Town's Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. They are reported in a manner designed to present fairly the financial position and results of operations on a government-wide and fund level. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

CBIZ CPAs P.C., independent auditors, have issued an unmodified opinion on the Town's financial statements for the fiscal year ended September 30, 2024. The independent auditors' report is located at the front of the financial section of this report.

The Town's financial statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A). The MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## THE TOWN OF PALM BEACH

The Town, incorporated in 1911, is located on a barrier island in the eastern part of Palm Beach County. Palm Beach is a unique, internationally famous residential community known for its distinctive architecture and landscaping, gracious homes and apartments, golf courses and clubs, and world famous stores and restaurants. The taxable value of properties within the Town provides appropriate support for the Town's authorized indebtedness.

The Town services a full-time resident population of 9,212 plus an estimated 15,000 additional seasonal residents (November to May), as well as numerous visitors and other individuals who are employed on the island.

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The Town is governed by an elected Mayor and a five-member Council. The Mayor's term is for two years. The five members of the Town Council are elected at large and serve overlapping two-year terms. The Town operates under the Council-Manager form of government. The Town Council appoints the Town Manager who serves as the Town's Chief Administrative Officer and is responsible for implementing the policies established by the Town Council. The Town has 371 employees, including 73 sworn police officers and 70 full-time firefighters.

The Town provides a full range of services. These services include police and fire protection, emergency medical services, sanitation services, recreational activities, the construction and maintenance of streets, storm water collection systems, sanitary sewer collection system and other infrastructure.

**Internal Controls**: In developing and evaluating the Town's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of an internal control system should not exceed the benefits likely to be derived, and that the evaluation of cost and benefits requires estimates and judgments by management.

**Budgeting Controls**: In addition, the Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions implied in the annual budget approved by the Town Council. Activities of the General Fund, Special Revenue Fund, Debt Service Funds, Capital Projects Funds, Internal Service Funds, and Enterprise Funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the Fund level. The Town also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year-end. Open encumbrances for outstanding purchase orders are re-appropriated as part of the following year's budget.

## THE REPORTING ENTITY

The financial reporting entity includes all of the funds of the Town. It includes all governmental organizations and activities for which the Town is considered to be financially accountable in accordance with United States generally accepted accounting principles (GAAP).

## ECONOMIC CONDITIONS AND OUTLOOK

The Town is primarily a residential community. Commercial activities are restricted primarily to Town-serving establishments including banks, retail shops, hotels and restaurants for the Town's permanent population and seasonal residents. There is no industrial development within the Town. Stringent zoning and land use regulations have limited development and over the long term, will preserve the Town's high quality residential character.

An upturn in taxable values began in FY13 when the Town's taxable values began to increase and continued to increase through FY24 with a single year increase of 13.96% for a total taxable value of $29,079,603,728. The Town kept the millage rate at 2.6110 resulting in an increase in tax revenue of $6,3,321,922. In FY25, taxable value increased by 11.28% to $32,149,560,525.

Per capita personal income for the Town of Palm Beach is $211,812, which is well above the state and national average. In preparation for Refunding bonds issued on January 8, 2020, Moody's and Standard and Poor's affirmed the Town's "AAA" general obligation ratings and the Aa1/AAA ratings for the Revenue Bonds. The Town's conservative financial policies and strong management of its financial resources were recognized. In January 2024, Moody's upgraded the Town's rating from Aa1 to Aaa.

## MAJOR INITIATIVES AND ACCOMPLISHMENTS

*For the Year*

During fiscal year 2024 the following accomplishments occurred:

- The Town made an additional contribution of $5,420,000 to the pension plan to lower the unfunded liability. This is the fourth straight year for this supplemental contribution.
- During the year of operations of the Marina, the revenues exceeded expectations. Actual revenues were over $13 million, exceeding budget estimates.
- The Townwide Underground Utility Program is well underway. Phase 2 South is 93% complete, Phase 3 South is 76% complete, Phase 4 North construction is well underway and at 88% complete. Phase 4 South is 20% complete. Phase 5 North and South are at 40% and 25% complete respectively. Phase 6 construction began in 2024. Phase 7 construction bids were awarded in 2024. Phase 8 design is completed, and the construction solicitation will be issued in 2025.
- The Par 3 Golf course had another record year and exceeded revenue budget estimates by over $1 million.
- The Comprehensive Plan is in the process of being updated.
- For the first time ever, the Town has been awarded the Top Workplaces Award by the Sun Sentinel. Only one other municipality in the area earned this award in 2024.
- Consultants were selected to begin the process of code reform.
- The Town's Strategic Plan was updated and approved by Town Council .

*For the Future*

The Palm Beach County economy continued to improve and property values in Palm Beach increased by 11.28% for FY25. The Town increased property tax revenue by $7,614,990 and kept the millage rate at 2.6110.

The FY25 budget reflected an increase of 7.84% from the FY24 budget. Most of the increase was due to personnel, salary and benefit increases. In addition, funding was also increased for Capital Improvement and Coastal Protection.

*Financial Policies*

The Town has formally adopted financial policies including reserve policies, contingency policies, budgetary control, debt management, funding for the Retirement Plan, and a revenue shortfall plan. The establishment of specific reserve policies is an important part of prudent financial management. Reserve policies reduce ambiguity and guide the creation, maintenance, and use of resources for financial stabilization purposes. The Town maintains a minimum level of unassigned fund balance of 30% of general fund operating expenditures. This provides the Town with 90 days of working capital in the event of an emergency. The ending unassigned fund balance of $35,697,740 as of September 30, 2024, represents 32.66% of FY25 budgeted general fund operating expenditures including transfers.

*Long Term Financial Planning*

Since FY2004, Town staff has prepared a Long Term Financial Plan. The Town prepares annual updates of the long term financial plan that encompass a 10 year time horizon. The plan also includes trend analysis and forecasts for all budgeted funds and a detailed analysis of Town Reserves.

**Other Information**

**Independent Audit**: State Statutes require an annual audit by independent certified public accountants. The accounting firm of CBIZ CPAs P.C., performed this audit for fiscal year 2024. The auditors' report is included in the financial section of this report.

**Awards**: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its *Annual Comprehensive Financial Report* for the fiscal year ended September 30, 2023. This was the 37th consecutive year the Town has received this prestigious award.

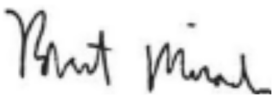
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized *Annual Comprehensive Financial Report*. The contents must conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Town believes the current report continues to conform to the Certificate of Achievement Program requirements, and we are therefore submitting this year's report to the GFOA.

The Town also received the GFOA Award for Distinguished Budget Presentation for the Town's budget for the fiscal year ended September 30, 2024, and the Popular Annual Financial Reporting Award for the FY ending September 30, 2023. By the Town earning all three awards, the Town is one of only 39 counties and municipalities in the State of Florida to achieve this honor.

**Acknowledgements**: The preparation of the *Annual Comprehensive Financial Report* was made possible by the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our genuine appreciation for the contributions made in the preparation of this report. In addition, we acknowledge the efforts of our independent auditors, CBIZ CPAs P.C., for their professional work and assistance in producing this report.

We also are grateful to the Mayor and Town Council for their leadership and to the Citizens of Palm Beach for their support in ensuring the financial operations of the Town are conducted in a sound and conservative manner, thus assuring the Town a high level of financial security.

Respectfully submitted,



Kirk Blouin
Town Manager

Robert Miracle, CPA
Deputy Town Manager, Finance and Administration

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of Palm Beach**
**Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

# TOWN OF PALM BEACH
## ORGANIZATIONAL STRUCTURE

**CITIZENS OF PALM BEACH**

**ELECT**

**MAYOR**
**Danielle H. Moore**

**TOWN COUNCIL**

**PRESIDENT**
Bobbie Lindsay

**PRESIDENT PRO-TEM**
Lew Crampton

Julie Araskog

Ted Cooney

Bridget Moran

**APPOINTS**

**TOWN ATTORNEY**
Joanne O'Connor

**TOWN MANAGER**
Kirk Blouin

**ADVISORY BOARD AND COMMISSIONS**

**DEPUTY TOWN MANAGER - FINANCE & ADMINISTRATION**
Bob Miracle

**DEPUTY TOWN MANAGER – BUSINESS ENTERPRISE & CULTURE**
Carolyn Stone

**DIRECTOR OF PEOPLE AND CULTURE**
Gillian Barth

**DIRECTOR OF PLANNING, ZONING AND BUILDING**
Wayne Bergman

**DIRECTOR OF PUBLIC WORKS**
H. Paul Brazil

**DIRECTOR OF RECREATION**
Mark Bresnahan

**POLICE CHIEF**
Nicholas Caristo

**FIRE-RESCUE CHIEF**
Sean Baker

**DIRECTOR OF INFORMATION TECHNOLOGY**
Andy Jadoo

# FINANCIAL SECTION

# INDEPENDENT AUDITORS' REPORT

CBIZ CPAs P.C.

525 Okeechobee Boulevard
Suite 750
West Palm Beach, FL 33401

P: 561.653.7300

# Independent Auditors' Report

To the Honorable Mayor, Members of the Town Council, and Town Manager
**Town of Palm Beach, Florida**

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Palm Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 Town'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 Town'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 Town's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, the budgetary comparison data on pages 131 through 136, the pension schedules on pages 137 through 144, and the other postemployment benefits plan schedules on pages 145 through 147, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules, the debt service requirement schedules, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules, the debt service requirement schedules, and the schedule of expenditures of federal awards and state financial assistance, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section but does not include the basic financial statements and our 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 April 29, 2025 on our consideration of the Town'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 Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

West Palm Beach, FL
April 29, 2025

# MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Palm Beach, Florida (the "Town"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

The information contained within this Management's Discussion and Analysis (MD&A) is only a component of the entire financial statement report. Readers should take time to read and evaluate all sections of the report, including the Notes to Financial Statements and the Required Supplementary Information that is provided in addition to this MD&A.

## Financial Highlights

1. The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $234 million (net position).
2. At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $132.8 million, a decrease of $7 million in comparison with the prior year. The decrease is due mainly to increase expenditures in the Town-wide Undergrounding Fund. Approximately 26.5% of the total amount is available for spending at the Town's discretion (unassigned fund balance).
3. At the end of the current fiscal year governmental unassigned fund balance is $35,697,740.
4. The Town's total government-wide revenue was $168,112,653, while total expenses were $154,622,887.
5. Governmental Activities generated $145,109,636 in revenue (including transfers in) with $140,302,042 in expenses.
6. Business-type Activities generated $23,001,627 in revenues net of $12,037,204 in transfers out with $14,320,845 in expenses.
7. The Town's long-term debt decreased by $6,791,603 during the current fiscal year due to principal payments made during the year.

## Overview of the Financial Statements

The Town's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also includes required supplementary information and other supplementary information in addition to the basic financial statements.

## Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between

them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent 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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, physical environment, transportation, economic environment, and culture and recreation. The business-type activities include the marina, golf course, and building permitting operations.

The Town's government-wide financial statements are presented on pages 16-17 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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Town has three types of funds:

*Governmental funds. Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and *governmental activities*.

The Town maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Townwide Undergrounding Assessment Fund, Capital Improvement Fund, and the Beach Restoration Project Fund, all of which are considered major funds. Data for the other eight governmental funds are combined into

a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of combining statements elsewhere in this report.

The governmental fund financial statements can be found on pages 18-21 of this report.

*Proprietary funds.* The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has three enterprise funds to account for the Town Marina, the Par 3 Golf Course, and the Building Fund activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insurance health fund, self-insurance risk fund, and equipment replacement fund. Because these services predominately benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Town Marina, Par 3 Golf Course, and Building Enterprise Funds (enterprise funds) and the internal service funds, which are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining financial statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 22-26 of this report.

*Fiduciary funds*. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The Town's fiduciary funds include the Retirement Funds and the OPEB Trust Fund. The accounting used for fiduciary funds is much like that used for proprietary funds. Fiduciary fund financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position.

The Town's fiduciary fund financial statements are presented on pages 27-28.

**Notes to the 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. The notes to financial statements can be found on pages 29-130 of this report.

**Other Information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information containing a comparison between the Town's adopted budget and actual financial results for the General Fund and Townwide Undergrounding Assessment Fund, schedules relating to the Town's retirement plan for the three employee groups, and schedules relating to the Town's other postemployment benefits plan. The required supplementary information can be found on pages 131-147 of this report.

Combining financial statements referred to earlier in connection with non-major governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 148-161 of this report.

Debt service requirements are detailed on pages 162-170 of this report.

The statistical section contains information on financial trends, revenue capacity, debt capacity, demographic and economic information and operating information. These schedules can be found on pages 171-195 of this report.

## Government-wide Financial Analysis

*Net Position*. Below, is a summary of the fiscal year 2024 Statement of Net Position found on page 16 and comparative information for fiscal year 2023.

Town of Palm Beach, Florida
Summary of Net Position
September 30, 2024 and 2023

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Assets** | | | | | | |
| Current and other assets | $ 274,586,137 | $ 282,199,563 | $ 50,345,166 | $ 42,914,062 | $ 324,931,303 | $ 325,113,625 |
| Capital assets, net | 193,935,914 | 182,233,377 | 42,222,934 | 44,300,567 | 236,158,848 | 226,533,944 |
| **Total Assets** | 468,522,051 | 464,432,940 | 92,568,100 | 87,214,629 | 561,090,151 | 551,647,569 |
| **Deferred Outflows of Resources** | 23,959,746 | 42,716,986 | 1,619,817 | 2,586,007 | 25,579,563 | 45,302,993 |
| **Liabilities** | | | | | | |
| Current liabilities | 23,117,261 | 24,123,920 | 2,835,410 | 5,195,665 | 25,952,671 | 29,319,585 |
| Long-term liabilities | 272,328,469 | 301,069,650 | 33,310,099 | 36,091,204 | 305,638,568 | 337,160,854 |
| **Total Liabilities** | 295,445,730 | 325,193,570 | 36,145,509 | 41,286,869 | 331,591,239 | 366,480,439 |
| **Deferred Inflows of Resources** | 18,838,787 | 8,566,670 | 1,725,672 | 879,204 | 20,564,459 | 9,445,874 |
| **Net Position** | | | | | | |
| Net investment in capital assets | 31,828,183 | 15,151,939 | 14,411,651 | 14,982,710 | 46,239,834 | 30,134,649 |
| Restricted | 24,862,905 | 38,523,962 | 389,878 | 323,928 | 25,252,783 | 38,847,890 |
| Unrestricted | 121,506,192 | 119,713,785 | 41,515,207 | 32,327,925 | 163,021,399 | 152,041,710 |
| **Total Net Position** | $ 178,197,280 | $ 173,389,686 | $ 56,316,736 | $ 47,634,563 | $ 234,514,016 | $ 221,024,249 |

Net position is the amount that remains after subtracting all liabilities including deferred inflows of resources from all assets including deferred outflows of resources. Net position may serve as a useful indicator of a government's financial position. At the fiscal year ended September 30, 2024, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $234.0 million.

Net position invested in capital assets (land, buildings, machinery, and equipment) less any related debt still outstanding that was used to acquire those assets is $46.2 million and represents 19.8% of total net position. The Town uses those capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. (See also the discussion on Capital Assets on page 13).

Another portion of net position, $25.3 million, or 10.8% of total net position, has restrictions on its use that are externally imposed. The restrictions are primarily for Town-wide undergrounding of utility lines, debt service, pensions and other special projects. The remaining net position balance of $162.5 million, or 69.5% of total net position, is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

*Change in Net Position*: Below is a table summarizing the changes in net position for the year ended September 30, 2024, as compared to September 30, 2023.

Town of Palm Beach, Florida
Summary of Changes in Net Position
For the Fiscal Years Ended September 30, 2024 and 2023

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Revenue** | | | | | | |
| Program revenue: | | | | | | |
| Changes for services | $ 23,122,198 | $ 26,061,373 | $ 32,680,252 | $ 35,080,693 | $ 55,802,450 | $ 61,142,066 |
| Operating grants and contributions | 9,632,028 | 10,223,476 | -- | -- | 9,632,028 | 10,223,476 |
| Capital grants and contributions | 786,086 | 1,334,311 | 1,390 | -- | 787,476 | 1,334,311 |
| General revenue: | | | | | | |
| Property taxes | 72,878,561 | 66,331,261 | -- | -- | 72,878,561 | 66,331,261 |
| Local option gas tax | 340,762 | 356,093 | -- | -- | 340,762 | 356,093 |
| Franchise fees | 2,719,997 | 2,901,197 | -- | -- | 2,719,997 | 2,901,197 |
| Utility service taxes | 7,129,442 | 6,716,048 | -- | -- | 7,129,442 | 6,716,048 |
| Business tax receipts | 940,767 | 916,897 | -- | -- | 940,767 | 916,897 |
| Intergovernmental | 2,296,140 | 2,370,467 | -- | -- | 2,296,140 | 2,370,467 |
| Investment earnings | 11,945,456 | 7,773,645 | 2,361,220 | 1,435,603 | 14,306,676 | 9,209,248 |
| Miscellaneous | 1,280,995 | 1,268,432 | -- | -- | 1,280,995 | 1,268,432 |
| Gain (loss) on disposal of assets | -- | -- | -- | (71,893) | -- | (71,893) |
| **Total Revenue** | 133,072,432 | 126,253,200 | 35,042,862 | 36,444,403 | 168,115,294 | 162,697,603 |
| **Expenses** | | | | | | |
| General government | 33,163,866 | 31,616,222 | -- | -- | 33,163,866 | 31,616,222 |
| Public safety | 41,878,920 | 41,273,484 | -- | -- | 41,878,920 | 41,273,484 |
| Physical environment | 51,993,667 | 56,044,125 | -- | -- | 51,993,667 | 56,044,125 |
| Transportation | 1,998,141 | 1,927,984 | -- | -- | 1,998,141 | 1,927,984 |
| Economic environment | 367,757 | 352,934 | -- | -- | 367,757 | 352,934 |
| Culture and recreation | 5,621,335 | 4,885,327 | -- | -- | 5,621,335 | 4,885,327 |
| Interest on long-term debt | 5,278,356 | 5,473,705 | -- | 675,030 | 5,278,356 | 6,148,735 |
| Town Docks, Golf Course, & Building Enterprise | -- | -- | 14,323,485 | 12,953,554 | 14,323,485 | 12,953,554 |
| **Total Expenses** | 140,302,042 | 141,573,781 | 14,323,485 | 13,628,584 | 154,625,527 | 155,202,365 |
| Change in Net Position Before Transfers | (7,229,610) | (15,320,581) | 20,719,377 | 22,815,819 | 13,489,767 | 7,495,238 |
| Transfers | 12,037,204 | 9,640,396 | (12,037,204) | (9,640,396) | -- | -- |
| **Change in Net Position** | 4,807,594 | (5,680,185) | 8,682,173 | 13,175,423 | 13,489,767 | 7,495,238 |
| **Net Position** - Beginning of Year | 173,389,686 | 179,069,871 | 47,634,563 | 34,459,140 | 221,024,249 | 213,529,011 |
| **Net Position** - End of Year | $ 178,197,280 | $ 173,389,686 | $ 56,316,736 | $ 47,634,563 | $ 234,514,016 | $ 221,024,249 |

Net position for governmental activities increased in fiscal 2024 by $4.8 million, a considerable improvement from 2023, when net position decreased by $5.7 million. Revenues from governmental activities increased by $6.8 million in 2024 while expenses decreased by $1.3 million. The primary increases in revenues were investment income, $4.2 million, as the market continued to rebound after a down year in 2022, property taxes, $6.5 million, due to an increase in taxable values.

The net position for business type activities increased by $8.2 million as revenues exceeded expenditures by $20.2 million. The primary business type revenues are charges for services, which decreased by $2.9 million due to fewer annual slip rentals from the previous year. Expenditures for business-type activities remained fairly constant with only a 5% increase.

## Financial Analysis of the Town as a Whole

*Governmental funds*. The fund financial statements for the governmental funds are provided on pages 18-21. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $132,795,542, which decreased by $7,027,887 from fiscal 2023. This decrease was primarily due to ongoing work on the Townwide Undergrounding Project as the Town continues to spend down debt proceeds secured to finance the project.

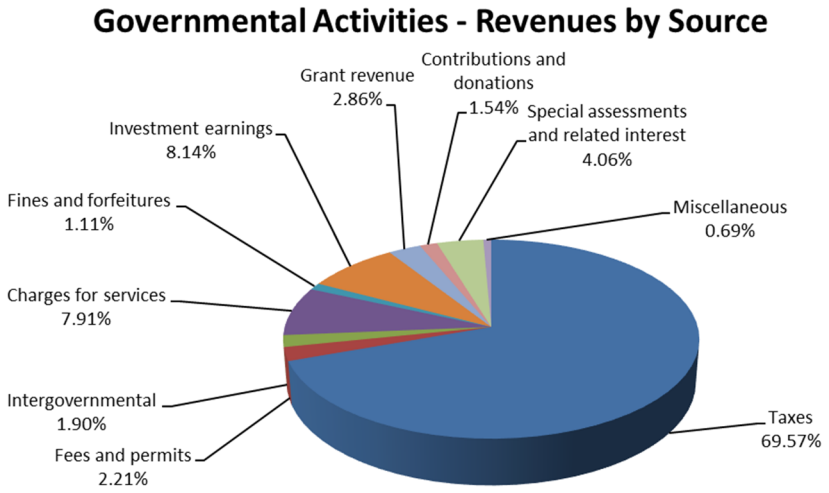
The following schedule presents a summary of all governmental fund revenues for the fiscal years 2024 and 2023, and the amount and percentage of increases and decreases in relation to prior year revenues:

**Town of Palm Beach, Florida**
**Governmental Funds Revenues**
**For the Fiscal Years Ended September 30, 2024 and 2023**

| | 2024 | Percent of Total | 2023 | Percent of Total | Increase (Decrease) | Percent Increase (Decrease) |
|---|---|---|---|---|---|---|
| Revenue | | | | | | |
| Taxes | $ 84,009,529 | 69.57 % | $ 77,221,496 | 68.47 % | $ 6,788,033 | 8.79 % |
| Fees and permits | 2,672,602 | 2.21 | 2,331,092 | 2.07 | 341,510 | 14.65 |
| Intergovernmental | 2,296,140 | 1.90 | 2,370,467 | 2.10 | (74,327) | (3.14) |
| Charges for services | 9,553,305 | 7.91 | 9,166,079 | 8.13 | 387,226 | 4.22 |
| Fines and forfeitures | 1,338,269 | 1.11 | 3,214,593 | 2.85 | (1,876,324) | (58.37) |
| Investment earnings | 9,832,195 | 8.14 | 6,693,394 | 5.93 | 3,138,801 | 46.89 |
| Grant revenue | 3,450,372 | 2.86 | 4,804,709 | 4.26 | (1,354,337) | (28.19) |
| Contributions and donations | 1,855,758 | 1.54 | 873,509 | 0.77 | 982,249 | 112.45 |
| Special assessments and related interest | 4,902,600 | 4.06 | 4,837,583 | 4.29 | 65,017 | 1.34 |
| Miscellaneous | 836,018 | 0.69 | 1,268,432 | 1.12 | (432,414) | (34.09) |
| Total Revenue | $ 120,746,788 | 100.00 % | $ 112,781,354 | 100.00 % | $ 7,965,434 | 7.06 % |

The most significant changes in revenues are described below:

- Property tax revenue increased as a result of higher property values.
- Fees and permits increased by $341,510 mainly due to increased Right of Way Permits and Residential Parking Permits.
- Fines and forfeitures decreased by $1.9 million due primarily to a large code compliance fine in 2023.
- Investment income by $3.1 million as the market continued to bounce back from a down year in 2022.
- Grant revenues decreased by $1.3 million primarily from a FEMA Mitigation grant ($1.2 million in 2024 compared to $3.1 million in 2023) for the undergrounding of the Town's utility lines.
- Contributions and donations increased by $982,249 primarily from donations to the Police and Fire Departments for cameras, and new CAD equipment and software.



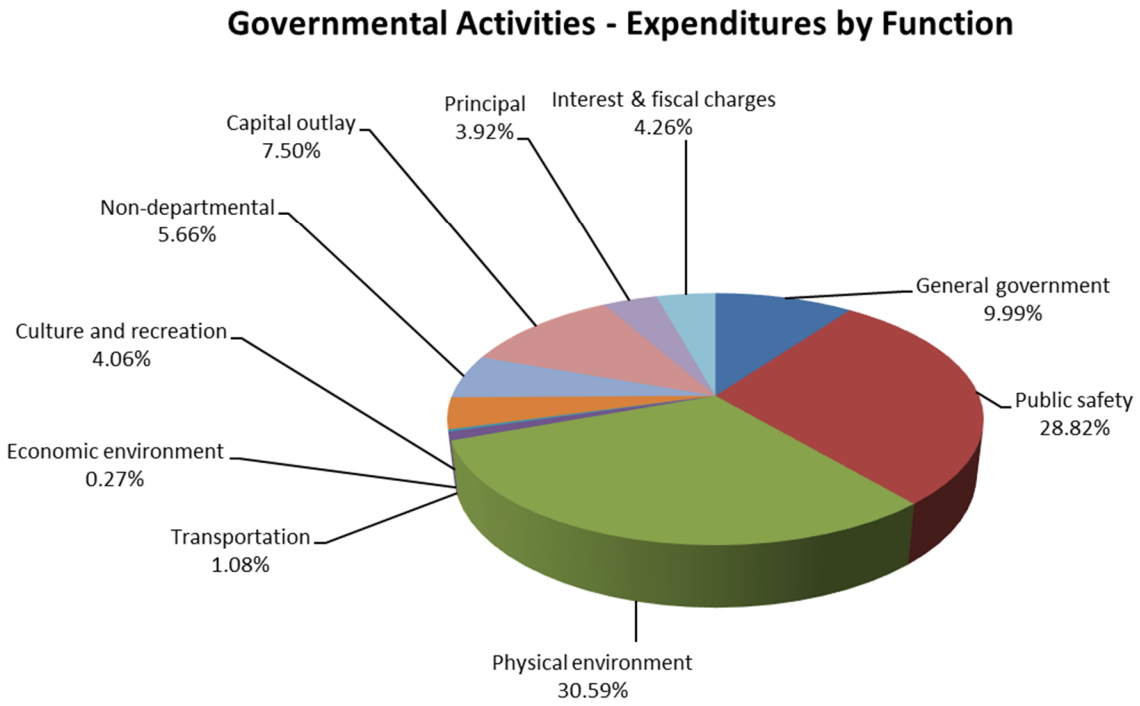

The following schedule presents a summary of all governmental fund expenditures for the fiscal years 2024 and 2023, and the percentage of increases and decreases in relation to prior year amounts:

**Town of Palm Beach, Florida**
**Governmental Funds Expenditures**
**For the Fiscal Years Ended September 30, 2024 and 2023**

| | 2024 | Percent of Total | 2023 | Percent of Total | Increase (Decrease) | Percent Increase (Decrease) |
|---|---|---|---|---|---|---|
| Expenditures | | | | | | |
| Current | | | | | | |
| General government | $ 13,753,998 | 9.99 % | $ 12,443,969 | 9.90 % | $ 1,310,029 | 10.53 % |
| Public safety | 39,692,380 | 28.82 | 35,483,219 | 28.23 | 4,209,161 | 11.86 |
| Physical environment | 42,122,329 | 30.59 | 42,854,502 | 34.09 | (732,173) | (1.71) |
| Transportation | 1,485,719 | 1.08 | 1,443,864 | 1.15 | 41,855 | 2.90 |
| Economic environment | 367,757 | 0.27 | 352,934 | 0.28 | 14,823 | 4.20 |
| Culture and recreation | 5,584,128 | 4.06 | 4,735,869 | 3.77 | 848,259 | 17.91 |
| Non-departmental | 7,791,127 | 5.66 | 7,695,545 | 6.12 | 95,582 | 1.24 |
| Capital Outlay | 15,636,508 | 11.35 | 9,431,443 | 7.50 | 6,205,065 | 65.79 |
| Debt Service | | | | | | |
| Principal | 5,405,043 | 3.92 | 5,179,373 | 4.12 | 225,670 | 4.36 |
| Interest & fiscal charges | 5,869,473 | 4.26 | 6,087,602 | 4.84 | (218,129) | (3.58) |
| Total Expenditures | $ 137,708,462 | 100.00 % | $ 125,708,320 | 100.00 % | $ 12,000,142 | 9.55 % |

The reasons for the major increases and decreases in expenditures are as follows:

- General government expenditures increased primarily in salaries and benefits for staffing, cost of living and merit increases ($3.3 million)
- Public Safety costs increased primarily for wage and benefit increases due to staffing, merit and cost of living increases ($4 million).
- Physical environment costs decreased due to less spending for Infiltration and Inflow, decreased costs for sewage treatment and disposal ($292 thousand), offset slightly by increases in wages and benefits ($441 thousand).
- Capital outlay increased primarily due to the North fire station renovation ($7.3 million), Public Works building renovation ($977,000) and pavement repairs and management related to the utilities undergrounding project ($2.1 million) offset by decreases for capital projects that were completed in the previous fiscal year.




**General Fund**. The General Fund is the chief operating fund of the Town. At the end of fiscal year 2024, unassigned fund balance of the General Fund was $35,697,740, an increase of $2.6million from the prior year, while the total fund balance was $46,984,762. The total General Fund increased by $2,730,481due mainly to larger than anticipated investment returns and new parking revenues, including Townwide residential parking permits and new metered parking areas. Expenditures were $51,000 less than budgeted. The General Fund transferred more than $24 million to other funds for capital projects, health insurance and retiree benefits while transfers in from Enterprise Funds increased by $1.5 million in 2024 to $7.7 million. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 32.8% of total General Fund expenditures including transfers out.

The Townwide Undergrounding Assessment Fund has restricted fund balances of $17.1 million. The fund balance is decreasing as bond funds are used to pay for ongoing undergrounding project costs.

The Capital Improvement Fund has restricted fund balance in the amount of $1.5 million resulting from revenues whose use is restricted. The fund also has assigned fund balance in the amount of $20.6 million that has been accumulated for non-coastal capital projects. Fund balance decreased in fiscal year 2024 due to large projects closing out after years of accumulating funds. The fiscal year 2024 capital expenditures were primarily for the North Fire Station project.

The Beach Restoration Fund Balance is $44,138,883, of which $44,122,707 is intended for beach restoration. Fund balance increased primarily through transfers from the general fund as resources for future beach nourishment projects are accumulated, and will be spent down in year's with planned coastal projects.

Total fund balances in other non-major governmental funds, which include debt service, special revenue, and capital projects funds, increased by $156,788. In total these funds have fund balances totaling $2.2 million restricted for debt service, capital projects and from other restricted revenue sources. The negative unassigned fund balance of $441,084 is related to neighborhood undergrounding projects that were completed prior to the Townwide program. These project costs are being paid down over time by assessments on those properties, reducing the negative unassigned fund balance.

**Proprietary Funds**. The Town's proprietary funds, also called enterprise funds, capture the business-type activities of the Town. The enterprise funds of the Town consist of the Town Docks Enterprise Fund, the Par 3 Golf Course Enterprise Fund and the Building Enterprise Fund.

Unrestricted net position at September 30, 2024 was $21,195,523 for the Town Docks Enterprise Fund, $5,377,294 for the Par 3 Golf Course Enterprise Fund, and $15,054,137 for the Building Fund. All the Town's enterprise funds generate sufficient revenues to pay for those operations with excess funds that help support the Town's governmental services. The unrestricted net position for the internal service funds totaled $31,668,947. The Town Docks Fund had decreased revenues in 2024, due to a few large slips not being leased annually. The Par 3 Golf Course had a record number of rounds which led to the increase in revenue. The Building Enterprise Fund had decreased revenues due to a smaller number of permits being issued which also led to a decrease in the valuation of the renovations to residential and commercial properties.

**General Fund Budgetary Highlights**

The annual General Fund budget is adopted after two public hearings and approval of the Town Council. Any amendments that would exceed the original budget at the fund level must be adopted by a formal budget amendment requiring an ordinance and two readings by the Town Council. The FY2024 budget was increased by the amount of commitments (unpaid purchase orders) from the prior year. Funds were transferred from an appropriated General Fund contingency account to program accounts in the budget to provide for unanticipated expenditures in accordance with specific Town Council authorizations. The budget was amended to recognize a transfer from the General Fund to the Equipment Replacement Fund.

Actual revenues, excluding transfers, were $5.1 million more than budgeted with the excess driven mostly by special assignment overtime fees ($1 million), interest income on investments ($390 thousand), and property taxes, including back taxes, utility taxes and franchise fees ($1.9 million), recreation fees ($300 thousand), and unexpected miscellaneous revenues ($255 thousand). Actual expenditures were in line with budgeted expenditures.

## Capital Assets and Debt Administration

### Capital Assets

Capital assets are those assets (capital assets and infrastructure) that are used in the performance of the Town's functions. As of September 30, 2024, net capital assets of governmental activities totaled $193.9 million, and the net capital assets of the business-type activities totaled $42.2 million (net of accumulated depreciation/amortization). The investment in capital assets includes land, buildings, improvements other than buildings, equipment, infrastructure, leases (right-of-use assets), and construction in progress. All decreases from 2023 to 2024 were directly attributable to increased accumulated depreciation of depreciable assets.

A summary of the Town's capital assets (net of depreciation/amortization) can be found on the following page. Additional information on the Town's capital assets can be found in Note 4 to the financial statements.

**Town of Palm Beach, Florida**
**Capital Assets**
**September 30, 2024 and 2023**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Capital Assets | | | | | | |
| Land | $ 10,566,323 | $ 10,566,323 | $ 5,051,527 | $ 5,051,527 | $ 15,617,850 | $ 15,617,850 |
| Construction in Progress | 32,900,579 | 15,478,752 | -- | -- | 32,900,579 | 15,478,752 |
| Buildings | 53,974,333 | 56,336,481 | 3,720,794 | 3,838,970 | 57,695,127 | 60,175,451 |
| Improvements Other Than Buildings | 8,591,377 | 9,004,213 | 32,117,091 | 33,994,107 | 40,708,468 | 42,998,320 |
| Equipment | 10,283,303 | 8,269,764 | 635,683 | 578,436 | 10,918,986 | 8,848,200 |
| Infrastructure | 77,403,850 | 82,323,365 | -- | -- | 77,403,850 | 82,323,365 |
| Lease (Right-of-use asset) | 95,520 | 8,351 | 697,839 | 785,349 | 793,359 | 793,700 |
| Subscription arrangements | 120,629 | 246,128 | -- | 52,178 | 120,629 | 298,306 |
| Total Capital Assets, Net | $ 193,935,914 | $ 182,233,377 | $ 42,222,934 | $ 44,300,567 | $ 236,158,848 | $ 226,533,944 |

There were no major capital projects completed during the fiscal year. Significant equipment and vehicles additions included:

- Vacuum Truck ($515,070)
- Recycling Truck ($294,731)
- Rear Load Garbage Truck ($191,706)
- Dozer Truck ($357,400)
- Fire Truck (500,657)
- Ambulance ($270,205)
- Pumper Fire Truck ($980,195)

## Debt Administration

As of September 30, 2024, the Town had $122,260,000 par value in revenue bonds outstanding representing a decrease of $5,190,000 due to debt service payments made on the Bonds. Outstanding General Obligation Bonds totaled $57,785,000 at par value, a decrease of $1,430,000 due to debt service payments. The debt outstanding as of the end of the fiscal year was secured by various revenue sources.

The debt position of the Town is summarized below and more fully explained in Note 7 to the financial statements found on page 73.

**Town of Palm Beach, Florida**
**Outstanding Debt**
**September 30, 2024 and 2023**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Debt | | | | | | |
| Revenue Bonds Payable - Par Value | $ 95,280,000 | $ 99,100,000 | $ 26,980,000 | $ 28,350,000 | $ 122,260,000 | $ 127,450,000 |
| General Obligation Bonds Payable - Par Value | 57,785,000 | 59,215,000 | -- | -- | 57,785,000 | 59,215,000 |
| Lease (Right-of-use asset) | 88,723 | 7,557 | 681,172 | 763,406 | 769,895 | 770,963 |
| Subscription Arrangements | 104,727 | 223,874 | -- | 51,388 | 104,727 | 275,262 |
| Total Debt | $ 153,258,450 | $ 158,546,431 | $ 27,661,172 | $ 29,164,794 | $ 180,919,622 | $ 187,711,225 |

The Town of Palm Beach maintains an AAA issuer's rating by both Moody's and Standard & Poor's and the Revenue Bonds are rated AAA by Standard and Poor's and received a rating upgrade from Aa1 to Aaa by Moody's in January 2023.

## Economic Factors and Next Year's Budgets and Rates

For FY2025, the Town Council adopted a General Fund budget, including transfers out, of $119,180,549 representing a 13.71% increase from FY2024. The FY2025 budget includes a 10.56% increase in property tax revenue of $7,614,990. Increases to the General Fund budget included an increase in the number of authorized full-time employees, cost of living adjustments, pay range adjustments and step and merit increases. In addition, the transfer to the Capital Improvement fund was increased by $3.9 million to improve funding levels. The taxable value of property increased by 11.3% for FY2025 and the Town's millage rate was maintained at 2.6110.

General economic conditions in the State of Florida are strong. Tourism has increased since the 2020 and the real estate market and property values have been increasing by double digits in the Town, County and in other parts of the State due to the influx of new residents.

**Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability. Questions concerning information provided in this report or requests for additional financial information should be directed to:

**Finance Department**
**Town of Palm Beach**
**360 South County Road**
**Palm Beach, FL 33480**
**561-838-5444**
**www.townofpalmbeach.com**

# FINANCIAL STATEMENTS

# TOWN OF PALM BEACH, FLORIDA

## STATEMENT OF NET POSITION

## SEPTEMBER 30, 2024

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $ 95,300 | $ 2,000 | $ 97,300 |
| Investments | 34,461,131 | -- | 34,461,131 |
| Equity in pooled cash and investments | 141,212,189 | 49,552,914 | 190,765,103 |
| Accounts receivable, net | 1,048,994 | 22,576 | 1,071,570 |
| Assessments receivable | 58,511,006 | -- | 58,511,006 |
| Interest receivable | 876,652 | 307,072 | 1,183,724 |
| Due from other governments | 8,568,880 | -- | 8,568,880 |
| Internal balances | 111,747 | (111,747) | -- |
| Inventory | 791,531 | -- | 791,531 |
| Prepaid items | 248,818 | 62,473 | 311,291 |
| Net OPEB asset | 3,579,599 | 389,878 | 3,969,477 |
| Investment in joint venture | 17,960,826 | -- | 17,960,826 |
| Equity in pooled cash and investments - restricted | 7,119,464 | 120,000 | 7,239,464 |
| Capital assets: | | | |
| Land | 10,566,323 | 5,051,527 | 15,617,850 |
| Construction in progress | 32,900,579 | -- | 32,900,579 |
| Capital assets being depreciated and amortized, net | 150,469,012 | 37,171,407 | 187,640,419 |
| **Total Assets** | 468,522,051 | 92,568,100 | 561,090,151 |
| **Deferred Outflows of Resources** | | | |
| Unamortized loss on refunding | 2,612,141 | -- | 2,612,141 |
| Pension related items | 13,802,005 | 797,975 | 14,599,980 |
| OPEB related items | 7,545,600 | 821,842 | 8,367,442 |
| **Total Deferred Outflows of Resources** | 23,959,746 | 1,619,817 | 25,579,563 |
| **Liabilities** | | | |
| Accounts payable and contracts payable | 11,313,203 | 705,736 | 12,018,939 |
| Accrued liabilities | 4,098,994 | 298,986 | 4,397,980 |
| Payable from restricted assets: | | | |
| Accounts and contracts payable | 4,729,212 | -- | 4,729,212 |
| Accrued interest payable | 1,408,427 | -- | 1,408,427 |
| Customer deposits | -- | 120,000 | 120,000 |
| Unearned revenue | 1,567,425 | 1,710,688 | 3,278,113 |
| Long-term liabilities: | | | |
| Due within one year | 7,172,578 | 1,547,198 | 8,719,776 |
| Due in more than one year | 265,155,891 | 31,762,901 | 296,918,792 |
| **Total Liabilities** | 295,445,730 | 36,145,509 | 331,591,239 |
| **Deferred Inflows of Resources** | | | |
| Business tax receipts | 163,597 | -- | 163,597 |
| Pension related items | 11,132,260 | 904,121 | 12,036,381 |
| OPEB related items | 7,542,930 | 821,551 | 8,364,481 |
| **Total Deferred Inflows of Resources** | 18,838,787 | 1,725,672 | 20,564,459 |
| **Net Position** | | | |
| Net investment in capital assets | 31,828,183 | 14,411,651 | 46,239,834 |
| Restricted for: | | | |
| One-cent surtax | 1,311,349 | -- | 1,311,349 |
| Water project | 143,012 | -- | 143,012 |
| Debt service | 302,228 | -- | 302,228 |
| Crime prevention | 55,611 | -- | 55,611 |
| Worth avenue | 315,304 | -- | 315,304 |
| Townwide undergrounding | 17,154,936 | -- | 17,154,936 |
| Net OPEB asset | 3,579,599 | 389,878 | 3,969,477 |
| Special projects | 2,000,866 | -- | 2,000,866 |
| Unrestricted | 121,506,192 | 41,515,207 | 163,021,399 |
| **Total Net Position** | $ 178,197,280 | $ 56,316,736 | $ 234,514,016 |

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

# TOWN OF PALM BEACH, FLORIDA

## STATEMENT OF ACTIVITIES

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Contributions and Grants | Program Revenues: Capital Contributions and Grants | Net Revenue (Expense) and Changes in Net Position: Governmental Activities | Net Revenue (Expense) and Changes in Net Position: Business-type Activities | Total |
|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | |
| General government | $ 33,163,866 | $ 12,995,491 | $ 180,777 | $ 134,385 | $ (19,853,213) | $ -- | $ (19,853,213) |
| Public safety | 41,878,920 | 4,594,697 | 1,286,762 | -- | (35,997,461) | -- | (35,997,461) |
| Physical environment | 51,993,667 | 633,853 | 6,704,256 | 435,996 | (44,219,562) | -- | (44,219,562) |
| Transportation | 1,998,141 | 3,373,606 | 800,489 | -- | 2,175,954 | -- | 2,175,954 |
| Economic environment | 367,757 | -- | 186,602 | 215,705 | 34,550 | -- | 34,550 |
| Culture and recreation | 5,621,335 | 1,524,551 | 473,142 | -- | (3,623,642) | -- | (3,623,642) |
| Interest on long-term debt | 5,278,356 | -- | -- | -- | (5,278,356) | -- | (5,278,356) |
| **Total Governmental Activities** | 140,302,042 | 23,122,198 | 9,632,028 | 786,086 | (106,761,730) | -- | (106,761,730) |
| **Business-type Activities** | | | | | | | |
| Town Docks | 5,611,834 | 13,889,103 | -- | 1,390 | -- | 8,278,659 | 8,278,659 |
| Golf Course | 3,840,045 | 5,207,437 | -- | -- | -- | 1,367,392 | 1,367,392 |
| Building Enterprise | 4,871,606 | 13,583,712 | -- | -- | -- | 8,712,106 | 8,712,106 |
| **Total Business-type Activities** | 14,323,485 | 32,680,252 | -- | 1,390 | -- | 18,358,157 | 18,358,157 |
| **Total** | $ 154,625,527 | $ 55,802,450 | $ 9,632,028 | $ 787,476 | (106,761,730) | 18,358,157 | (88,403,573) |
| | | **General Revenues** | | | | | |
| | | Property taxes | | | 72,878,561 | -- | 72,878,561 |
| | | Local option gas tax | | | 340,762 | -- | 340,762 |
| | | Franchise taxes based on gross receipts | | | 2,719,997 | -- | 2,719,997 |
| | | Utility service taxes | | | 7,129,442 | -- | 7,129,442 |
| | | Business tax receipts | | | 940,767 | -- | 940,767 |
| | | Intergovernmental revenue - unrestricted | | | 2,296,140 | -- | 2,296,140 |
| | | Investment earnings | | | 11,945,456 | 2,361,220 | 14,306,676 |
| | | Miscellaneous | | | 1,280,995 | -- | 1,280,995 |
| | | **Transfers** | | | 12,037,204 | (12,037,204) | -- |
| | | **Total General Revenue and Transfers** | | | 111,569,324 | (9,675,984) | 101,893,340 |
| | | **Change in Net Position** | | | 4,807,594 | 8,682,173 | 13,489,767 |
| | | **Net Position -** Beginning | | | 173,389,686 | 47,634,563 | 221,024,249 |
| | | **Net Position** - Ending | | | $ 178,197,280 | $ 56,316,736 | $ 234,514,016 |

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

## TOWN OF PALM BEACH, FLORIDA

### BALANCE SHEET
### GOVERNMENTAL FUNDS

### SEPTEMBER 30, 2024

| | Major Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| | General Fund | Townwide Undergrounding Assessment Fund | Capital Improvement Fund | Beach Restoration Project Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| **Assets** | | | | | | |
| Cash and cash equivalents | $ 40,245 | $ -- | $ -- | $ -- | $ -- | $ 40,245 |
| Equity in pooled cash and investments | 14,683,200 | 21,153,144 | 24,554,634 | 44,550,719 | 2,733,747 | 107,675,444 |
| Investments | 34,461,131 | -- | -- | -- | -- | 34,461,131 |
| Accounts receivable, net | 941,537 | -- | 37,661 | -- | -- | 979,198 |
| Assessments receivable | -- | 58,511,006 | -- | -- | -- | 58,511,006 |
| Interest receivable | 111,778 | 328,628 | 110,688 | 181,109 | 14,335 | 746,538 |
| Due from other governments | 496,082 | 2,177,424 | 456,634 | 5,438,740 | -- | 8,568,880 |
| Due from other funds | 19,000 | -- | -- | -- | -- | 19,000 |
| Inventory | 542,455 | -- | 233,400 | 15,676 | -- | 791,531 |
| Prepaid items | 29,134 | -- | -- | 500 | -- | 29,634 |
| Equity in pooled cash and investments - restricted | 4,405,110 | -- | 2,714,354 | -- | -- | 7,119,464 |
| **Total Assets** | $ 55,729,672 | $ 82,170,202 | $ 28,107,371 | $ 50,186,744 | $ 2,748,082 | $ 218,942,071 |
| **Liabilities, Deferred Inflows of Resources, and Fund Balances** | | | | | | |
| **Liabilities** | | | | | | |
| Accounts and contracts payable | $ 1,523,392 | $ 4,326,836 | $ 4,563,342 | $ 609,391 | $ 75,330 | $ 11,098,291 |
| Accrued liabilities | 1,908,078 | -- | -- | -- | -- | 1,908,078 |
| Due to other funds | -- | -- | -- | -- | 439,827 | 439,827 |
| Payable from restricted assets | 4,405,110 | -- | 324,102 | -- | -- | 4,729,212 |
| Unearned revenue | 631,534 | -- | 935,891 | -- | -- | 1,567,425 |
| **Total Liabilities** | 8,468,114 | 4,326,836 | 5,823,335 | 609,391 | 515,157 | 19,742,833 |
| **Deferred Inflows of Resources** | | | | | | |
| Business tax receipts | 163,597 | -- | -- | -- | -- | 163,597 |
| Unavailable revenue | 29,326 | 2,177,424 | -- | 5,438,470 | -- | 7,645,220 |
| Special assessments | 83,873 | 58,511,006 | -- | -- | -- | 58,594,879 |
| **Total Deferred Inflows of Resources** | 276,796 | 60,688,430 | -- | 5,438,470 | -- | 66,403,696 |
| **Fund Balances** | | | | | | |
| Non-spendable: | | | | | | |
| Inventory | 542,455 | -- | 233,400 | 15,676 | -- | 791,531 |
| Prepaid items | 29,134 | -- | -- | 500 | -- | 29,634 |
| Restricted for: | | | | | | |
| Crime prevention | -- | -- | -- | -- | 55,611 | 55,611 |
| Special projects | -- | -- | -- | -- | 2,000,866 | 2,000,866 |
| Townwide undergrounding | -- | 17,154,936 | -- | | -- | 17,154,936 |
| Debt service | -- | -- | -- | -- | 302,228 | 302,228 |
| Worth avenue | -- | -- | -- | -- | 315,304 | 315,304 |
| One-cent surtax | -- | -- | 1,311,349 | -- | -- | 1,311,349 |
| Water project | -- | -- | 143,012 | -- | -- | 143,012 |
| Committed to: | | | | | | |
| Compensated absences | 1,992,249 | -- | -- | -- | -- | 1,992,249 |
| Tennis | 80,962 | -- | -- | -- | -- | 80,962 |
| MPSCC Replacement | 262,467 | -- | -- | -- | -- | 262,467 |
| Assigned to: | | | | | | |
| Subsequent year's expenditures | 2,379,755 | -- | 13,063,456 | 4,267,254 | -- | 19,710,465 |
| Capital projects | 6,000,000 | -- | 7,532,819 | -- | -- | 13,532,819 |
| Beach restoration | -- | -- | -- | 39,855,453 | -- | 39,855,453 |
| Unassigned | 35,697,740 | -- | -- | -- | (441,084) | 35,256,656 |
| **Total Fund Balances** | 46,984,762 | 17,154,936 | 22,284,036 | 44,138,883 | 2,232,925 | 132,795,542 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | $ 55,729,672 | $ 82,170,202 | $ 28,107,371 | $ 50,186,744 | $ 2,748,082 | $ 218,942,071 |

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

# TOWN OF PALM BEACH, FLORIDA

## RECONCILIATION OF GOVERNMENT FUNDS BALANCE SHEET TO GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION

### SEPTEMBER 30, 2024

| | | |
|---|---|---|
| **Total Governmental Fund Balances** | $ | 132,795,542 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 181,555,566 |
| Revenue is recognized when earned in the government-wide statements regardless of when it is collected. Governmental funds recognize revenue when both measurable and available. | | |
| Unavailable revenue | | 66,240,099 |
| Net OPEB asset created through funding of the employer contribution to the defined benefit OPEB plan is not recognized in the funds. | | 3,579,599 |
| Deferred inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the governmental funds. | | |
| OPEB related deferred outflows | | 7,545,600 |
| OPEB related deferred inflows | | (7,542,930) |
| Investment in joint venture is not a financial resource and, therefore, is not reported in the funds. | | 17,960,826 |
| Internal service funds are used by management to charge costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | 44,049,295 |
| The internal service funds have operated with cumulative positive income results over the years, primarily due to excess service charges to governmental funds. The excess charges have reduced the total governmental fund balances reported above. Since internal service funds should operate at a breakeven basis, the cumulative excess charges are added back to the above fund balances. | | 111,747 |
| Long-term liabilities, including accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Bonds payable | | (153,065,000) |
| Bond premiums | | (7,971,464) |
| Deferred loss on refunding | | 2,612,141 |
| Accrued interest payable | | (1,408,427) |
| Compensated absences | | (3,657,633) |
| Net pension liability | | (92,201,118) |
| Preservation of benefits pension liability | | (2,115,995) |
| Subscription arrangements liability | | (104,727) |
| Lease (Right-of-use asset) liability | | (88,723) |
| Accrued landfill closure and post-closure care costs | | (12,772,701) |
| Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds. | | |
| Pension related deferred outflows | | 13,758,117 |
| Pension related deferred inflows | | (11,082,534) |
| **Net Position of Governmental Activities** | $ | 178,197,280 |

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

# TOWN OF PALM BEACH, FLORIDA

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

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Major Governmental Funds | | | | | |
|---|---|---|---|---|---|---|
| | General Fund | Townwide Undergrounding Assessment Fund | Capital Improvement Fund | Beach Restoration Project Fund | Nonmajor Governmental Funds | Total Governmental Funds |
| **Revenues** | | | | | | |
| Taxes | $ 84,009,529 | $ -- | $ -- | $ -- | $ -- | $ 84,009,529 |
| Fees and permits | 2,672,602 | -- | -- | -- | -- | 2,672,602 |
| Intergovernmental | 1,374,546 | -- | 921,594 | -- | -- | 2,296,140 |
| Charges for services | 9,553,305 | -- | -- | -- | -- | 9,553,305 |
| Fines and forfeitures | 1,338,269 | -- | -- | -- | -- | 1,338,269 |
| Investment earnings | 3,696,668 | 1,447,985 | 1,864,181 | 2,788,426 | 34,935 | 9,832,195 |
| Grant revenue | 252,359 | 1,155,247 | 2,042,496 | 270 | -- | 3,450,372 |
| Contributions and donations | -- | -- | 360,997 | -- | 1,494,761 | 1,855,758 |
| Special assessments and related interest | -- | 3,502,368 | -- | -- | 1,400,232 | 4,902,600 |
| Miscellaneous | 640,652 | 192,967 | 2,399 | -- | -- | 836,018 |
| **Total Revenues** | 103,537,930 | 6,298,567 | 5,191,667 | 2,788,696 | 2,929,928 | 120,746,788 |
| **Expenditures** | | | | | | |
| Current: | | | | | | |
| General government | 13,527,723 | -- | 147,018 | -- | 79,257 | 13,753,998 |
| Public safety | 39,241,386 | -- | 36,749 | -- | 414,245 | 39,692,380 |
| Physical environment | 15,986,611 | 21,502,085 | 2,874,041 | 1,754,911 | 4,681 | 42,122,329 |
| Transportation | 1,469,941 | -- | 15,778 | -- | -- | 1,485,719 |
| Economic environment | -- | -- | -- | -- | 367,757 | 367,757 |
| Culture and recreation | 5,276,025 | -- | 289,951 | -- | 18,152 | 5,584,128 |
| Non-departmental | 7,791,127 | -- | -- | -- | -- | 7,791,127 |
| Capital outlay | 218,946 | -- | 15,134,923 | 282,639 | -- | 15,636,508 |
| Debt service: | | | | | | |
| Principal | 155,043 | 1,430,000 | -- | -- | 3,820,000 | 5,405,043 |
| Interest and fiscal charges | 7,887 | 2,416,855 | -- | -- | 3,444,731 | 5,869,473 |
| **Total Expenditures** | 83,674,689 | 25,348,940 | 18,498,460 | 2,037,550 | 8,148,823 | 137,708,462 |
| **Excess (Deficiency) of Revenues over Expenditures** | 19,863,241 | (19,050,373) | (13,306,793) | 751,146 | (5,218,895) | (16,961,674) |
| **Other Financing Sources (Uses)** | | | | | | |
| Initiation of leases | 117,062 | -- | -- | -- | -- | 117,062 |
| Transfers in | 7,748,997 | 4,600,000 | 12,308,122 | 5,791,205 | 6,375,683 | 36,824,007 |
| Transfers out | (24,998,819) | -- | (500,000) | (508,463) | (1,000,000) | (27,007,282) |
| **Total Other Financing Sources (Uses)** | (17,132,760) | 4,600,000 | 11,808,122 | 5,282,742 | 5,375,683 | 9,933,787 |
| **Net Change in Fund Balances** | 2,730,481 | (14,450,373) | (1,498,671) | 6,033,888 | 156,788 | (7,027,887) |
| **Fund Balances -** Beginning | 44,254,281 | 31,605,309 | 23,782,707 | 38,104,995 | 2,076,137 | 139,823,429 |
| **Fund Balances** - Ending | $ 46,984,762 | $ 17,154,936 | $ 22,284,036 | $ 44,138,883 | $ 2,232,925 | $ 132,795,542 |

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

# TOWN OF PALM BEACH, FLORIDA

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

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | | |
|---|---|---|
| **Net Change in Fund Balances - Total Governmental Funds** | $ | (7,027,887) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. | | |
| Capital outlay | | 15,636,508 |
| Capital contributions | | 798,734 |
| Less current year depreciation and amortization | | (7,951,530) |
| Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the governmental funds. | | |
| Change in investment in joint venture | | 2,152,975 |
| Governmental funds report revenue when earned and available. However, the government-wide statements recognize revenue when earned, regardless of availability. | | |
| Grant revenues | | (678,946) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets of governmental activities. | | |
| Repayment of subscription principal | | 119,147 |
| Lease (Right-of-use asset) acquired | | (117,062) |
| Repayment of lease (Right-of-use asset) principal | | 35,896 |
| Repayment of debt principal | | 5,250,000 |
| Transfer of capital assets from governmental activities to internal service funds therefore is not reported in the governmental funds. | | |
| Transfer of capital assets | | (93,026) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Amortization of loss on refunding | | (316,726) |
| Amortization of bond premiums | | 840,534 |
| Change in accrued interest payable | | 67,309 |
| Change in compensated absences | | (470,295) |
| Change in net pension liability and related deferred amounts | | (1,681,960) |
| Change in preservation of benefits pension liability and related deferred amounts | | (769,654) |
| Change in net OPEB asset and related deferred amounts | | 103,975 |
| Change in accrued landfill closure and post-closure care costs | | (3,409,485) |
| Internal service funds are used by management to charge the costs of property, liabilities, and workers compensation insurance, group health insurance and equipment replacement costs. The net revenues of certain activities of the internal services funds are reported within governmental activities. | | 2,319,087 |
| **Change in Net Position of Governmental Activities** | $ | 4,807,594 |

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

## TOWN OF PALM BEACH, FLORIDA

### STATEMENT OF NET POSITION
### PROPRIETARY FUNDS

### SEPTEMBER 30, 2024

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|
| | Major Funds | | | | |
| | Town Docks Fund | Golf Course Fund | Building Enterprise Fund | Total | |
| **Assets** | | | | | |
| **Current Assets** | | | | | |
| Cash and cash equivalents | $ -- | $ 2,000 | $ -- | $ 2,000 | $ 55,055 |
| Equity in pooled cash and investments | 23,817,869 | 6,953,142 | 18,781,903 | 49,552,914 | 33,536,745 |
| Accounts receivable | 21,277 | 1,299 | -- | 22,576 | 69,796 |
| Interest receivable | 125,287 | 42,563 | 139,222 | 307,072 | 130,114 |
| Prepaid items | 45,898 | 16,575 | -- | 62,473 | 219,184 |
| Equity in pooled cash and investments - restricted | 120,000 | -- | -- | 120,000 | -- |
| **Total Current Assets** | 24,130,331 | 7,015,579 | 18,921,125 | 50,067,035 | 34,010,894 |
| **Noncurrent Assets** | | | | | |
| Capital assets: | | | | | |
| Land | -- | 5,051,527 | -- | 5,051,527 | -- |
| Construction in progress | -- | -- | -- | -- | 2,097,045 |
| Buildings | 1,629,589 | 3,273,034 | -- | 4,902,623 | -- |
| Improvements other than buildings | 34,718,632 | 5,468,540 | -- | 40,187,172 | -- |
| Lease (right-of-use asset) | 951,850 | -- | 10,767 | 962,617 | -- |
| Subscription arrangements | -- | -- | -- | -- | -- |
| Equipment | 241,661 | 779,530 | 319,727 | 1,340,918 | 26,546,567 |
| Total Capital assets | 37,541,732 | 14,572,631 | 330,494 | 52,444,857 | 28,643,612 |
| Less: accumulated depreciation and amortization | (5,526,148) | (4,570,062) | (125,713) | (10,221,923) | (16,263,264) |
| **Total Capital Assets, Net** | 32,015,584 | 10,002,569 | 204,781 | 42,222,934 | 12,380,348 |
| Due from other funds | -- | -- | -- | -- | 439,827 |
| Net OPEB asset | 50,027 | 94,006 | 245,845 | 389,878 | -- |
| **Total Noncurrent Assets** | 32,065,611 | 10,096,575 | 450,626 | 42,612,812 | 12,820,175 |
| **Total Assets** | 56,195,942 | 17,112,154 | 19,371,751 | 92,679,847 | 46,831,069 |
| **Deferred Outflows of Resources** | | | | | |
| Pension related items | 102,406 | 192,432 | 503,137 | 797,975 | 43,888 |
| OPEB related items | 105,454 | 198,160 | 518,228 | 821,842 | -- |
| **Total Deferred Outflows of Resources** | 207,860 | 390,592 | 1,021,365 | 1,619,817 | 43,888 |
| **Liabilities** | | | | | |
| **Current Liabilities** | | | | | |
| Accounts payable and contracts payable | 335,501 | 211,188 | 159,047 | 705,736 | 214,912 |
| Accrued liabilities | 192,759 | 28,327 | 77,900 | 298,986 | 2,190,916 |
| Due to other funds | -- | -- | -- | -- | 19,000 |
| Current portion of lease liability | 91,493 | -- | 2,693 | 94,186 | -- |
| Current portion of compensated absences | 3,003 | 16,008 | 29,001 | 48,012 | 4,052 |
| Current portion of bonds payable | 1,405,000 | -- | -- | 1,405,000 | -- |
| Payable from restricted - customer deposits | 120,000 | -- | -- | 120,000 | -- |
| **Total Current Liabilities** | 2,147,756 | 255,523 | 268,641 | 2,671,920 | 2,428,880 |
| **Noncurrent Liabilities** | | | | | |
| Bonds payable | 25,575,000 | -- | -- | 25,575,000 | -- |
| Compensated absences | 30,655 | 81,822 | 199,575 | 312,052 | 56,172 |
| Lease liability | 580,454 | -- | 6,532 | 586,986 | -- |
| Net pension liability | 678,729 | 1,275,413 | 3,334,721 | 5,288,863 | 290,884 |
| Unearned revenue | 1,710,688 | -- | -- | 1,710,688 | -- |
| **Total Noncurrent Liabilities** | 28,575,526 | 1,357,235 | 3,540,828 | 33,473,589 | 347,056 |
| **Total Liabilities** | 30,723,282 | 1,612,758 | 3,809,469 | 36,145,509 | 2,775,936 |
| **Deferred Inflows of Resources** | | | | | |
| Pension related items | 116,028 | 218,029 | 570,064 | 904,121 | 49,726 |
| OPEB related items | 105,416 | 198,090 | 518,045 | 821,551 | -- |
| **Total Deferred Inflows of Resources** | 221,444 | 416,119 | 1,088,109 | 1,725,672 | 49,726 |
| **Net Position** | | | | | |
| Net investment in capital assets | 4,213,526 | 10,002,569 | 195,556 | 14,411,651 | 12,380,348 |
| Restricted for net OPEB asset | 50,027 | 94,006 | 245,845 | 389,878 | -- |
| Unrestricted | 21,195,523 | 5,377,294 | 15,054,137 | 41,626,954 | 31,668,947 |
| **Total Net Position** | $ 25,459,076 | $ 15,473,869 | $ 15,495,538 | $ 56,428,483 | $ 44,049,295 |

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

# TOWN OF PALM BEACH, FLORIDA

## RECONCILIATION OF ENTERPRISE FUND NET POSITION TO BUSINESS-TYPE ACTIVITIES NET POSITION

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | | |
|---|---|---|
| **Amounts Reported for the Enterprise Funds** | $ | 56,428,483 |
| The Town uses internal service funds to charge the costs of risk management, group health insurance, and equipment replacement to individual governmental and enterprise funds. The operating income or loss of certain activities of internal service funds related to the enterprise funds are included with business-type activities in the government-wide statements. | | |
| The following reflects the consolidation of internal service fund activities related to the enterprise funds. | | |
| Current year adjustment | | (211,982) |
| Cumulative prior year adjustments | | 100,235 |
| **Amounts Reported for the Business-type Activities** | $ | 56,316,736 |

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

## TOWN OF PALM BEACH, FLORIDA

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
### PROPRIETARY FUNDS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Business-type Activities - Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Major Funds | | | | Governmental Activities |
| | Town Docks Fund | Golf Course Fund | Building Enterprise Fund | Total | Internal Services Fund |
| **Operating Revenues** | | | | | |
| Golf fees and related revenue | $ -- | $ 5,318,147 | $ -- | $ 5,318,147 | $ -- |
| Marina fees and related revenue | 13,935,680 | -- | -- | 13,935,680 | -- |
| Building fees and related revenue | -- | -- | 13,496,607 | 13,496,607 | -- |
| Charges for services | -- | -- | -- | -- | 10,236,968 |
| Fines and Forfeitures | -- | -- | 103,746 | 103,746 | -- |
| Other operating revenue | 530 | 7,058 | 30,466 | 38,054 | 444,977 |
| **Total Operating Revenues** | 13,936,210 | 5,325,205 | 13,630,819 | 32,892,234 | 10,681,945 |
| **Operating Expenses** | | | | | |
| Personal services | 724,181 | 1,119,812 | 3,228,485 | 5,072,478 | 273,498 |
| Contractual services | 745,329 | 805,878 | 846,724 | 2,397,931 | 590,727 |
| Repairs and maintenance | 51,754 | 419,415 | 355,771 | 826,940 | -- |
| Equipment rental | -- | 20,523 | -- | 20,523 | -- |
| Materials and supplies | 20,967 | 816,575 | 70,383 | 907,925 | -- |
| Utilities | 747,097 | 101,232 | -- | 848,329 | -- |
| Insurance | -- | -- | -- | -- | 3,455,686 |
| Claims | -- | -- | -- | -- | 6,629,432 |
| Claims adjustment | -- | -- | -- | -- | 167,159 |
| Depreciation and amortization | 1,901,642 | 284,029 | 61,340 | 2,247,011 | 1,782,963 |
| Other | 769,963 | 171,016 | 307,184 | 1,248,163 | 137,846 |
| **Total Operating Expenses** | 4,960,933 | 3,738,480 | 4,869,887 | 13,569,300 | 13,037,311 |
| **Operating Income (Loss)** | 8,975,277 | 1,586,725 | 8,760,932 | 19,322,934 | (2,355,366) |
| **Nonoperating Revenues (Expenses)** | | | | | |
| Investment earnings | 1,331,309 | 240,528 | 789,383 | 2,361,220 | 2,113,261 |
| Insurance recoveries | -- | -- | -- | -- | 52,582 |
| Grant Revenue | -- | -- | -- | -- | 74,999 |
| Interest and fiscal charges | (633,360) | -- | (1,719) | (635,079) | -- |
| Loss on disposal of assets | (17,541) | (101,565) | -- | (119,106) | (226,261) |
| **Total Nonoperating Revenues (Expenses)** | 680,408 | 138,963 | 787,664 | 1,607,035 | 2,014,581 |
| **Income Before Capital Contributions from other funds and Transfers** | 9,655,685 | 1,725,688 | 9,548,596 | 20,929,969 | (340,785) |
| Capital contributions from other funds | 1,390 | -- | -- | 1,390 | 227,411 |
| Transfers in | -- | -- | -- | -- | 2,220,479 |
| Transfers out | (5,196,000) | (213,207) | (6,627,997) | (12,037,204) | -- |
| **Change in Net Position** | 4,461,075 | 1,512,481 | 2,920,599 | 8,894,155 | 2,107,105 |
| **Net Position** - Beginning | 20,998,001 | 13,961,388 | 12,574,939 | 47,534,328 | 41,942,190 |
| **Net Position** - Ending | $ 25,459,076 | $ 15,473,869 | $ 15,495,538 | $ 56,428,483 | $ 44,049,295 |

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

# TOWN OF PALM BEACH, FLORIDA

## RECONCILIATION OF ENTERPRISE FUND CHANGES IN NET POSITION TO BUSINESS-TYPE ACTIVITIES CHANGES IN NET POSITION

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | | |
|---|---|---|
| **Amounts Reported for the Enterprise Funds** | $ | 8,894,155 |
| The Town uses internal service funds to charge the costs of risk management, group health insurance, and equipment replacement to individual governmental and enterprise funds. The operating income or loss of certain activities of internal service funds related to the enterprise funds are included with business-type activities in the government-wide statements. | | |
| The following reflects the consolidation of internal service fund activities related to the enterprise funds. | | |
| Current year adjustment | | (211,982) |
| **Change in Net Position of Governmental Activities** | $ | 8,682,173 |

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

## TOWN OF PALM BEACH, FLORIDA

### STATEMENT OF CASH FLOWS
### PROPRIETARY FUNDS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Business-type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Fund |
|---|---|---|---|---|---|
| | Major Funds | | | | |
| | Town Docks Fund | Golf Course Fund | Building Enterprise Fund | Total | |
| **Cash Flows from Operating Activities** | | | | | |
| Receipts from customers and users | $ 12,282,279 | $ 5,322,575 | $ 13,600,353 | $ 31,205,207 | $ -- |
| Receipts from interfund services provided | -- | -- | -- | -- | 10,194,824 |
| Payments to employees | (687,575) | (1,079,159) | (2,836,519) | (4,603,253) | (281,177) |
| Payments to suppliers | (2,353,755) | (2,301,611) | (1,489,795) | (6,145,161) | (10,275,725) |
| Insurance recoveries | -- | -- | -- | -- | 52,582 |
| Other receipts | 530 | 7,058 | 30,466 | 38,054 | 444,977 |
| **Net Cash Provided by Operating Activities** | 9,241,479 | 1,948,863 | 9,304,505 | 20,494,847 | 135,481 |
| **Cash Flows from Noncapital Financing Activities** | | | | | |
| Due from other funds | -- | -- | -- | -- | 156,744 |
| Due to other funds | -- | -- | -- | -- | 19,000 |
| Transfers from other funds | -- | -- | -- | -- | 2,220,479 |
| Transfers to other funds | (5,196,000) | (213,207) | (6,627,997) | (12,037,204) | -- |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | (5,196,000) | (213,207) | (6,627,997) | (12,037,204) | 2,396,223 |
| **Cash Flows from Capital and Related Financing Activities** | | | | | |
| Acquisition of capital assets | (63,474) | (24,404) | (191,400) | (279,278) | (5,109,574) |
| Proceeds from sale of assets | -- | -- | -- | -- | 15,910 |
| Repayment of bonds | (1,370,000) | -- | -- | (1,370,000) | -- |
| Receipts from grants | -- | -- | -- | -- | 74,999 |
| Lease (right-of-use assets) principal paid | (90,056) | -- | (2,946) | (93,002) | -- |
| Subscription arrangements principal paic | -- | -- | (51,388) | (51,388) | -- |
| Interest paid on lease (right-of-use assets) | (11,160) | -- | (1,719) | (12,879) | -- |
| Interest paid on bonds | (623,201) | -- | -- | (623,201) | -- |
| **Net Cash Used in Capital and Related Financing Activities** | (2,157,891) | (24,404) | (247,453) | (2,429,748) | (5,018,665) |
| **Cash Flows from Investing Activities** | | | | | |
| Investment income received | 1,378,570 | 256,584 | 841,902 | 2,477,056 | 2,120,196 |
| **Net Cash Provided by Investing Activities** | 1,378,570 | 256,584 | 841,902 | 2,477,056 | 2,120,196 |
| **Net Increase (Decrease) in Cash** | 3,266,158 | 1,967,836 | 3,270,957 | 8,504,951 | (366,765) |
| **Cash** - Beginning | 20,671,711 | 4,987,306 | 15,510,946 | 41,169,963 | 33,958,565 |
| **Cash** - Ending | $ 23,937,869 | $ 6,955,142 | $ 18,781,903 | $ 49,674,914 | $ 33,591,800 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities** | | | | | |
| Operating income (loss) | $ 8,975,277 | $ 1,586,725 | $ 8,760,932 | $ 19,322,934 | $ (2,355,366) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | 1,901,642 | 284,029 | 61,340 | 2,247,011 | 1,782,963 |
| Insurance recoveries | -- | -- | -- | -- | 52,582 |
| Changes in net pension liability and related deferred amounts | 24,149 | 39,503 | 387,395 | 451,047 | (11,678) |
| Changes in net OPEB asset and related deferred amounts | (412) | (11,686) | (26,139) | (38,237) | -- |
| Changes in operating assets and liabilities: | | | | | |
| (Increase) in accounts receivable | 804,329 | 4,428 | -- | 808,757 | (42,144) |
| (Increase) in prepaid expenses | 5,304 | (2,082) | -- | 3,222 | 479,827 |
| Increase (decrease) in accounts payable | (24,026) | 26,880 | 73,586 | 76,440 | 56,738 |
| Increase (decrease) in accrued liabilities | 77 | 8,230 | 16,681 | 24,988 | 168,560 |
| Increase (decrease) in customer deposits | (550,800) | -- | -- | (550,800) | -- |
| Increase (decrease) in unearned revenue | (1,906,930) | -- | -- | (1,906,930) | -- |
| Increase (decrease) in compensated absences payable | 12,869 | 12,836 | 30,710 | 56,415 | 3,999 |
| **Net Cash Provided by Operating Activities** | $ 9,241,479 | $ 1,948,863 | $ 9,304,505 | $ 20,494,847 | $ 135,481 |
| **Noncash Activities** | | | | | |
| Contributions of capital assets by other funds | $ 1,390 | $ -- | $ -- | $ 1,390 | $ 227,411 |
| Initiation of subscription liability | $ -- | $ -- | $ 10,768 | $ 10,768 | $ -- |
| Insurance claims adjustment | $ -- | $ -- | $ -- | $ -- | $ 167,159 |
| Loss on disposal of assets | $ (17,541) | $ (101,565) | $ -- | $ (119,106) | $ (226,261) |

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

# TOWN OF PALM BEACH, FLORIDA

## STATEMENT OF FIDUCIARY NET POSITION
## FIDUCIARY FUNDS

## SEPTEMBER 30, 2024

| | Trust Funds |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 2,765,261 |
| Interest and dividends receivable | 213,064 |
| Prepaid items | 13,573 |
| Investments: | |
| Short-term investment fund | 24,331,583 |
| Fixed income securities | 61,784,114 |
| Common stock | 29,358,266 |
| Domestic equity funds | 119,388,942 |
| International and emerging market equity funds | 59,932,701 |
| Hedge funds | 13,963,851 |
| Private equity funds | 16,690,221 |
| Real estate funds | 12,541,526 |
| **Total Assets** | 340,983,102 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 159,456 |
| Due to brokers | 10,010 |
| **Total Liabilities** | 169,466 |
| **Net Position** | |
| Restricted for pension benefits | 297,047,876 |
| Restricted for OPEB | 43,765,760 |
| **Total Net Position** | $ 340,813,636 |

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

# TOWN OF PALM BEACH, FLORIDA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
## FIDUCIARY FUNDS

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | |
|---|---|
| **Additions** | |
| **Contributions** | |
| Employer | $ 18,860,006 |
| Employee | 2,601,299 |
| Other | 18,780 |
| **Total Contributions** | 21,480,085 |
| **Investment Income** | |
| Net appreciation in fair value of investments | 49,113,152 |
| Interest and dividends | 7,958,749 |
| **Total investment income** | 57,071,901 |
| Less investment expenses | (707,048) |
| **Net Investment Income** | 56,364,853 |
| **Total Additions** | 77,844,938 |
| **Deductions** | |
| Benefit payments | 23,061,144 |
| Share distributions | 75,408 |
| DROP distributions | 1,962,483 |
| Refunds of participants' contributions | 185,942 |
| Administrative expenses | 614,573 |
| **Total Deductions** | 25,899,550 |
| **Change in Net Position** | 51,945,388 |
| **Net Position Restricted for Pension Benefits and OPEB** - Beginning of Year | 288,868,248 |
| **Net Position Restricted for Pension Benefits and OPEB** - Ending of Year | $ 340,813,636 |

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

# NOTES TO BASIC FINANCIAL STATEMENTS

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *FINANCIAL REPORTING ENTITY*

The Town of Palm Beach, Florida, (the "Town") was incorporated as a municipality in 1911. The Town Charter was enacted by the Legislature of the State of Florida by Special Acts 1917, Chapter 7683. Pursuant to authority granted by the Florida Constitution and Florida Statutes Chapter 165, the Town enacted its current charter by Town Ordinance No. 15-78 adopted on December 12, 1978, and approved by referendum held February 6, 1979. The Town is governed by an elected Mayor and Town Council, which appoints a Town Manager. The Town provides the following services: public safety, recreation, sanitation, streets and roads, planning and zoning, and general administrative services.

The basic financial statements of the Town have been prepared in conformity with United States generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board (the "GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's significant accounting policies.

As required by GAAP, these financial statements include the Town (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete. The Town is financially accountable for an organization if:

a) the Town appoints a voting majority of the organization's governing board and (1) the Town is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town, or

b) the organization is fiscally dependent on the Town and (1) there is a potential for the organization to provide specific financial benefits to the Town or (2) impose specific financial burdens on the Town.

Based upon the application of these criteria, management has determined that there are two fiduciary component units that are required to be included in the Town's financial reporting entity.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *FINANCIAL REPORTING ENTITY (CONTINUED)*

***Town of Palm Beach Retirement System and Other Postemployment Benefits Plan***

The Town of Palm Beach Retirement System (the "Plan") was established May 1, 2012 and is governed by a nine-member board of trustees. The trustees consist of (a) one employee who is a member of the benefit group general or benefit group lifeguard elected by the members of those benefit groups (b) one employee who is a member of the benefit group firefighter elected by the members of that benefit group (c) one employee who is a member of the benefit group police officers elected by the members of that benefit group (d) five residents of the Town who are not officers or employees of the Town, retirees or beneficiaries of the retirement system, appointed by the Town Council and (e) Deputy Town Manager, Finance and Administration. The Town of Palm Beach Other Postemployment Benefits Plan ("OPEB") Plan is a single-employer, defined benefit postemployment healthcare plan that is administered by the Town and covers retired employees of the Town and their dependents. The Town Council has the authority to establish and amend benefit provisions of the Plan.

All employees working in excess of 1,850 hours per year are covered by the Plan. The Town Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The contributions and benefits are segregated between general employees and lifeguards, police officers, and firefighters.

The Plan and OPEB are included in the Town's financial reporting entity because the Town appoints a voting majority of the Plan's governing board, the Town is able to impose its will on the organization, and there is the potential for the Plan to provide specific financial benefits to the Town or impose specific financial burdens on the Town. The Plan and OPEB are presented as four trust funds in the Town's fiduciary fund financial statements.

The Town has entered into a joint interlocal agreement for the management and operation of the East Central Regional Wastewater Treatment Facilities (the "ECR"). The ECR is reported as a joint venture accounted for using the equity method as discussed in Note 5.

### *GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all non-fiduciary activities of the Town. These statements include separate columns for the governmental activities, which are normally supported by taxes and intergovernmental revenue, and business-type activities, which rely primarily on fees and charges for support. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total column.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)*

In the Statement of Activities, interfund services provided and used are not eliminated in the process of consolidation, because elimination of such charges would distort the direct costs and program revenues reported for the various functions concerned. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or identifiable activities are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenue includes three categories of transactions: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (2) operating grants and contributions; and, (3) capital grants and contributions. Taxes and other items not meeting the definition of program revenue are reported as general revenue.

### *FUND FINANCIAL STATEMENTS*

The underlying accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds used by the Town are classified into three categories: governmental, proprietary, and fiduciary. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Town's major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

***Governmental Fund Financial Statements*** - Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenue, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds in the aggregate. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements, to the net position and changes in net position presented in the government-wide financial statements. The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *FUND FINANCIAL STATEMENTS (CONTINUED)*

***Special Revenue Fund***

The *Townwide Undergrounding Assessment Fund* accounts for the proceeds of assessments that are restricted to expenditures for the Townwide Underground Utility Project.

***Capital Projects Funds***

The *Capital Improvement Fund* accounts for various construction projects undertaken by the Town. This fund is financed on a pay-as-you go basis from the General Fund.

The *Beach Restoration Project Fund* accounts for beach improvements, restoration and renourishment through the placement of sand and possible groin fields and environmental mitigation for beach stabilization in all or a portion of the beaches located within the Town.

***Proprietary Fund Financial Statements*** - Proprietary Fund Financial Statements include a Statement of Net Position and a Statement of Revenue, Expenses and Changes in Net Position, and a Statement of Cash Flows for the Town's major proprietary funds and internal service funds as follows:

The *Town Docks Enterprise Fund* is used to account for the operations of the Town's 84 slip marina.

The *Golf Course Enterprise Fund* is used to account for the operations of the Town's Par 3 Golf Course.

The *Building Enterprise Fund* is used to account for all building permit revenue and expenses and allow for greater transparency as required by the State of Florida.

The *Property, Liability and Workers Compensation Insurance Fund* and the *Group Health Insurance Fund* are used to account for the Town's internal service funds which provide risk management services to other departments of the Town. In addition, the *Equipment Replacement Fund* is used to account for the Town's internal service fund which provides for the accumulation of resources for the procurement and maintenance of major equipment and vehicles.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *FUND FINANCIAL STATEMENTS (CONTINUED)*

***Fiduciary Fund Financial Statements*** - Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town's Fiduciary Funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of third parties (pension participants and Town employees) and cannot be used to finance activities or obligations of the government, these funds are not included in the government-wide financial statements. The Fiduciary Funds of the Town are as follows:

The *Town of Palm Beach Retirement Fund* accounts for the General Employees' Pension Trust, the Police Officers' Pension Trust, and the Firefighters' Pension Trust assets held in a trustee capacity for Town employees participating in the Town of Palm Beach Retirement System.

The *OPEB Trust Fund* is used to account for assets held in a trustee capacity for retiree healthcare benefits.

### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenue is recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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. All franchise fees are based on gross receipts.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the period in which it becomes both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenue to be available if it is collected within 60 days of the end of the current fiscal year. Unearned revenue consists primarily of fees for building permits and other fees collected in advance of the year to which they relate. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. Property taxes, intergovernmental revenue, franchise fees (all of which are based on a percentage of gross receipts), charges for services and investment income are all considered susceptible to accrual and so have been recognized as revenue in the current fiscal year. All other revenue items are considered to be measurable and available only when received in cash by the Town.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)*

Proprietary fund and internal service fund financial statements distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenue of the Town Docks Enterprise Fund, Golf Course Enterprise Fund, and Building Enterprise Fund, are charges to customers for dockage, greens fees, and building permits, respectively. Operating expenses for the enterprise funds include the cost of operating and maintaining the marina and golf course, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

In the government-wide financial statements, when both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

### *PROPERTY TAX CALENDAR*

Ad valorem taxes are levied each November 1st based on the assessed property valuations at January 1st as established by the County Property Appraiser. These taxes are payable November 1st, with discounts of one to four percent allowed for payments prior to March 1st of the following calendar year. Ad valorem taxes are due March 31st, and become delinquent and subject to lien on April 1st. Ad valorem taxes are billed and collected by the Palm Beach County Tax Collector and remitted to the Town.

### *PROPERTY TAX REFORM*

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. For the fiscal year ended September 30, 2024, the maximum tax levy allowed by a majority vote of the governing body is generally based on a percentage reduction applied to the prior year (2022/2023) property tax revenue.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *PROPERTY TAX REFORM (CONTINUED)*

The State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus 10%; or 3) any millage rate approved by unanimous vote or referendum. For the fiscal year ended September 30, 2024, the Town adopted a millage rate of 2.6110. This millage rate results in a total tax levy of $72,130,510 for 2024, representing an increase of 10.26%, from the property tax levy of 2023. Beginning in 2009, property tax growth is limited to the annual growth rate of per capita personal income plus the value of new construction.

### *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents are defined as deposits with financial institutions, money market accounts and money market mutual funds and highly liquid investments which are readily convertible to known amounts of cash and have a maturity when purchased of three months or less.

For purposes of the statement of cash flows, cash and cash equivalents also include each respective fund's equity in pooled cash and investments. Each fund is able to withdraw cash at any time without prior notice or penalty and there is sufficient liquidity to meet the daily cash needs of each fund.

### *INVESTMENTS*

Investments are stated at fair value. 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. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of fair value measurement in both cases is the same, that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The Town categorizes investments reported at fair value in accordance with the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *ACCOUNTS RECEIVABLE*

Accounts receivable consists primarily of amounts due from local businesses for franchise and utility taxes, amounts due from individuals for parking fines and ambulance fees, and amounts due from Town residents for solid waste disposal fees. The Town does not require collateral for accounts receivable. Accounts receivable are reported net of an allowance for doubtful accounts determined based on the age of the individual receivable, with age categories ranging from 30 days past due to several years past due. Generally, the allowance includes accounts over 90 days past due. Accounts receivable are written off on an individual basis in the year the Town deems them to be uncollectible.

### *INVENTORY*

Inventory, consisting primarily of expendable materials and supplies, is valued at cost, using the first-in, first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

### *PREPAID ITEMS*

Payments for insurance premiums and other administrative expenditures/expenses extending over more than one accounting period are accounted for as prepaid expenditures/expenses and allocated between accounting periods. In the governmental funds, prepaid items are recorded using the consumption method and are offset by the nonspendable fund balance component which indicates they do not constitute available spendable resources, even though they are a component of current assets.

### *INTERNAL BALANCES*

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for the residual amount, which is presented as internal balances.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *CAPITAL ASSETS*

The Town has reported all capital assets, including infrastructure assets (roads, sidewalks and similar items), in the government-wide statement of net position. Capital assets are defined by the Town as assets with an estimated useful life in excess of one year and the capitalization thresholds presented below. Purchased capital assets are recorded at cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. All infrastructure assets are reported in the accompanying government-wide financial statements. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services and interest associated with the acquisition and construction of capital assets have been capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position. Depreciation is computed using the straight-line method over the assets' estimated useful lives for all reported capital assets, except land and construction in progress.

The capitalization thresholds and estimated useful lives of capital assets are as follows:

| Classification | Capitalization Threshold | Estimate Useful Life |
|---|---|---|
| Buildings | $50,000 | 40 years |
| Improvements other than buildings | 50,000 | 25 years |
| Infrastructure | 50,000 | 6-50 years |
| Computer software | 25,000 | 10 years |
| Equipment, furniture, and machinery | 5,000 | 2-20 years |
| Computer equipment | 3,000 | 3-10 years |

Intangible assets consist of the right of use of the City of Lake Worth, Florida's wastewater facilities and the right of use of subscription-based information technology arrangements ("SBITA"). The wastewater facilities intangible assets are amortized using the straight-line method over 40 years, the term of the underlying agreement. SBITA assets are amortized on a straight-line basis over the life of the related contract.

### *LEASES (RIGHT-OF-USE ASSETS)*

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT ("SBITA")*

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

### *LEASES RECEIVABLE*

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

### *UNEARNED REVENUE*

Unearned revenue arises when resources are obtained prior to revenue recognition. In subsequent periods, when revenue recognition criteria are met the unearned revenue is removed and revenue is recognized. Unearned revenue consists of license fees and charges for services collected at the end of the fiscal year that relate to and will be earned in the subsequent fiscal year.

### *UNAVAILABLE REVENUE*

The government reports unavailable revenue on its governmental funds balance sheet for resource inflows that do not qualify for recognition as revenue in a governmental fund because they are not yet considered available.

### *DEFERRED OUTFLOWS OF RESOURCES*

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period and will not be recognized as an outflow of resources (expenditure/expense) until that time.

### *DEFERRED INFLOWS OF RESOURCES*

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenues) until that time.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *BOND DISCOUNTS, BOND PREMIUMS, AND ISSUANCE COSTS*

In the governmental funds, bond discounts and bond premiums are reported as "Other Financing Sources (Uses)" in the year of the issue. In the proprietary fund financial statements and the government-wide financial statements, the bond discounts and premiums are amortized over the term of the related debt using the interest method or the straight-line method, which approximates the interest method. Issuance costs, except any portion related to prepaid insurance costs, are recognized as an expenditure/expense in the period incurred.

### *DEFERRED LOSSES ON REFUNDING OF DEBT*

In the proprietary fund financial statements and the government-wide financial statements the difference between the re-acquisition price of new debt and the net carrying value of old debt refunded is recorded as a deferred outflow of resources and recognized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the interest method or the straight-line method, which approximates the interest method.

### *NET POSITION*

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in the following three components:

***Net Investment in Capital Assets*** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

***Restricted*** - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

***Unrestricted*** - This component of net position consists of net position that does not meet the definition of *Net investment in capital assets* or *Restricted*.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *FUND BALANCE*

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following classifications:

***Nonspendable Fund Balance*** – This component indicates amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned, then they should be included in the appropriate fund balance classification (restricted, committed, or assigned), rather than the nonspendable fund balance. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

***Restricted Fund Balance*** – This component indicates amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. It is the Town's policy to have no restricted fund balance in the General Fund. Restricted amounts will be budgeted and reported in special revenue funds, capital projects funds, or debt service funds.

***Committed Fund Balance*** – This component includes amounts that can be used only for specific purposes pursuant to constraints imposed by the Town Council by the adoption of an ordinance, the Town's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Commitment of fund balance may be made for such purposes including, but not limited to: (a) major maintenance and repair projects; (b) meeting future obligations resulting from a natural disaster; (c) accumulating resources pursuant to stabilization arrangements; (d) establishing reserves for disasters; and or (e) setting aside amounts for specific projects or purposes.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *FUND BALANCE (CONTINUED)*

***Assigned Fund Balance*** – This component includes amounts intended to be used by the Town for specific purposes, but are neither restricted nor committed. Assignment of fund balance may be a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. In accordance with the Town's fund balance policy, assignments can be made by formal action of the Town Council. Assigned fund balance shall reflect management's intended use of resources as set forth in the annual budget (and any amendments thereto). Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

***Unassigned Fund Balance*** – This component includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes. A negative unassigned fund balance may be reported only after any amount reported as assigned fund balance has been eliminated.

The Town will maintain a minimum level of unassigned fund balance of 25% of general fund operating expenditures. If after the annual audit, prior committed or assigned fund balance causes the unassigned fund balance to fall below 25% of general fund operating expenditures, the Town Manager will so advise the Town Council in order for necessary action to be taken to restore unassigned fund balance to 25% of General Fund operating expenditures.

The Town Manager will prepare and submit a plan to the Town Council, that may include expenditure reductions, revenue increases, use of non-recurring revenues, budget surpluses and excess resources in other funds to restore fund balance to the minimum level. The Town shall take action necessary to restore the unassigned fund balance to acceptable levels within two years.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *FUND BALANCE (CONTINUED)*

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the Town's policy to reduce the restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Town's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

### *ENCUMBRANCES*

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Appropriations expire at fiscal year end, even if encumbered, but it is the Town's policy to re-appropriate such amounts at the beginning of the next fiscal year.

### *COMPENSATED ABSENCES*

The Town accrues accumulated vacation and sick leave time for all permanent, fulltime employees, subject to certain limitations. The Town's policy provides that employees shall receive 100% of their accrued vacation and 50% of their accrued sick leave over 320 hours for full-time employees and 160 hours for part-time employees, upon termination of service. Upon retirement, an employee will be paid 50% of all accrued and unused sick leave not to exceed 800 hours for full-time employees and 400 hours for part-time employees. The liability for compensated absences attributable to the Town's governmental funds is recorded in the government-wide financial statements. The amount attributable to the business-type activities is charged to expense with a corresponding liability established in the government-wide financial statements as well as the Enterprise Funds. The Town includes all applicable payroll taxes and benefits in the accrual for compensated absences.

### *INTERFUND TRANSACTIONS*

Transactions between funds during the fiscal year consisted of loans, services provided, reimbursements or transfers. The current portion of interfund loans are reported as Due from Other Funds and Due to Other Funds as appropriate. The non-current portion of interfund loans are reported as Advances to Other Funds and Advances from Other Funds as appropriate. Interfund loans are subject to elimination in the government-wide financial statements. Services, deemed to be reasonably equivalent in value, are treated as revenue and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are presented as transfers. Transfers within the governmental and business-type activities are eliminated in the government-wide financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *ESTIMATES*

Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenditures. Actual results could vary from the estimates that were used.

### *IMPLEMENTATION OF NEW ACCOUNTING STANDARDS*

GASB Statement No. 100, *Accounting Changes and Error Corrections*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement was implemented by the City for the fiscal year ended September 30, 2024; however, there was no impact to the City.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### *DEPOSITS*

#### *Custodial Credit Risk*

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized. All deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. The Town's deposits are considered insured for custodial credit risk purposes. At September 30, 2024, the carrying amount of the Town's deposits with financial institutions was approximately $63,454,000 and the bank balance was approximately $63,710,000, excluding pension trust funds. Deposits include approximately $34,462,000 in certificates of deposit. The Town also had $3,150 in petty cash.

## NOTE 2 – DEPOSITS AND INVESTMENTS

### *Equity in Pooled Cash and Investments*

The Town maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed as "Equity in pooled cash and investments." Investment earnings are allocated to the participating funds based on each fund's relative percentage of investments.

At September 30, 2024, the Town's pooled cash and investments consisted of the following:

| Description | Reported Value | Weighted Average Maturity |
|---|---|---|
| Demand deposits with financial institutions | $ 61,358,810 | N/A |
| FL PALM Portfolio | 400,554 | 36 days |
| FL PALM Term Portfolio | 44,500,000 | 36 days |
| Money market fund (Goldman Sachs) | 6,907,727 | 49 days |
| Municipal bonds | 762,261 | 1.27 years |
| Federal Agencies | 7,373,489 | 4.34 years |
| Corporate notes | 14,848,980 | 2.81 years |
| U.S. Treasuries | 14,165,020 | 3.03 years |
| Asset backed securities | 6,626,195 | 3.66 years |
| Florida Municipal Investment Trust | | |
| 0-2 Year High Quality Bond Fund | 12,142,929 | 0.90 years |
| 1-3 Year High Quality Bond Fund | 28,899,330 | 1.80 years |
| Intermediate High Quality Bond Fund | 19,272 | 4.90 years |
| **Total Equity in Pooled Cash and Investments** | $ 198,004,567 | |

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *INVESTMENTS*

#### *Investment Authorization*

Florida Statutes and the Town Council adopted investment policies authorize the Town to invest surplus funds in the Florida Municipal Investment Trust; other external investment pools; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits, savings accounts, or certificates of deposits in financial institutions located in Florida and organized under federal or Florida laws (provided that any such deposits are secured by the Florida Security for Public Deposits Act); obligations of the Federal Farm Credit Banks, Freddie Mac, the Federal Home Loan Association; corporate notes rated A or higher; commercial paper; and any additional investments authorized by the investment policy. Pursuant to the Town Code and Town Council adopted investment policies, the Town Retirement Board has full power and authority to invest and reinvest funds subject to the general terms, conditions, limitations, and restrictions imposed by Florida Statutes on the investments of public employee retirement systems.

#### *Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Town and its pension plans require all securities to be held by a third-party custodian in the name of the Town or the pension plans. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery versus payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Investments in open-end mutual funds and external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Consequently, the Town's investments in mutual funds, alternative investments, and the Florida Municipal Investment Trust are not exposed to custodial credit risk.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *INVESTMENTS (CONTINUED)*

#### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's investment policy addresses credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. Rating by a nationally recognized statistical rating organization ("NRSRO") is an indication of credit risk. The Town requires that all investments in debt securities be rated A or higher by a NRSRO. The Town's pension plans investment policies address credit risk by limiting investments to bonds or preferred stocks rated investment grade or above, unless specifically approved by the Board. Securities which are unrated may be purchased, if in the judgment of the investment manager, they would carry an investment grade rating. Short-term money market instruments are restricted to those with a rating not less than A-1 or P-1.

#### *Concentration of Credit Risk*

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town does not have any specific policy for concentration of credit risk, although it does provide for diversification to limit the potential losses on individual securities. The Town's pension plans' investment policies provide that no investment manager may purchase equity or fixed income securities of any one issuer that would cause the holding of that one issuer to exceed 5% of the respective portfolio. In addition, not more than 2% of each investment manager's portfolio shall be invested in the commercial paper of a single issuer or in bank certificates of deposit of a single issuer. Investments in broadly-based index funds, mutual funds, alternative investments, and U.S. Government and Agency securities are excluded from this limitation.

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risks. The Town's investment policy minimizes interest rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Operating funds are invested primarily in shorter-term securities, money market mutual funds, or similar investment pools. Generally, investments are limited to instruments maturing within five years of purchase.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *INVESTMENTS (CONTINUED)*

#### *Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. While there was no direct exposure to foreign currency risk in the Town's general operating investments at September 30, 2024, the Town's General Employees' Pension Trust Fund, the Police Officers' Retirement Trust Fund, the Firefighters' Retirement Trust Fund, and the OPEB Trust Fund held investments in international equity mutual funds. There was no direct exposure to foreign currency risk in the Town's and the Plans' investments at September 30, 2024 as all foreign investments are denominated in U.S. dollars.

The Town's and the pension plan's investments in international equity mutual funds as of September 30, 2024, are as follows:

| Fund | Fair Value |
|---|---|
| General Employees' Pension Trust Fund | $ 21,400,586 |
| Police Officers' Pension Trust Fund | 18,479,285 |
| Firefighters' Pension Trust Fund | 18,371,225 |
| OPEB Trust Fund | 1,681,605 |
| **Total International Equity Mutual Funds** | $ 59,932,701 |

#### *Risk and Uncertainties*

The Town invests in a variety of investment vehicles. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN'S INVESTMENTS*

As a means of limiting its exposure to interest rate risk, the Town diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities. Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity at September 30, 2024:

| | | Investment Maturities in Years | | | |
|---|---|---|---|---|---|
| Investment Type | Reported Value | Less than 1 | 1 to 5 | 6 to 10 | Greater than 10 |
| U.S. Treasuries | $ 14,165,020 | $ -- | $ 14,165,020 | $ -- | $ -- |
| Federal Agencies | 7,373,489 | -- | 6,707,572 | 334,293 | 331,624 |
| Corporate notes | 14,848,980 | 1,371,064 | 13,477,916 | -- | -- |
| Municipal bonds | 762,261 | 340,713 | 421,548 | -- | -- |
| Asset backed securities | 6,626,196 | 925 | 6,522,558 | 102,713 | -- |
| FL PALM Portfolio | 400,554 | 400,554 | -- | -- | -- |
| FL PALM Term Portfolio | 44,500,000 | 44,500,000 | -- | -- | -- |
| Money market fund (Goldman Sachs) | 6,907,727 | 6,907,727 | -- | -- | -- |
| Certificates of deposit | 34,461,131 | 34,461,131 | -- | -- | -- |
| Florida Municipal Investment Trust | | | | | |
| 0-2 Year High Quality Bond Fund | 12,142,929 | 4,114,025 | 7,611,188 | 71,643 | 346,073 |
| 1-3 Year High Quality Bond Fund | 28,899,329 | 771,612 | 24,552,870 | 2,424,654 | 1,150,193 |
| Intermediate High Quality Bond Fund | 19,272 | 318 | 6,736 | 9,177 | 3,041 |
| **Total Town Investments (excludes Cash)** | $ 171,106,888 | $ 92,868,069 | $ 73,465,408 | $ 2,942,480 | $ 1,830,931 |

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN'S INVESTMENTS (CONTINUED)*

The Town's investment policy addresses credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. Credit rating is also an indication of credit risk. The ratings for the Town's investments at September 30, 2024 are summarized below:

| Investment Type | S&P Rating | Moody's Rating | Reported Value |
|---|---|---|---|
| U.S. Treasuries | AA+ | Aaa | $ 14,165,020 |
| Federal Agencies | AA+ | AA+ | 7,055,813 |
| Federal Agencies | AA+ | Not Rated | 317,676 |
| Asset backed securities | AAA | Aaa | 2,197,607 |
| Asset backed securities | AAA | Not Rated | 2,935,536 |
| Asset backed securities | Not Rated | Aaa | 1,473,573 |
| Asset backed securities | Not Rated | Withdrawn Rating | 7,559 |
| Asset backed securities | Not Rated | Not Rated | 11,920 |
| Corporate notes | AA+ | Aaa | 928,905 |
| Corporate notes | AA+ | Aa3 | 841,358 |
| Corporate notes | AA | Aa2 | 923,745 |
| Corporate notes | AA- | A1 | 588,187 |
| Corporate notes | AA- | A2 | 179,069 |
| Corporate notes | AA- | Aa3 | 1,809,584 |
| Corporate notes | A+ | A1 | 1,244,039 |
| Corporate notes | A+ | A2 | 649,009 |
| Corporate notes | A+ | Aa1 | 256,687 |
| Corporate notes | A+ | Aa2 | 419,791 |
| Corporate notes | A+ | Aa3 | 1,483,278 |
| Corporate notes | A | A1 | 475,383 |
| Corporate notes | A | A2 | 2,071,236 |
| Corporate notes | A | Aa3 | 1,026,496 |
| Corporate notes | A- | A1 | 466,861 |
| Corporate notes | A- | A2 | 497,520 |
| Corporate notes | A- | A3 | 554,456 |
| Corporate notes | A- | Baa1 | 129,483 |
| Corporate notes | BBB | Baa1 | 303,893 |
| Municipal bonds | AAA | Aaa | 90,000 |
| Municipal bonds | AA+ | Not Rated | 233,504 |
| Municipal bonds | AA- | Aa3 | 188,044 |
| Municipal bonds | NR | NR | 250,713 |
| FL PALM Portfolio | AAAm | Not Rated | 400,554 |
| FL PALM Term Portfolio | (1) | (1) | 44,500,000 |
| Money market funds (Goldman Sachs) | AAAm | Aaa-mf | 6,907,727 |
| Certificates of deposit | Not Rated | Not Rated | 34,461,131 |
| Florida Municipal Investment Trust | | | |
| 0-2 Year High Quality Bond Fund | (2) | (2) | 12,142,929 |
| 1-3 Year High Quality Bond Fund | (3) | (3) | 28,899,330 |
| Intermediate High Quality Bond Fund | (4) | (4) | 19,272 |
| **Total Town Investments (excludes Cash)** | | | $ 171,106,888 |

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***TOWN'S INVESTMENTS (CONTINUED)***

(1) The FL PALM Term Portfolio is not rated by S&P or Moody's, but is rated AAAf by Fitch.

(2) The FMIT 0-2 Year High Quality Bond Fund is not rated by S&P or Moody's, but it is rated AAAf/S1 by Fitch.

(3) The FMIT 1-3 Year High Quality Bond Fund is not rated by S&P or Moody's, but it is rated AAAf/S2 by Fitch.

(4) The FMIT Intermediate High Quality Bond Fund is not rated by S&P or Moody's, but it is rated AAf/S3 by Fitch.

The Florida Municipal Investment Trust (the "FMIT") is an interlocal governmental entity created in 1993 under the laws of the State of Florida to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager, and secretary-treasurer of the FMIT. The FMIT is an Authorized Investment under Section 218.415 Florida Statutes. The FMIT is exempt from registration under the Securities Act of 1933, the Investment Company Act of 1940 and the Florida Securities and Investors Protection Act. The FMIT is a Local Government Investment Pool and is considered an external investment pool for GASB reporting purposes. Purchases and redemptions of shares in the FMIT may only be made on or about the end of each month and the Town must maintain an account balance of at least $50,000. The Town reports its investment in the FMIT at fair value in accordance with the GASB 72 fair value hierarchy.

The Florida Education Investment Trust Fund ("FEITF") was organized in 2010 as a common law trust organized under the laws of the State of Florida and is designed to meet the cash management and short-term investment needs of school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State. Effective June 1, 2019, the FEITF changed its name to the Florida Public Assets for Liquidity Management ("FL PALM"). The Trust offers a fully liquid, variable rate investment option known as the FL PALM Portfolio and a fixed rate fixed-term investment known as the FL PALM Term Portfolio. The Florida School Boards Association and the Florida Association of District School Superintendents sponsor the FL PALM, and its investment objective is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital.

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***TOWN'S INVESTMENTS (CONTINUED)***

The FL PALM Portfolio provides daily liquidity and allows unlimited investments and redemptions. The minimum investment is $10,000. The FL PALM Portfolio is an external investment pool and is not registered with the Securities and Exchange Commission (SEC). The investment in the FL PALM Portfolio is reported at amortized cost in accordance with GASB Statement No. 79, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB 79). The investment in the FL PALM Portfolio is not insured by the FDIC or any other governmental agency. As of September 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value. However, the Trustee of the FL PALM Portfolio can suspend the right of withdrawal or postpone the date of payment if the Trustee determines that there is an emergency. The FL PALM Portfolio is rated AAAm by Standard and Poor's.

The FL PALM Term Portfolio provides an investment subject to pre-set redemptions occurring from 60 days to one year from the time of investment, and that will produce the highest earnings consistent with maintaining principal at maturity and meeting the redemption schedule. It seeks to assure the return of principal on the planned maturity date, although principal value may fluctuate prior to that date, and therefore may be greater or less than $1.00 per share. There is a penalty for early withdrawal, and the net asset value may be more or less than $1.00 per share. The minimum investment is $1,000,000, the minimum subsequent investment is $100,000, and the minimum account balance is $1,000,000. The principal investment and the dividend are paid at maturity. The FL PALM Term Portfolio is rated AAAf by Fitch Ratings. The FL PALM Term Portfolio is not subject to GASB 79 because, by design, they do not meet the required liquidity criteria. Therefore, FL PALM Term Portfolio investments should be measured at net asset value, which is implicit in the values reported in the monthly statements provided to participants.

The Goldman Sachs Financial Square Treasury Solutions Fund is a high-quality money market portfolio that comprises U.S. Treasury securities and repurchase agreements solely within the Federal Reserve Bank of New York collateralized by U.S. Treasury Obligations. The fund seeks maximum income consistent with preserving capital and maintaining daily liquidity. The investment valuation policy of the Fund is to use the amortized cost method permitted by Rules 2a-7 under the Investment Company Act of 1940, which approximates market value, for valuing portfolio securities. The Fund is rated AAAm by Standard & Poor's and AAA-mf by Moody's.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN'S INVESTMENTS (CONTINUED)*

***Fair Value Hierarchy***

GASB 72 establishes a three-tier fair value hierarchy. The hierarchy is based on valuation inputs used to measure the fair value as follows:

Level 1 - Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.

Level 3 - Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

The following table presents a summary of the fair value hierarchy for the Town's fixed income investments as of September 30, 2024:

Debt securities classified in level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing values securities based on the securities relationship to benchmark quoted prices.

| Investment by Level | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| U.S. Treasuries | $ 14,165,020 | $ -- | $14,165,020 | $ -- |
| Federal Agencies | 7,373,489 | -- | 7,373,489 | -- |
| Corporate notes | 14,848,980 | -- | 14,848,980 | -- |
| Municipal bonds | 762,261 | -- | 762,261 | -- |
| Asset backed securities | 6,626,196 | -- | 6,626,196 | -- |
| FMIT 0-2 Year High Quality Bond Fund | 12,142,929 | -- | 12,142,929 | -- |
| FMIT 1-3 Year High Quality Bond Fund | 28,899,329 | -- | 28,899,329 | -- |
| FMIT Intermediate High Quality Bond Fund | 19,272 | -- | 19,272 | -- |
| **Total Town Fixed Income Investments** | $ 84,837,476 | $ -- | $84,837,476 | $ -- |

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN'S INVESTMENTS (CONTINUED)*

***Fair Value Hierarchy (continued)***

Certain investments are exempt from reporting under the fair value hierarchy. Depending on the nature of the investment, these investments are reported at cost, amortized cost, or net asset value ("NAV").

***Investments Reported at Cost***

As of September 30, 2024, the Town held certificates of deposit in the amount of $34,461,131 that are reported at cost.

***Investments Reported at Amortized Cost***

| Investment | Amortized Cost |
|---|---|
| FL PALM Portfolio | $ 400,554 |
| Goldman Sachs Financial Square Treasury Solutions Fund | 6,907,727 |
| **Total Town Investments Reported at Amortized Cost** | $ 7,308,281 |

***Investment Reported at NAV***

At September 30, 2024, the Town's investment in the FL PALM Term Portfolio in the amount of $44,500,000 is reported at NAV.

### *OPEB TRUST FUND INVESTMENTS*

***Investment Authorization***

In addition to the Town's investment policy, the OPEB Trust Fund is authorized to invest in domestic and international equity securities, corporate bonds, mutual funds, and investment partnerships and other alternative investments within certain limitations established by the Town Code.

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***OPEB TRUST FUND INVESTMENTS (CONTINUED)***

***Fair Value Hierarchy***

The following table presents a summary of the fair value hierarchy for the Town's OPEB Trust Fund investments as of September 30, 2024:

| Investment by Level | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Mutual Funds | | | | |
| Domestic equity funds | $21,418,512 | $21,418,512 | $ -- | $ -- |
| International equity funds | 1,681,605 | 1,681,605 | -- | -- |
| Short-term investment funds | 664,321 | 664,321 | -- | -- |
| Fixed income securities | 15,703,599 | 2,350,031 | -- | 13,353,568 |
| **Total** | $39,468,037 | $26,114,469 | $ -- | $13,353,568 |

***Investments Reported at NAV***

The following table presents a summary of the Town's OPEB Trust Fund investments reported at NAV as of September 30, 2024:

| Investments Measured at NAV | NAV |
|---|---|
| Alternative investments | |
| Crescent Direct Lending - private equity | $ 595,673 |
| Principal Enhanced Property Fund | 1,271,753 |
| U.S. Real Estate Investment Fund | 2,361,996 |
| **Total Investments Measured at NAV** | $ 4,229,422 |

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***OPEB TRUST FUND INVESTMENTS (CONTINUED)***

***Investments Reported at NAV (continued)***

At September 30, 2024, approximately 10% of the OPEB Trust Fund investments were invested in alternative investments. These alternative investment funds invest primarily in domestic and foreign private equity partnerships and other alternative investment equity funds. The investments in the underlying funds are generally valued at fair value as determined by the management of the fund by reference to the value of the underlying fund's net assets, if available, or by the valuations of a fund's underlying net assets as provided by the general partner or investment manager, if the assets are not publicly traded. The funds may also hold certain investments which may be valued by a single market maker. While the fund managers use their best judgment in estimating the fair values of underlying funds, there are inherent limitations in any estimation technique. Accordingly, the fair values of alternative investment funds have been estimated by the Town's management and investment advisors in the absence of readily ascertainable market values.

The Principal Enhanced Property Fund, LP is an open-end, commingled fund sponsored and managed by Principal Real Estate Investors. The Fund was created May 18, 2004 as a Delaware limited partnership and each investment is structured as a domestically controlled REIT. The minimum investment is $1,000,000 and contributions may be made monthly. Distributions are made quarterly with a re-investment option. Redemptions are allowed quarterly with 90 days' notice. The Fund focuses on stabilized, income producing assets and only invests in office, retail, industrial, and multi-family projects with a focus on 25 to 30 U.S. markets with MSA populations greater than one million. Transaction sizes are typically $10,000,000 to $100,000,000 but may consider smaller or larger properties. The Fund utilizes moderate leverage (target 40% to 45%) to attempt to enhance Fund returns and portfolio diversification. Most assets are acquired on a direct basis but may consider joint ventures with qualified partners if the Fund has majority economic interest and appropriate liquidity and control mechanisms. Fund investments may be held for short, medium, or long-term periods to attempt to maximize investor returns. As of September 30, 2024, there were no unfunded commitments.

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***OPEB TRUST FUND INVESTMENTS (CONTINUED)***

***Investments Reported at Net Asset Value (continued)***

Crescent Direct Lending is a leading provider of first lien and unitranche senior financing to private equity-backed U.S. lower middle market companies with $5 million to $35 million of EBITDA. Since inception in 2005, Crescent Direct Lending has issued over $4 billion of aggregate loan commitments to more than 130 companies and over 100 unique private equity sponsors. During 2018, Crescent Direct Lending issued over $1.5 billion of senior loan commitments to its private equity clients across 25 new portfolio companies and more than 75 add-on transactions. Crescent Direct Lending targets senior financing opportunities of $20 million to $200+ million with hold sizes up to $100+ million. The investment period is 6 years from the closing date. Redemptions are allowed quarterly with 90 days' notice. As of September 30, 2024, there were $812,585 in unfunded commitments.

U.S. Real Estate Investment Fund is an open-ended commingled investment vehicle with a multi-disciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire yield-driven assets consisting of all property types. Shares may be redeemed quarterly. In addition to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk, the alternative investment funds expose the fiduciary funds to certain other risks, including liquidity risks, counterparty risks, foreign political, economic, and governmental risks, and market risk. In addition, these investments may have restrictions for liquidating positions in these funds. Redemptions are allowed monthly with 5 days' notice. The value, liquidity, and related income of certain securities with contractual cash flows, such as asset backed securities collateralized by mortgage obligations, commercial mortgage backed securities, and mutual funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates. As of September 30, 2024, there were no unfunded commitments.

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

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***OPEB TRUST FUND INVESTMENTS (CONTINUED)***

***Interest Rate Risk***

As a means of limiting its exposure to interest rate risk, the OPEB Trust Fund diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities. Information about the sensitivity of the fair values of the Trust Fund's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the investments by maturity at September 30, 2024:

| | | Investment Maturities in Years | | |
|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 | 1 to 5 | 6 to 10 |
| Domestic fixed income funds | $ 2,350,031 | $ -- | $ -- | $ 2,350,031 |
| Galliard Fixed Income Fund L | 13,353,568 | -- | 13,353,568 | -- |
| **Total Fixed Income Investments** | $15,703,599 | $ -- | $13,353,568 | $ 2,350,031 |

As of September 30, 2024, the OPEB Trust Fund investments have not been rated by a nationally recognized statistical rating organization (NRSRO).

***TOWN OF PALM BEACH RETIREMENT SYSTEM INVESTMENTS***

Type of Investments: Florida statutes and the Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market as of September 30, 2024 is as follows:

| Authorized Investments | Target Allocation |
|---|---|
| Domestic equity funds | 35.0% |
| International equity | 20.0 |
| Fixed income securities | 17.5 |
| Global Macro | 3.0 |
| Alternative assets | 5.0 |
| Real estate funds | 10.0 |
| Private equity funds | 7.5 |
| Cash | 2.0 |
| | 100.0% |

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. As a means to limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holding in any one type of investment with any one issuer with various durations of maturities.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN OF PALM BEACH RETIREMENT SYSTEM INVESTMENTS (CONTINUED)*

***Interest Rate Risk (continued)***

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following tables that show the distribution of the Plan's fixed income securities by maturity at September 30, 2024:

| | | Remaining Maturity | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less than 1 Year | 1 - 5 Years | 6 - 10 Years | Greater than 10 Years |
| U.S. Treasuries | $20,506,436 | $ -- | $ -- | $14,492,417 | $ 6,014,019 |
| U.S. Government agency obligations | 20,585,114 | -- | -- | -- | 20,585,114 |
| Corporate bonds | 4,988,965 | -- | 2,403,831 | 2,585,134 | -- |
| **Total Fixed Income Investments** | $46,080,515 | $ -- | $ 2,403,831 | $17,077,551 | $26,599,133 |

***Credit Risk***

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a NRSRO. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings of the fixed income securities, at September 30 2024, as applicable:

| Credit Rating by Standard & Poor's | Fair Value |
|---|---|
| AA+ | $20,506,436 |
| A+ | 1,031,586 |
| A- | 2,767,732 |
| BBB+ | 1,189,647 |
| Not rated | 20,585,114 |
| **Total Fixed Income Securities** | $46,080,515 |

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN OF PALM BEACH RETIREMENT SYSTEM INVESTMENTS (CONTINUED)*

***Concentration of Credit Risk***

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of the Plan's net position at September 30, 2024.

***Custodial Credit Risk***

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. All deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. The Plan's deposits are considered insured for custodial credit risk purposes.

Custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan, and are held either by the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by Plan's custodial banks and registered in the Plan's name. All of the Plan's deposits are insured and or collateralized by a financial institution separate from the Plan's depository financial institution.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN OF PALM BEACH RETIREMENT SYSTEM INVESTMENTS (CONTINUED)*

***Risk and Uncertainties***

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of fiduciary net position. The Plan, through its investment advisor, monitors the Plan's investment and the risks associated therewith on a regular basis, which the Plan believes minimizes these risks.

***Rate of Return***

For the year ended September 30, 2024, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expenses was 19.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the dollar-weighted rate of return valuation are determined on a monthly basis.

***Fair Value Hierarchy***

The Plan categorizes its investments in accordance with the fair value hierarchy established by generally accepted accounting principles. The following is a description of the fair value techniques for the for the Plan's investments:

Level 1 and Level 2 prices are obtained from various pricing sources by the Plan's custodian bank. Short-term investments, which consist of money market funds, are reported at amortized cost. Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock. Debt securities classified in level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing values securities based on the securities relationship to benchmark quoted prices.

The Plan has investments in alternative asset classes including funds of hedge funds, private equity funds, and real estate funds which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at NAV based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models, and similar techniques.

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN OF PALM BEACH RETIREMENT SYSTEM INVESTMENTS (CONTINUED)*

#### *Fair Value Hierarchy (continued)*

A summary of the Plan's investments as of September 30, 2024 is as follows:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| Investment by Fair Value Level | Balance | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Equity Securities** | | | | |
| Common stock | $ 29,358,266 | $ 29,358,266 | $ -- | $ -- |
| **Total Equity Securities** | 29,358,266 | 29,358,266 | -- | -- |
| **Debt Securities** | | | | |
| U.S. Treasury | 20,506,436 | -- | 20,506,436 | -- |
| U.S. Government agency obligations | 20,585,114 | -- | 20,585,114 | -- |
| Corporate bonds | 4,988,965 | -- | 4,988,965 | -- |
| **Total Debt Securities** | 46,080,515 | -- | 46,080,515 | -- |
| **Mutual Funds** | | | | |
| Domestic equity | 97,970,430 | 97,970,430 | -- | -- |
| International | 51,848,710 | 51,848,710 | -- | -- |
| Emerging markets | 6,402,386 | 6,402,386 | -- | -- |
| **Total Mutual Funds** | 156,221,526 | 156,221,526 | -- | -- |
| **Total Investments by Fair Value Level** | 231,660,307 | $ 185,579,792 | $ 46,080,515 | $ -- |
| **Investments Measured at Net Asset Value (NAV)** | | | | |
| Commingled funds - real estate | 6,898,881 | | | |
| Private equity - secondary markets | 604,575 | | | |
| Private equity - real estate | 4,391,737 | | | |
| Private equity - senior debt | 1,500,198 | | | |
| Non-traditional fixed income | 11,606,934 | | | |
| Hedge funds: | | | | |
| Venture capital | 7,471,832 | | | |
| Hybrid | 6,492,019 | | | |
| **Total Investments Measured at NAV** | 38,966,176 | | | |
| Money market funds (exempt) | 23,667,262 | | | |
| **Total Investments** | $ 294,293,745 | | | |

## NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

### *TOWN OF PALM BEACH RETIREMENT SYSTEM INVESTMENTS (CONTINUED)*

***Fair Value Hierarchy (continued)***

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient, including their related unfunded commitments and redemption restrictions.

| Investments Measured at NAV | Fair Value | Unfunded Commitments | Redemption Frequency If Currently Eligible | Redemption Notice Period in Days |
|---|---|---|---|---|
| Commingled funds - real estate [1] | $ 6,898,881 | $ -- | Quarterly | 45 days |
| Private equity - secondary markets [2] | 604,575 | 1,285,115 | N/A | N/A |
| Private equity - real estate [3] | 4,391,737 | 67,365 | N/A | N/A |
| Private equity - senior debt [4] | 1,500,198 | 8,499,802 | N/A | N/A |
| Non-traditional fixed income [5] | 11,606,934 | -- | Quarterly | 90 days |
| Hedge funds: | | | | |
| Venture capital [6] | 7,471,832 | 6,946 | N/A | N/A |
| Hybrid [7] | 6,492,019 | 950,000 | Quarterly | 90 days |
| **Total Investments Measured at NAV** | $ 38,966,176 | $ 10,809,228 | | |

1. *Commingled Funds – real estate* – Consists of an emerging market fund and a strategic property fund (real estate) which are considered commingled in nature. The funds are valued at NAV of the units held at the end of the period based on the fair value of the underlying investments.

2. *Private Equity – Secondary Markets* – This group consists of two funds invested in private equity investments through secondary markets. One of these funds focuses on acquiring high quality, mature assets with near term liquidity. These investments are valued at NAV.

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***TOWN OF PALM BEACH RETIREMENT SYSTEM INVESTMENTS (CONTINUED)***

***Fair Value Hierarchy (continued)***

3. *Private Equity – Real Estate* – This category consists of four funds. Two of the funds are closed end funds targeting high growth markets in urban, modern, green properties by acquiring undercapitalized properties and adding value through enhancements. These funds have very limited redemption rights. Another fund pursues distressed and opportunistic real estate investment opportunities. The final real estate fund focuses on acquiring assets well located but with operationally impaired assets with distressed capital structures. These funds are valued at NAV.

4. *Private Equity – senior debt* – consists of one fund invested in a private equity closed ended collective asset management vehicle. The investment objective is to generate income through investment credit strategies exposed to predominately senior secured loans in high quality middle market companies in North America that maintain a superior position in their respective markets.

5. *Non-traditional fixed income fund* – This category consists of one fund that seeks to provide returns above the fixed-income benchmarks through security selection, modest leverage, and strict risk controls. These investments are valued at NAV.

6. *Venture Capital* – This category consists of one fund which focuses primarily on early stage investments in start-up companies and later stage investments. A majority of the companies in the fund focus on information technology, software, media, and life sciences. Redemptions in this fund are not permitted.

7. *Hybrid* – This category consists of three closed end investment vehicles. One fund focuses on partnership investments in U.S. based buyout, recapitalization, and turnaround; one fund consists of global partnership investments in mezzanine debt, distressed debt, and venture debt; and the third fund consists predominantly of partnership investments in U.S. based venture capital and growth equity.

## NOTE 3 – RECEIVABLES

Accounts receivable at September 30, 2024 are comprised of the following:

| | General | Capital Improvement Fund | Town Docks Enterprise Fund | Golf Course Enterprise Fund | Equipment Replacement Fund | Health Claims Fund | Total |
|---|---|---|---|---|---|---|---|
| **Receivables** | | | | | | | |
| Accounts receivable | $ 1,832,709 | $ 37,661 | $ 21,277 | $ 1,299 | $ 40,135 | $ 29,661 | $ 1,962,742 |
| Taxes receivable | 505,381 | -- | -- | -- | -- | -- | 505,381 |
| **Total** | 2,338,090 | 37,661 | 21,277 | 1,299 | 40,135 | 29,661 | 2,468,123 |
| Less: allowance for doubtful accounts | (1,396,553) | -- | -- | -- | -- | -- | (1,396,553) |
| **Net Receivables** | $ 941,537 | $ 37,661 | $ 21,277 | $ 1,299 | $ 40,135 | $ 29,661 | $ 1,071,570 |

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## NOTE 4 – CAPITAL ASSETS

The capital assets activity for the Governmental Activities for the fiscal year ended September 30, 2024 was as follows:

| Governmental Activities | Beginning Balances | Additions | Deletions | Ending Balances |
|---|---|---|---|---|
| **Capital Assets Not Being Depreciated** | | | | |
| Land | $ 10,566,323 | $ -- | $ -- | $ 10,566,323 |
| Construction in progress | 15,478,752 | 17,514,606 | (92,779) | 32,900,579 |
| **Total Capital Assets Not Being Depreciated** | 26,045,075 | 17,514,606 | (92,779) | 43,466,902 |
| **Capital Assets Being Depreciated or Amortized** | | | | |
| Buildings | 84,984,624 | -- | -- | 84,984,624 |
| Improvements other than buildings | 14,571,299 | -- | -- | 14,571,299 |
| Equipment | 24,143,491 | 4,147,559 | (1,744,483) | 26,546,567 |
| Infrastructure | 174,522,015 | 92,779 | -- | 174,614,794 |
| Lease (Right-of-use asset) | 63,063 | 125,921 | (25,767) | 163,217 |
| SBITA's | 354,336 | -- | -- | 354,336 |
| Intangible assets | 1,186,607 | -- | -- | 1,186,607 |
| **Total Capital Assets Being Depreciated or Amortized** | 299,825,435 | 4,366,259 | (1,770,250) * | 302,421,444 |
| **Less: Accumulated Depreciation and Amortization** | | | | |
| Buildings | (28,648,141) | (2,362,150) | -- | (31,010,291) |
| Improvements other than buildings | (5,567,087) | (412,835) | -- | (5,979,922) |
| Equipment | (15,873,728) | (1,773,693) | 1,384,157 | (16,263,264) |
| Infrastructure | (92,198,650) | (5,012,294) | -- | (97,210,944) |
| Lease (Right-of-use asset) | (54,712) | (38,752) | 25,767 | (67,697) |
| SBITA's | (108,208) | (125,499) | -- | (233,707) |
| Intangible assets | (1,186,607) | -- | -- | (1,186,607) |
| **Total Accumulated Depreciation and Amortization** | (143,637,133) | (9,725,223) | 1,409,924 * | (151,952,432) |
| **Net Capital Assets Being Depreciated or Amortized** | 156,188,302 | (5,358,964) | (360,326) | 150,469,012 |
| **Net Capital Assets** | $ 182,233,377 | $ 12,155,642 | $ (453,105) | $ 193,935,914 |

* Transfers out of capital assets of $17,512 and accumulated depreciation $16,122, were contributed to governmental activities from enterprise funds.

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

For the fiscal year ended September 30, 2024, depreciation and amortization expense was charged to functions of the Governmental Activities as follows:

| | |
|---|---|
| **Governmental Activities** | |
| General government | $ 552,890 |
| Public safety | 872,594 |
| Physical environment | 7,810,201 |
| Transportation | 489,538 |
| **Total Depreciation and Amortization Expense – Governmental Activities** | $ 9,725,223 |

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## NOTE 4 – CAPITAL ASSETS (CONTINUED)

The capital assets activity for the Business-type Activities for the fiscal year ended September 30, 2024 was as follows:

| Business-type Activities | Beginning Balances | Additions | Deletions | Ending Balances |
|---|---|---|---|---|
| **Capital Assets Not Being Depreciated** | | | | |
| Land | $ 5,051,527 | $ -- | $ -- | $ 5,051,527 |
| **Total Capital Assets Not Being Depreciated** | 5,051,527 | -- | -- | 5,051,527 |
| **Capital Assets Being Depreciated or Amortized** | | | | |
| Buildings | 4,902,623 | -- | -- | 4,902,623 |
| Improvements other than buildings | 40,187,172 | -- | -- | 40,187,172 |
| Lease (Right-of-use asset) | 961,613 | 10,767 | (9,763) | 962,617 |
| SBITA's | 104,356 | -- | (104,356) | -- |
| Equipment | 1,300,470 | 293,839 | (253,391) | 1,340,918 |
| **Total Capital Assets Being Depreciated or Amortized** | 47,456,234 | 304,606 * | (367,510) | 47,393,330 |
| **Less: Accumulated Depreciation and Amortization** | | | | |
| Buildings | (1,063,651) | (118,178) | -- | (1,181,829) |
| Improvements other than buildings | (6,193,067) | (1,877,014) | -- | (8,070,081) |
| Lease (Right-of-use asset) | (176,264) | (98,277) | 9,763 | (264,778) |
| SBITA's | (52,178) | (52,178) | 104,356 | -- |
| Equipment | (722,034) | (117,486) | 134,285 | (705,235) |
| **Total Accumulated Depreciation and Amortization** | (8,207,194) | (2,263,133) * | 248,404 | (10,221,923) |
| **Total Net Capital Assets Being Depreciated or Amortized, Net** | 39,249,040 | (1,958,527) | (119,106) | 37,171,407 |
| **Business-Type Activities Capital Assets, Net** | $ 44,300,567 | $ (1,958,527) | $ (119,106) | $ 42,222,934 |

* Transfers in of capital assets of $17,512 and accumulated depreciation $16,122, were contributed to enterprise funds from governmental activities.

## NOTE 4 – CAPITAL ASSETS (CONTINUED)

For the fiscal year ended September 30, 2024, depreciation and amortization expense was charged to functions of the Business-type Activities as follows:

| | |
|---|---|
| **Business-type Activities** | |
| Town Docks | $ 1,901,642 |
| Golf Course | 284,029 |
| Building Enterprise | 61,340 |
| **Total Depreciation and Amortization Expense – Business-type Activities** | $ 2,247,011 |

## NOTE 5 – INVESTMENT IN JOINT VENTURE

In September 1992, the Town entered into a joint interlocal agreement (the "Agreement") with Palm Beach County and three municipalities (West Palm Beach, Riviera Beach and Lake Worth) whereby prior separate agreements were consolidated into a single unified agreement to establish rules and procedures for the operation and management of the existing East Central Regional Wastewater Treatment Facilities (the "ECR") in which each participating entity had a financial interest. The ECR was created to receive, treat, and dispose of sewage generated within each municipality and the County. The initial term of the Agreement is for thirty years with a renewable term of thirty years. In the event the ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among the entities, based on their reserve capacity as of the date of disposition. As of September 30, 2024, the Town had an 5.38% interest in the ECR. Under GAAP, the Town is required to account for this joint venture using the equity method. Accordingly, the Town recorded its initial investment at cost and is required to record its proportionate share of the ECR's income or loss as well as additional contributions made or distributions received. At September 30, 2024, the Town's 5.38% equity interest in the ECR totaled $17,960,826. This investment is reported in the Governmental Activities Statement of Net Position as Investment in Joint Venture. The Town's investment in ECR was estimated using audited ECR financial information for the fiscal year ended September 30, 2024. The Town's management believes the investment in ECR, as reported, is fairly stated.

The Agreement provides for the establishment of a Governing Board (the "Board"), comprised of one representative from each entity participating in the Agreement, to administer ECR. Under the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Section 163.01(7) of Florida Statutes. In accordance with the Agreement, the City of West Palm Beach operates and manages ECR on behalf of the Board.

**NOTE 5 – INVESTMENT IN JOINT VENTURE (CONTINUED)**

All costs of operating the ECR, excluding depreciation, are shared by each of the entities based on actual flows of wastewater. Costs associated with capital projects, renewal and replacement, and debt service are shared among the participating governments based on their pro-rata share of reserve capacity. The ECR Board is updating an engineering report on processing and disposal of biosolids at the facility, including the possibility of generating electricity on site. The initial study was prompted by changes in regulations regarding biosolids disposal. A substantial capital investment will be necessary to update the facilities. However, anticipated savings in the operation and maintenance costs as a result of the improvements should reduce the impact of the increased debt service.

Based on a "Participatory Agreement" signed by all participants in April 1993, the ECR constructed improvements amounting to approximately $22,377,000, which was financed by the State of Florida, Department of Environmental Protection Revolving Loan Fund. Pledged revenue consisting of all fees and payments received by ECR will be used to repay the debt. As of September 30, 2011, the outstanding balance due to the State Loan Fund was $6,507,923 and the Town's share of this debt was $540,924 which was reflected as a liability in the Governmental Activities Statement of Net Position. On September 14, 2012, the ECR, utilizing part of the proceeds of a $14,000,000 bank loan, advance refunded the outstanding balance of the State Revolving Loan thereby extinguishing the Town's portion of the related debt.

The above referenced bank loan is a debt of the ECR and its debt service will be included in ECR operations and maintenance costs (and billed to the Town as such).

The ECR issues separate financial statements. The latest available audited financial statements for the ECR are for the fiscal year ended September 30, 2024. The accountants issued an unmodified opinion on those financial statements, which may be obtained from the City of West Palm Beach, Finance Department, 401 Clematis Street, West Palm Beach, Florida 33401.

**NOTE 5 – INVESTMENT IN JOINT VENTURE (CONTINUED)**

Summarized financial information relating to the ECR as of and for the fiscal year ended September 30, 2024 is as follows:

Net Position
September 30, 2024

| | |
|---|---|
| Current and other assets | $ 136,897,877 |
| Capital assets, net | 246,112,268 |
| **Total Assets** | 383,010,145 |
| **Deferred Outflows of Resources** | 1,478,242 |
| Current liabilities | 32,384,784 |
| Non-current liabilities | 129,316,847 |
| **Total Liabilities** | 161,701,631 |
| **Net Position** | $ 222,786,756 |

Change in Net Position
For the Year Ended September 30, 2024

| | |
|---|---|
| Charges for services | $ 33,310,434 |
| Other operating revenue | 3,135,404 |
| **Total Operating Revenue** | 36,445,838 |
| Operating expenses | 34,433,876 |
| Operating income | 2,011,962 |
| Non-operating revenue (expense), net | 2,999,270 |
| **Income (Loss) Before Capital Contributions** | 5,011,232 |
| Capital contributions | 12,111,161 |
| Change in Net Position | 17,122,393 |
| **Net Position** - Beginning of Year | 205,664,363 |
| **Net Position** - End of Year | $ 222,786,756 |

## NOTE 5 – INVESTMENT IN JOINT VENTURE (CONTINUED)

At September 30, 2024, the ECR participants and their respective interest in the ECR were as follows:

| Participant | Reserve Capacity Percentages |
|---|---|
| City of West Palm Beach | 29.29% |
| Palm Beach County | 34.28% |
| City of Lake Worth | 16.43% |
| City of Riviera Beach | 11.43% |
| Town of Palm Beach | 8.57% |
| **Total** | 100.00% |

## NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Transfers primarily consist of moving money from one fund to another to be used for a specific purpose within the receiving fund. Transfers from the General Fund to the Beach Restoration Project Fund, Capital Improvement Fund, and Equipment Replacement Fund were used to fund various capital projects. Transfers from the General Fund, Beach Restoration Project Fund, and Golf Course Enterprise Fund to the nonmajor governmental funds were used to fund debt service and capital projects. Transfers from the Capital Improvement Fund and Town Docks Enterprise Fund to the Townwide Undergrounding Assessment Fund were used to fund the Townwide Undergrounding Project. Transfers from the Town Docks Enterprise Fund and Golf Course Enterprise Fund to the General Fund were used to pay for services supporting various culture and recreation projects. Transfers from the Building Enterprise Fund to the General Fund represent allocated costs of General Fund services provided for the Building permit process. Transfers from the nonmajor governmental funds to the Capital Improvement Fund were used to fund various capital projects.

Transfers within the governmental and business-type activities are eliminated in the government-wide financial statements.

## NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund receivables and payables and interfund transfers at September 30, 2024 are summarized as follows:

### Due to/Due from Other Funds

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| Equipment Replacement Fund | Special Assessment Maintenance Fund | $ 439,827 |
| General Fund | Group Health Insurance Fund | 19,000 |
| **Total** | | $ 458,827 |

### Interfund Transfers

| Transfers In | Transfers Out | Amount |
|---|---|---|
| General Fund | Town Docks Fund | $ 1,096,000 |
| General Fund | Golf Course Enterprise Fund | 25,000 |
| General Fund | Building Enterprise Fund | 6,627,997 |
| Townwide Underground Assessment Fund | Capital Improvement Fund | 500,000 |
| Townwide Underground Assessment Fund | Town Docks Fund | 4,100,000 |
| Capital Improvement Fund | Nonmajor Governmental Funds | 1,000,000 |
| Capital Improvement Fund | General Fund | 11,308,122 |
| Beach Restoration Project Fund | General Fund | 5,791,205 |
| Equipment Replacement Fund | General Fund | 2,220,479 |
| Nonmajor Governmental Funds | Golf Course Enterprise Fund | 188,207 |
| Nonmajor Governmental Funds | General Fund | 5,679,013 |
| Nonmajor Governmental Funds | Beach Restoration Project Fund | 508,463 |
| **Total** | | $ 39,044,486 |

## NOTE 7 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities for the fiscal year ended September 30, 2024 are summarized as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| General obligation bonds | | | | | |
| Series 2018 Bonds | $ 51,075,000 | $ -- | $ (1,205,000) | $ 49,870,000 | $ 1,265,000 |
| Series 2021 Bonds | 8,140,000 | -- | (225,000) | 7,915,000 | 230,000 |
| Unamortized premiums | 3,790,782 | -- | (279,518) | 3,511,264 | 272,164 |
| **Total General Obligation Bonds** | $ 63,005,782 | $ -- | $ (1,709,518) | $ 61,296,264 | $ 1,767,164 |
| Revenue bonds | | | | | |
| Series 2013 Bonds | $ 2,870,000 | $ -- | $ (1,400,000) | $ 1,470,000 | $ 1,470,000 |
| Series 2016A Bonds | 35,550,000 | -- | (1,385,000) | 34,165,000 | 1,460,000 |
| Series 2016B Bonds | 9,160,000 | -- | (390,000) | 8,770,000 | 400,000 |
| Series 2019 Bonds | 4,095,000 | -- | (200,000) | 3,895,000 | 205,000 |
| Series 2019 Taxable Bonds | 47,425,000 | -- | (445,000) | 46,980,000 | 460,000 |
| Unamortized premiums | 5,021,216 | -- | (561,016) | 4,460,200 | 518,566 |
| **Total Revenue Bonds** | 104,121,216 | -- | (4,381,016) | 99,740,200 | 4,513,566 |
| Compensated absences | 3,243,563 | 1,064,033 | (589,739) | 3,717,857 | 756,989 |
| Landfill closure and post-closure | 9,363,216 | 3,409,485 | -- | 12,772,701 | -- |
| Lease (Right-of-use asset) | 7,557 | 117,062 | (35,896) | 88,723 | 30,132 |
| Subscription arrangements | 223,874 | -- | (119,147) | 104,727 | 104,727 |
| Net pension liability | 119,758,101 | -- | (27,266,099) | 92,492,002 | -- |
| Total pension liability | 1,346,341 | 769,654 | -- | 2,115,995 | -- |
| **Total Long-Term Liabilities** | $ 301,069,650 | $ 5,360,234 | $ (34,101,415) | $ 272,328,469 | $ 7,172,578 |
| **Business-type Activities** | | | | | |
| Series 2020 bonds | $ 28,350,000 | $ -- | $ (1,370,000) | $ 26,980,000 | $ 1,405,000 |
| Lease (Right-of-use asset) | 763,406 | 10,768 | (93,002) | 681,172 | 94,186 |
| Subscription arrangements | 51,388 | -- | (51,388) | -- | -- |
| Net pension liability | 6,622,761 | -- | (1,333,898) | 5,288,863 | -- |
| Compensated absences | 303,649 | 80,774 | (24,359) | 360,064 | 48,012 |
| **Total Long-Term Liabilities** | $ 36,091,204 | $ 91,542 | $ (2,872,647) | $ 33,310,099 | $ 1,547,198 |

The compensated absences, net pension liability, total pension liability, and landfill closure and post-closure liabilities of the governmental activities are liquidated primarily by the Town's General Fund.

## NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

### *INTEREST EXPENSE*

Total interest costs incurred and paid on all Town debt for the fiscal year ended September 30, 2024 totaled $6,437,242 and $6,498,805, respectively.

### *DEFEASED DEBT*

The Town has defeased a portion of the Revenue Bonds, Series 2013 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the Town's financial statements. At September 30, 2024, the following amounts of bonds are outstanding and considered defeased:

| | |
|---|---|
| Public Improvement Revenue Bonds, Series 2013 | $1,470,000 |

### *PLEDGED REVENUES*

The Town has pledged future non-ad valorem revenues to pay principal and interest on the Series 2013, Series 2016A, Series 2016B, Series 2019, and Series 2020 Bonds. A summary of the pledged non-ad valorem revenues is presented on page 176 in the Statistical Section. A discussion of the general purpose for each series of bonds secured by the pledged revenues is presented below. At September 30, 2024, principal and interest to maturity on March 30, 2043 to be paid from pledged future revenues totaled $158,841,503. Principal and interest paid for the current fiscal year on these Bonds totaled $9,250,183 and pledged non-ad valorem revenue totaled $59,216,853 for the year. It is estimated that based on the total fiscal year 2024 pledged non-ad valorem revenue, that annual principal and interest payments will require approximately 15.6% of pledged revenues.

## NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

### *TOWN OF PALM BEACH, FLORIDA, PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2013*

On December 19, 2013, the Town issued $55,590,000 of the Public Improvement Revenue Bonds, Series 2013 (Capital Improvement and Coastal Management Program) to (i) finance all or a portion of the cost of acquiring, constructing, renovating and equipping components of the Town's capital improvement plan, including, but not limited to, drainage, sanitary sewer, water system, street lighting, street, traffic signal, curb, gutter sidewalk, park, Town Hall Square and Town Par 3 golf course improvements and related capital improvements, and the Town's coastal management program, including, but not limited to, sea wall replacements, groin rehabilitation and related capital improvements; and (ii) pay the costs of issuing the Bonds. The Series 2013 Bonds were issued at a net original issue premium of $2,904,720 and bear interest at rates ranging from 4.125% to 5.0%. The principal and interest on the Series 2013 Bonds are payable from and secured solely by a pledge of non-ad valorem revenues. Principal and interest payments are due on January 1, and interest payments are due on January 1 and July 1 until maturity on January 1, 2043. On January 8, 2020, $42,825,000 of the Series 2013 Bonds were refunded.

The debt service requirements for the Series 2013 Bonds are as follows:

| Fiscal Year Ending September 30 | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 1,470,000 | $ 36,750 | $ 1,506,750 |
| **Total** | $ 1,470,000 | $ 36,750 | $ 1,506,750 |

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

***TOWN OF PALM BEACH, FLORIDA, PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2016A***

On September 28, 2016, the Town issued $39,320,000 of the Public Improvement Revenue Refunding Bonds, Series 2016A (Capital Improvement Program) to (i) refund a portion of the Town's Public Improvement Revenue and Refunding Bonds, Series 2010A (Capital Improvement Program) maturing after January 1, 2020, and (ii) pay a portion of the costs of issuing the Bonds. The Series 2016A Bonds were issued at an original premium of $7,639,128 and bear interest at rates ranging from 4.0% to 5.0%. Principal and interest payments are due on January 1, and interest payments are due on January 1 and July 1 until maturity on January 1, 2040. The Bonds are payable solely from and secured by a pledge of non-ad valorem revenue.

Debt service requirements for the Series 2016A Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 1,460,000 | $ 1,470,000 | $ 2,930,000 |
| 2026 | 1,535,000 | 1,395,125 | 2,930,125 |
| 2027 | 1,610,000 | 1,316,500 | 2,926,500 |
| 2028 | 1,690,000 | 1,234,000 | 2,924,000 |
| 2029 | 1,780,000 | 1,147,250 | 2,927,250 |
| 2030-2034 | 10,365,000 | 4,312,425 | 14,677,425 |
| 2035-2039 | 12,830,000 | 1,904,200 | 14,734,200 |
| 2040 | 2,895,000 | 57,900 | 2,952,900 |
| **Total** | $ 34,165,000 | $ 12,837,400 | $ 47,002,400 |

***TOWN OF PALM BEACH, FLORIDA, PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016B***

On September 28, 2016, the Town issued $10,255,000 of the Public Improvement Revenue Refunding Bonds, Series 2016B (Worth Avenue Commercial District Project) to (i) refund all the Town's Public Improvement Revenue and Refunding Bonds, Series 2010B (Worth Avenue Commercial District Project) maturing after January 1, 2020, and (ii) pay a portion of the costs of issuing the Bonds. The Series 2016B Bonds were issued at an original premium of $1,217,936 and bear interest at rates ranging from 2.625% to 5.0%. Principal and interest payments are due on January 1, and interest payments are due on January 1 and July 1 until maturity on January 1, 2040. The Bonds are payable solely from and secured by a pledge of non-ad valorem revenue.

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

***TOWN OF PALM BEACH, FLORIDA, PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016B (CONTINUED)***

Debt service requirements for the Series 2016B Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 400,000 | $ 322,688 | $ 722,688 |
| 2026 | 410,000 | 310,538 | 720,538 |
| 2027 | 420,000 | 293,888 | 713,888 |
| 2028 | 445,000 | 272,263 | 717,263 |
| 2029 | 465,000 | 249,513 | 714,513 |
| 2030-2034 | 2,710,000 | 891,319 | 3,601,319 |
| 2035-2039 | 3,205,000 | 418,688 | 3,623,688 |
| 2040 | 715,000 | 13,113 | 728,113 |
| **Total** | $ 8,770,000 | $ 2,772,008 | $ 11,542,008 |

***TOWN OF PALM BEACH GENERAL OBLIGATION BONDS, SERIES 2018***

On October 11, 2018, the Town issued $56,040,000 of General Obligation Bonds, Series 2018 (Underground Utility Project) to (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing, and equipping of the Town's Underground Utility Project, (ii) retiring the Town's Public Improvement Commercial Paper Revenue Notes, Series 2017, and (iii) paying the costs of issuance with respect to the Bonds. The Series 2018 Bonds were issued at a net original premium of $4,459,897 and bear interest at rates ranging from 4.0% to 5.0%. The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Bonds shall be payable first from the Underground Utility Project Special Assessments and, to the extent these Assessment are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town on all taxable property in the Town sufficient to pay principal of and interest on the Bonds as the same become due and payable. The Town may apply other legally available sources of revenues to the payment of the Bonds. The issuance of general obligation bonds of the Town in an aggregate principal amount of not exceeding $90,000,000 was approved by voters in the bond referendum held on March 15, 2016. Principal payments are due on July 1 and interest payments are due on January 1 and July 1 until maturity on July 1, 2047.

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

***TOWN OF PALM BEACH GENERAL OBLIGATION BONDS, SERIES 2018 (CONTINUED)***

The General Obligation Bonds, Series 2018 does not set forth default provisions.

Debt service requirements for the Series 2018 Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 1,265,000 | $ 2,134,350 | $ 3,399,350 |
| 2026 | 1,330,000 | 2,071,100 | 3,401,100 |
| 2027 | 1,395,000 | 2,004,600 | 3,399,600 |
| 2028 | 1,465,000 | 1,934,850 | 3,399,850 |
| 2029 | 1,540,000 | 1,861,600 | 3,401,600 |
| 2030-2034 | 8,925,000 | 8,074,250 | 16,999,250 |
| 2035-2039 | 11,060,000 | 5,940,000 | 17,000,000 |
| 2040-2044 | 13,455,000 | 3,543,600 | 16,998,600 |
| 2045-2047 | 9,435,000 | 764,800 | 10,199,800 |
| **Total** | $ 49,870,000 | $ 28,329,150 | $ 78,199,150 |

***TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE REFUNDING TAXABLE BONDS, SERIES 2019***

On January 8, 2020, the Town issued $48,730,000 of the Public Improvement Revenue Refunding Bonds, Series 2019 to (i) advance refund a portion of the Town's outstanding Public Improvement Revenue Bonds, Series 2013 (Capital Improvement and Coastal Management Program) maturing after January 1, 2020, and (ii) pay a portion of the costs of issuing the Bonds. The Series 2019 Bonds were issued at an original premium of $105,799 and bear interest at rates ranging from 2.5% to 3.10%. Principal and interest payments are due on January 1, and interest payments are due on January 1 and July 1 until maturity on January 1, 2043. The Bonds are payable solely from and secured by a pledge of non-ad valorem revenue.

## NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

### *TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE REFUNDING TAXABLE BONDS, SERIES 2019 (CONTINUED)*

Debt service requirements for the Series 2019 Taxable Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 460,000 | $ 1,349,162 | $ 1,809,162 |
| 2026 | 2,015,000 | 1,318,224 | 3,333,224 |
| 2027 | 2,075,000 | 1,267,099 | 3,342,099 |
| 2028 | 2,125,000 | 1,214,599 | 3,339,599 |
| 2029 | 2,170,000 | 1,160,912 | 3,330,912 |
| 2030-2034 | 11,795,000 | 4,881,934 | 16,676,934 |
| 2035-2039 | 13,715,000 | 3,014,369 | 16,729,369 |
| 2040-2043 | 12,625,000 | 797,265 | 13,422,265 |
| **Total** | $ 46,980,000 | $ 15,003,564 | $ 61,983,564 |

### *TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2019*

On October 17, 2019, the Town issued $4,660,000 of the Public Improvement Revenue Refunding Bonds, Series 2019 to be used to (i) refund the Series 201A Bonds maturing on and after January 1, 2021 and (ii) paying costs of issuance of the Series 2019 Bond. The Series 2019 bears interest 2.33%. Principal and interest payments are due on January 1, and interest payments are due on January 1 and July 1 until maturity on January 1, 2040. The Bonds are payable solely from and secured by a pledge of non-ad valorem revenue.

Debt service requirements for the Series 2019 Refunding Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 205,000 | $ 88,365 | $ 293,365 |
| 2026 | 205,000 | 83,589 | 288,589 |
| 2027 | 210,000 | 78,754 | 288,754 |
| 2028 | 215,000 | 73,803 | 288,803 |
| 2029 | 225,000 | 68,677 | 293,677 |
| 2030-2034 | 1,200,000 | 261,543 | 1,461,543 |
| 2035-2039 | 1,345,000 | 113,413 | 1,458,413 |
| 2040 | 290,000 | 3,379 | 293,379 |
| **Total** | $ 3,895,000 | $ 771,523 | $ 4,666,523 |

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

***TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2020***

On March 11, 2020, the Town issued $31,000,000 of the Public Improvement Revenue Bonds, Series 2020 to (i) make improvements to the Town Marina, and (ii) pay the costs of issuing the Bonds. The Series 2019 Bonds bears interest at 2.25%. Principal and interest payments are due on January 1, and interest payments are due on January 1 and July 1 until maturity on January 1, 2040. The Bonds are payable solely from and secured by a pledge of non-ad valorem revenue.

Debt service requirements for the Series 2020 Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 1,405,000 | $ 591,244 | $ 1,996,244 |
| 2026 | 1,440,000 | 559,238 | 1,999,238 |
| 2027 | 1,470,000 | 526,500 | 1,996,500 |
| 2028 | 1,505,000 | 493,031 | 1,998,031 |
| 2029 | 1,545,000 | 458,719 | 2,003,719 |
| 2030-2034 | 8,285,000 | 1,749,319 | 10,034,319 |
| 2035-2039 | 9,330,000 | 759,713 | 10,089,713 |
| 2040 | 2,000,000 | 22,500 | 2,022,500 |
| **Total** | $ 26,980,000 | $ 5,160,264 | $ 32,140,264 |

***TOWN OF PALM BEACH GENERAL OBLIGATION BONDS, SERIES 2021***

On March 18, 2021, the Town issued $8,575,000 of General Obligation Bonds, Series 2021 (Underground Utility Project) to (i) financing or refinancing a portion of the cost of acquiring, constructing, reconstructing, and equipping of the Town's Underground Utility Project, and (ii) paying the costs of issuance with respect to the Bonds. The Series 2021 Bonds were issued at a net original premium of $623,896 and bear interest at rates ranging from 2.0% to 5.0%. The Bonds are general obligation bonds of the Town for which the full faith and credit and taxing power of the Town are pledged. The Bonds shall be payable first from the Underground Utility Project Special Assessments and, to the extent these Assessment are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town on all taxable property in the Town sufficient to pay principal of and interest on the Bonds as the same become due and payable. The issuance of general obligation bonds of the Town in an aggregate principal amount of not exceeding $90,000,000 was approved by voters in the bond referendum held on March 15, 2016. Principal payments are due on July 1 and interest payments are due on January 1 and July 1 until maturity on July 1, 2047.

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

***TOWN OF PALM BEACH GENERAL OBLIGATION BONDS, SERIES 2021 (CONTINUED)***

The General Obligation Bonds, Series 2021 does not set forth default provisions.

Debt service requirements for the Series 2021 Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 230,000 | $ 217,755 | $ 447,755 |
| 2026 | 240,000 | 206,255 | 446,255 |
| 2027 | 255,000 | 194,255 | 449,255 |
| 2028 | 265,000 | 181,505 | 446,505 |
| 2029 | 280,000 | 168,255 | 448,255 |
| 2030-2034 | 1,595,000 | 646,175 | 2,241,175 |
| 2035-2039 | 1,785,000 | 450,925 | 2,235,925 |
| 2040-2044 | 1,975,000 | 262,593 | 2,237,593 |
| 2045-2047 | 1,290,000 | 55,250 | 1,345,250 |
| **Total** | $ 7,915,000 | $ 2,382,968 | $ 10,297,968 |

***LEASES (RIGHT-OF-USE ASSET)***

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

Governmental activities: The Town entered into 26 lease agreements as a Lessee which range in duration from 12 months to 60 months. Principal and interest payments made during the fiscal year totaled $37,318. Required monthly fixed payments range from approximately $68 to $508. The value of the leases (right-to-use assets) as of September 30, 2024 is $163,217 with accumulated amortization of $67,697.

## NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

### *LEASES (RIGHT-OF-USE ASSET) (CONTINUED)*

Business-type activities: The Town entered into 3 lease agreements as a Lessee which range in duration from 12 months to 87 months. Principal and interest payments made during the fiscal year totaled $105,302. The Town is required to make annual fixed payments of $102,218 for the Marina lease and monthly fixed payments range from approximately $115 to $130 for the Building Fund leases. The value of the leases (right-to-use assets) as of September 30, 2024, is $962,617 with accumulated amortization of $264,778.

Total future lease payment under the lease agreements in the aggregate are as follows:

| Fiscal Year Ending | Governmental Activities | | | Business-Type Activities | | |
|---|---|---|---|---|---|---|
| September 30, | Principal | Interest | Total | Principal | Interest | Total |
| 2025 | $ 30,132 | $ 1,999 | $ 32,131 | $ 94,186 | $ 10,910 | $ 105,096 |
| 2026 | 29,306 | 1,187 | 30,493 | 95,710 | 9,387 | 105,097 |
| 2027 | 18,838 | 485 | 19,323 | 97,258 | 7,838 | 105,096 |
| 2028 | 8,256 | 159 | 8,415 | 96,900 | 6,278 | 103,178 |
| 2029 | 2,191 | 20 | 2,211 | 97,476 | 4,742 | 102,218 |
| 2030-2031 | -- | -- | -- | 199,642 | 4,792 | 204,434 |
| **Total** | $ 88,723 | $ 3,850 | $ 92,573 | $ 681,172 | $ 43,947 | $ 725,119 |

### *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)*

The Town entered into multiple subscription arrangements. The subscription arrangements qualify as other than a short-term subscription arrangement under GASB 96 and; therefore, have been recorded at the present value of the future minimum payments as of the date of their inception. A summary of the lease arrangements related to governmental activities and business-type activities is summarized below:

Governmental activities: The Town entered into 3 subscription arrangements which range in duration from 12 months to 18 months. An initial subscription liability was recorded in the amount of $354,336. Principal and interest payments made during the fiscal year totaled $125,609. Required annual fixed payments range from approximately $18,000 to $79,500. The value of the subscription arrangements as of September 30, 2024 is $354,336 with accumulated amortization of $233,707.

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

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

Business-type activities: The Town entered into a subscription arrangement with a duration of 24 months. An initial subscription liability was recorded in the amount of $104,356. Principal and interest payments made during the fiscal year totaled $52,968. The subscription arrangement is fully amortized as of September 30, 2024.

Total future payments under the subscription arrangements in the aggregate are as follows:

| Fiscal Year Ending | Governmental Activities | | |
|---|---|---|---|
| September 30, | Principal | Interest | Total |
| 2025 | $ 104,727 | $ 3,008 | $ 107,735 |
| **Total** | $ 104,727 | $ 3,008 | $ 107,735 |

***TOWN OF PALM BEACH, FLORIDA, PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2013; 2016A; 2016B; AND TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE REFUNDING TAXABLE BONDS, SERIES 2019 – DEFAULT TERMS***

Under the terms of the authorizing resolutions related to above bonds, should the Town default in any of its obligations or covenants created by such resolutions, the bondholders may, in addition to any remedy set forth in such resolutions, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Florida, or granted and contained in such resolutions, and may enforce and compel the performance of all duties required by the resolutions, or by any applicable statutes to be performed by the Town or by any officer thereof.

***TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2019; AND TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2020 – DEFAULT TERMS***

Upon the occurrence of an event of default (including a payment default, bankruptcy, or breach of material covenants, representations or warranties), the bondholders, as the case may be, may pursue any available remedy at law or in equity or by statute, including any applicable law or statute of the United States of America or of the State of Florida, to enforce the payment of principal and interest on the applicable bond then outstanding or the obligations of the Town. Failure to pay scheduled principal or interest on the Bonds or other amounts due under either loan agreement is subject to the payment of default interest.

## NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

### *TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2019; AND TOWN OF PALM BEACH PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2020 – DEFAULT TERMS (CONTINUED)*

Additionally, failure to make scheduled principal and interest payments on the Series 2019 Bond within ten (10) days after the due date thereof is subject to a five percent (5%) late payment fee based on the amount of the payment due. Failure to make scheduled payments of principal and interest on the Series 2020 Bond or other payments required under the 2020 Loan Agreement within ten (10) days after the due date thereof may, at the option of CenterState Bank be subject to a five percent (5%) late payment fee based on the amount of the payment due.

## NOTE 8 – OBLIGATION UNDER UTILITY AGREEMENT AND INTANGIBLE ASSETS

On July 10, 1978, the Town entered into a utility agreement with the City of Lake Worth (the "City"). Under the terms of the agreement, the City will supply the Town certain wastewater facilities for a period of 40 years. At the option of the Town, the agreement may be extended for three additional periods of ten years after the otherwise normal termination of the agreement.

The City obtained Florida State Bond Loan, Series E for the purpose of constructing and improving existing water and sewer facilities. The Town was obligated to pay the City a percentage of its pro rata share, based on sewer reserved capacity, of the debt service of this loan until October 1, 2006 when the loan was paid in full.

The Series E Loan was originally issued by the City on October 1, 1976, at a face value of $7,585,000. The loan matured in varying amounts through June 30, 2006. The Town's pro rata share of the loan was 11.7625%. The present value, discounted at the same rate as the Series E Loan, of the Town obligation to the City was $1,186,607 at issuance. Intangible wastewater usage rights were recorded at the same amount and are being amortized over the 40-year contract period that the Town is entitled to use the City's wastewater facilities. At September 30, 2024, the intangible assets were fully amortized and are recorded with the capital assets of the governmental activities.

Under the terms of the agreement, the Town makes annual payments to the City for flow charges, operations and maintenance costs based on the Town's actual usage, and a pro rata share of the renewal and replacement costs. For the fiscal year ended September 30, 2024, the Town made no payments to the City pursuant to the agreement.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM

### *GENERAL INFORMATION*

The Town of Palm Beach Retirement System is the administrator of a single-employer Public Employee Retirement System hybrid defined benefit and defined contribution pension plan established to provide pension benefits for its employees. The Town's retirement system was established on July 1, 1947, by an ordinance of the Town of Palm Beach. The Plan is considered part of the Town's financial reporting entity and is included in the Town's financial statements as one plan with three separate trust funds. The Plan was amended by ordinance 4-2012, effective April 1, 2012 which required that the retirement system be administered by a single board of trustees and ordinance No. 6-2012, effective May 1, 2012 which amended participant benefits.

Prior to April 1, 2012 separate pension plans were maintained for the general and lifeguard employees, police officers, and firefighters. Effective April 1, 2012, the general employees and lifeguard employees board of trustees, police officer board of trustees, and firefighter board of trustees were eliminated and a new consolidated board of trustees was created. The existing contracts, investment holdings, assets and liabilities of the general employees' and lifeguard employees', police officers', and firefighters' retirement plans were transferred and became contracts, investment holdings, assets and liabilities of the new board. In conjunction with the new board consolidation, effective May 1, 2012, an amended consolidated hybrid retirement plan with a defined contribution component was established, covering all employees of the Town. The new consolidated plan is known as the Town of Palm Beach Retirement System (the "Plan") effective May 1, 2012. Effective October 1, 2016, non-bargaining public safety employees and Deferred Retirement Option Plan ("DROP") participants on and after that date were authorized to retire under normal retirement after reaching age 56, and all service accrued after that date is calculated at an accrual rate of 2.75%.

Effective May 1, 2017, all active and DROP participating General Employee and Life Guards on and after that date were authorized to retire under normal retirement after reaching age 62, and all service accrued after that date is calculated at an accrual rate of 1.70%. Effective August 12, 2017, bargaining public safety employees and those participating in DROP on and after that date were authorized to retire under normal retirement after reaching age 56, and all service accrued after that date is calculated at an accrual rate of 2.75% (vested terminated employees on date of enactment continue to qualify for normal retirement at age 65).

Effective June 1, 2024, bargaining and non-bargaining active public safety employees were authorized to retire under normal retirement after reaching age 55 or 25 years of service, and all service accrued after that date is calculated at an accrual rate of 3.0%. Effective June 1, 2024 for all active General Employees and Life Guards service accrued is calculated at an accrual rate of 2.0%.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *GENERAL INFORMATION (CONTINUED)*

The Plan is currently administered by the Town of Palm Beach Retirement System Board of Trustees. There are nine members on the board of trustees. The trustees consist of (a) one employee who is a member of the benefit group general or benefit group lifeguard elected by the members of those benefit groups (b) one employee who is a member of the benefit group firefighter elected by the members of that benefit group (c) one employee who is a member of the benefit group police officers elected by the members of that benefit group (d) five residents of the Town who are not officers or employees of the Town, retirees or beneficiaries of the retirement system, appointed by the Town Council and (e) the Deputy Town Manager, Finance and Administration, who shall serve as a voting ex-officio member.

All employees working in excess of 1,850 hours per year are covered by the Plan. The Town Council is authorized to establish benefit levels. The contributions and benefits are segregated between general employees and lifeguards, police officers, and firefighters.

Prior to March 14, 2012, the police officers' and firefighters' portions of the Plan also received payments from the State of Florida pursuant to Chapters 185 and 175 of the Florida Statutes for the benefit of police officers and firefighters, respectively. Monies received pursuant to Chapters 185 and 175 can only be used to finance the benefits of participants who are police officers or firefighters, respectively. Effective March 14, 2012, the Town of Palm Beach withdrew from participation under Chapters 175 and 185.

The Plan issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to the Town of Palm Beach, Post Office Box 2029, Palm Beach, Florida 33480 or by calling (561) 838-5444.

At September 30, 2023, the plan membership consisted of the following:

| | General | Police Officers | Firefighters | Total |
|---|---|---|---|---|
| Inactive plan members and beneficiaries currently receiving benefits | 226 | 108 | 103 | 437 |
| Inactive plan members entitled but not yet receiving benefits | 48 | 21 | 24 | 93 |
| Active plan members | 178 | 59 | 67 | 304 |
| **Total Members** | 452 | 188 | 194 | 834 |

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *SIGNIFICANT ACCOUNTING POLICIES*

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with GAAP as applied to governmental entities in accordance with GASB pronouncements. Member contributions are recognized in the period in which the contributions are due. Town contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. For purposes of measuring the net pension liability, the Plan's fiduciary net position has been determined on the same basis as that used by the Plan.

### *PLAN DESCRIPTION*

The following brief description of the general employees and lifeguards, police officers, and firefighters portions of the Plan is provided for general information purposes only. Participants should refer to the Plan agreement for more detailed information.

In accordance with Section 82-52 of the Town of Palm Beach, Florida Code of Ordinances, vesting or vested status means the attainment of 10 or more years of credited service. Notwithstanding the preceding sentence, all members of the retirement system who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased pursuant to Section 82-54, and who were employed by the Town and not participating in the DROP on that date shall be 100 percent vested in their frozen accrued benefit as of May 1, 2012, regardless of length of credited service.

### *GENERAL EMPLOYEES AND LIFEGUARDS*

#### *Prior to May 1, 2012*

General employees were eligible for retirement after 30 years of service, or age 55 with 10 or more years of service. Lifeguards were eligible for retirement at age 50 with 10 or more years of service or members with at least 10 years of credited service who retire after 2/9/93 are eligible when the individual's age plus credited service totals 65 years or more. General employees could elect early retirement if the member is at least 50 years old with 10 or more years of service. The retirement benefit was calculated as a normal retirement benefit, but it is reduced 6/10 of 1% for each month early retirement precedes the member's normal retirement date. If the member had 20 years or more of service, the retirement benefit is reduced 3/10 of 1% for each month early retirement precedes the normal retirement date.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *GENERAL EMPLOYEES AND LIFEGUARDS (CONTINUED)*

### *Prior to May 1, 2012 (continued)*

General employees' retirement benefits were determined by multiplying the Average Final Compensation (highest two consecutive years out of the last five), times the sum of (a) 2.75% per year for service earned after September 30, 1990, to a maximum of 82.5%, plus 2.35% for service earned on or before September 30, 1990, for the first 30 years of service, plus (b) 1% for service in excess of 30 years.

Lifeguards retirement benefits were determined by multiplying the Average Final Compensation (highest two consecutive years out of the last five), times the sum of (a) 2.85% per year for the first 25 years of service to a maximum of 71.25%, plus (b) 1% for service in excess of 25 years.

A member of the General Employees' Retirement System could elect to enter the DROP within 7 years of the date the member first reaches normal retirement eligibility. The member receives 100% of their accrued benefit at the date of their election to participate in DROP.

For members of the General Employees' Retirement System hired on or after January 1, 1980, the sum of the employer financed portion of the pension benefit and social security benefit could not exceed 100% of average final compensation. Members who retired after September 30, 1968, and prior to October 1, 1990, received an annual 1% increase in their retirement benefit computed on the base benefit. Members who retired after September 30, 1990, received a 2% annual cost of living adjustment subsequent to an initial 3-year deferral period.

The General Employees' Retirement System also provided certain disability, death, and other benefits, which are considered to be retirement benefits for funding and actuarial purposes. Eligible employees become fully vested after 10 years of credited service.

All employees working in excess of 1,040 hours per year were required to participate.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *GENERAL EMPLOYEES AND LIFEGUARDS (CONTINUED)*

### *Effective May 1, 2012*

#### Normal Retirement

General employees who attained normal retirement eligibility based on credited service as of May 1, 2012 and who are employed by the Town and not participating in the DROP on that date, shall be eligible for normal retirement after 30 years of service, or age 55 with 10 years of service. Such general employees retirement benefits are determined by multiplying the average final compensation (highest two consecutive years out of the last five), times the sum of (a) 2.75% per year for service earned after September 30, 1990, to a maximum of 82.5%, plus 2.35% for service earned on or before September 30, 1990, for the first 30 years of service, plus (b) 1% for service in excess of 30 years.

Lifeguards who attained normal retirement eligibility based on credited service as of May 1, 2012 and who are employed by the Town and not participating in the DROP on that date, shall be eligible for normal retirement upon attaining age 50 with 10 or more years of credited service or when the individual's age plus credited service total 65 or more years and the individual has at least 10 years of service. Such lifeguards retirement benefits are determined by multiplying average final compensation (highest two consecutive years out of the last five), times the sum of (a) 2.85% per year for the first 25 years of service to a maximum of 71.25%, plus (b) 1% for service in excess of 25 years.

General employees who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased, and who were employed by the Town and not participating in the DROP on that date, shall be eligible for normal retirement upon attaining age 55, or 30 or more years of credited service without regard to age, and upon such retirement shall be eligible to receive the frozen accrued benefit based on credited service and average final compensation on April 30, 2012 and the above formulas. Such members shall be eligible to receive the accrued benefit based on credited service on or after May 1, 2012 upon attaining age 62 with 10 or more years of credited service. Effective June 1, 2024, members shall be eligible to receive accrued benefits based on credited service upon attaining age 62 with 5 or more years of service. For credited service between May 1, 2012 and April 30, 2017, the benefit formula shall be average final compensation multiplied by 1.25% per year of credited service. For credited service between May 1, 2017 and May 31, 2024, the benefit formula shall be average final compensation multiplied by 1.7% per year of credited service. For credited service between May 1, 2017 and May 31, 2024, the benefit formula shall be average final compensation multiplied by 1.7% per year of credited service. For credited on or after June 1, 2024, the benefit formula shall be average final compensation multiplied by 2.0% per year of credited service. Average final compensation after April 30, 2012 will be over a period increasing up to the final 5 years of credited service.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *GENERAL EMPLOYEES AND LIFEGUARDS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

#### Normal Retirement (continued)

Lifeguards who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased, and who were employed by the Town and not participating in the DROP on that date, shall be eligible for normal retirement upon termination of Town employment and attaining age 50, or when the member's age to last completed month plus credited service totals 65 years or more. Upon such retirement, the member shall be eligible to receive the frozen accrued benefit based on credited service and average final compensation on April 30, 2012. Such members shall be eligible to receive the accrued benefit based on credited service on or after May 1, 2012 upon attaining age 62 with 10 or more years of credited service. Effective June 1, 2024, members shall be eligible to receive accrued benefits based on credited service upon attaining age 62 with 5 or more years of service. For credited service between May 1, 2012 and April 30, 2017, the benefit formula shall be average final compensation multiplied by 1.25% per year of credited service. For credited service on or after May 1, 2017, the benefit formula shall be average final compensation multiplied by 1.7% per year of credited service. For credited service between May 1, 2017 and May 31, 2024, the benefit formula shall be average final compensation multiplied by 1.7% per year of credited service. For credited service after May 31, 2024, the benefit formula shall be average final compensation multiplied by 2.0% per year of credited service. For credited on or after June 1, 2024, the benefit formula shall be average final compensation multiplied by 2.0% per year of credited service. Average final compensation after April 30, 2012 will be over a period increasing up to the final 5 years of credited service.

#### Early Retirement

**General Employees 20-Year Early Retirement Option**: General employees who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased, and who were employed by the Town and not participating in the DROP on that date, may elect to retire, subject to an early retirement reduction, upon attaining age 50 or older with 20 or more years of credited service.

**General Employees 10-Year Early Retirement Option**: General employees who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased, and who were employed by the Town and not participating in the DROP on that date, may elect to retire, subject to an early retirement reduction, upon attaining age 50 or older with 10 or more years of credited service.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *GENERAL EMPLOYEES AND LIFEGUARDS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

**General Employees Age 60 Early Retirement Option**: General employees who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased, and who were employed by the Town and not participating in the DROP on that date, may elect to retire at age 60, subject to an early retirement reduction.

**Lifeguards Age 60 Early Retirement Option**: Lifeguards who did not attain normal retirement eligibility based on credited service as of May 1, 2012, excluding credited service purchased, and who were employed by the Town and not participating in the DROP on that date, and members hired on or after May 1, 2012, may elect to retire at age 60, subject to an early retirement reduction.

#### DROP Retirement

General employees and lifeguards may elect to enter the DROP after the member first reaches normal retirement eligibility. The member receives 100% of their accrued benefit at the date of their election to participate in DROP, unless the member was eligible for retirement prior to May 1, 2012, in which case the DROP benefit is grandfathered at 98%. For those participating in DROP as of June 1, 2024 or entering into DROP after June 1, 2024 this period was increased to 8 years.

#### Deferred Retirement (Vested Termination Benefit)

General employees and lifeguards with 10 or more years of service are eligible for a deferred retirement benefit. The pension begins upon meeting the requirements for normal retirement. Contributions must be left on deposit in the Plan. Failure to do so results in forfeiture of the vested benefit. The pension amount is computed as for normal retirement, based upon service and final average compensation at time of termination. For general employees active or hired after June 1, 2024, vested status will be attained with 5 or more years of credited service.

#### Duty Disability Retirement

There are no age or service requirements for duty disability for general employees or lifeguards. The pension amount to the earliest normal retirement eligibility date is computed as a regular retirement with additional serviced credit granted from the date of disability to the earliest normal retirement eligibility date. The minimum benefit is 60% of average final compensation. The pension amount at the earliest normal retirement eligibility date is computed as a regular retirement. The minimum shall be applicable for 5 years if the member attains such age for retirement less than 5 years after duty disability benefits commence.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *GENERAL EMPLOYEES AND LIFEGUARDS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

#### Non-Duty Disability Before Retirement

General employees and lifeguards are eligible for non-duty disability benefits before retirement after 10 years or more of credited service. For general employees active on or hired after June 1, 2024, vested status will be attained with 5 or more years of credited service. The pension amount is computed as for normal retirement.

#### Duty Death Before Retirement

There are no age or service requirements for duty death benefits before retirement for general employees or lifeguards. The pension amount to each surviving child is 25% of the member's average final compensation not to exceed 50% or equal share of 75% of the member's average final compensation when there are 4 or more surviving children being paid. The surviving spouse shall receive a pension benefit of the difference, if any, between 75% of the member's average final compensation and the aggregate amount paid to the children.

#### Non-Duty Death Before Retirement

General employees and lifeguards are eligible for non-duty death benefits before retirement after 10 years or more of credited service. The pension amount is computed as 75% of normal retirement benefit to a surviving spouse or equal shares of 75% of the normal retirement benefit to surviving unmarried children under age 18. Dependent payment continues not to exceed age 25 when no surviving spouse.

#### Automatic Death After Retirement Pension

If the member chooses the standard option, general employees and lifeguards who had attained normal retirement eligibility based on credited service as of May 1, 2012 are eligible for an automatic after death retirement pension. The benefit to surviving children shall be 25% of the retiree's pension payable to age 18, not to exceed an equal share of 75% of the retiree's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable. The benefit to the surviving spouse shall be the difference, if any, between 75% of the retiree's pension and the aggregate amount paid to any surviving children.

General employees and lifeguards who had not attained retirement eligibility as of May 1, 2012, shall have frozen accrued benefits as described in the preceding paragraph. New plan benefits accrue after April 30, 2012. Reduced optional forms of payment are available.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *GENERAL EMPLOYEES AND LIFEGUARDS (CONTINUED)*

#### *Effective May 1, 2012 (continued)*

**Post-Retirement Cost-of-Living Adjustment**

General employees and lifeguards that retired after September 30, 1968 and prior to October 1, 1990 receive an annual 1.0% increase computed on base benefit. Other adjustments have been made periodically. General employees and lifeguards that retired after September 30, 1990 and before May 1, 2012 receive an annual 2.0% increase based on the total pension payable subsequent to an initial 3-year deferral period.

General employees and lifeguards who had attained normal retirement eligibility based on credited service as of May 1, 2012 will receive an annual 2.0% increase based on pension benefits accrued, subject to an initial 3-year deferral period.

General employees and lifeguards who had not attained retirement eligibility as of May 1, 2012, do not receive any cost-of-living adjustment for benefits derived from service accrued on or after May 1, 2012. General employees and lifeguards who have accrued service as of April 30, 2012, will receive a 2.0% cost of living adjustment for benefits derived for service accrued to that date.

### *POLICE OFFICERS*

#### *Prior to May 1, 2012*

Police officers were eligible for retirement after 20 or more years of service, regardless of age; or age 50 with 10 or more years of service; or, members with at least 10 years of credited service who retire after September 30, 1990 are eligible when the individual's age plus credited service totals 65 years or more.

Police officers' retirement benefits were determined by multiplying the Average Final Compensation (highest two consecutive years out of the last five), times the greater of 3.5% per year of credited service to a maximum of 25 years, or 2.0% per year of credited service to a maximum of 50 years.

A member of the Police Officers' Retirement System could elect to enter the DROP within 7 years of the date the member first reaches normal retirement eligibility. The member receives 100% of their accrued benefit at the date of their election to participate in DROP.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *POLICE OFFICERS (CONTINUED)*

### *Prior to May 1, 2012 (continued)*

Members who retired after September 30, 1968, and prior to October 1, 1990, received an annual 1% increase in their retirement benefit computed on the base benefit. Members who retired after September 30, 1990, received a 2% annual cost of living adjustment subsequent to an initial 3-year deferral period.

The Police Officers' Retirement System also provided certain disability, death, and other benefits, which are considered to be retirement benefits for funding and actuarial purposes. Eligible employees become fully vested after 10 years of credited service.

All employees working in excess of 1,040 hours per year were required to participate.

**Normal Retirement**

Police officers shall be eligible for normal retirement after 20 or more years of service, regardless of age; or age 50 with 10 or more years of service; or, members with at least 10 years of credited service who retire after September 30, 1990 are eligible when the individual's age plus credited service totals 65 years or more. Such police officers' retirement benefits are determined by multiplying the average final compensation (highest two consecutive years out of the last five), times the greater of 3.5% per year of credited service to a maximum of 25 years, or 2.0% per year of credited service to a maximum of 50 years.

### *Effective May 1, 2012*

**Normal Retirement**

Police officers shall be eligible for normal retirement after 20 or more years of service, regardless of age; or age 50 with 10 or more years of service; or, members with at least 10 years of credited service who retire after September 30, 1990 are eligible when the individual's age plus credited service totals 65 years or more. Such police officers' retirement benefits are determined by multiplying the average final compensation (highest two consecutive years out of the last five), times the greater of 3.5% per year of credited service to a maximum of 25 years, or 2.0% per year of credited service to a maximum of 50 years.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *POLICE OFFICERS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

#### Normal Retirement (continued)

Police officers shall be eligible for normal retirement upon attaining age 50, or 20 or more years of credited service without regard to age, and upon such retirement shall be eligible to receive the frozen accrued benefit based on credited service and average final compensation on April 30, 2012 and the above formulas. Effective June 1, 2024, normal retirement eligibility for police officers is the earlier age 55 with at least 8 years service or at any age with at least 25 years of service. Does not apply to members who retired or separated from employment before June 1, 2024.

Members whose employment terminated between October 1, 2019 to May 30, 2024 are eligible to retire or enter the DROP at the earlier of age 55 with 10 or more years of service or age 52 with 25 or more years of service. Effective June 1, 2024, the vesting period was updated to 8 years for active members and new hires. Member who were in DROP as of June 1, 2024 and those that entered after June 1, 2024 can extend the period up to 8 years.

Members whose employment terminated prior to October 1, 2019 and after September 30, 2015, are eligible to retire or enter the DROP at age 56 with 10 or more years of service.

Members whose employment terminated prior to October 1, 2016 are eligible to retire or enter the DROP at age 65 with 10 or more years of service.

Such members shall be eligible to receive the accrued benefit based on credited service on or after May 1, 2012 upon attaining age 56 with 10 or more years of credited service. For credited service between May 1, 2012 and September 30, 2016, the benefit formula shall be the average final compensation multiplied by 1.25% per year of credited service. For service between October 1, 2016 and May 31, 2024 the benefit formula shall be the average final compensation multiplied by 2.75% per year of credited service. For service on or after June 1, 2024 the benefit formula shall be the average final compensation multiplied by 3.00% per year of credited service. Average final compensation after April 30, 2012 will be over a period increasing up to the final 5 years of credited service.

#### DROP Retirement

Police officers may elect to enter the DROP after the member first reaches normal retirement eligibility. The member receives 100% of their accrued benefit at the date of their election to participate in DROP.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *POLICE OFFICERS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

**Deferred Retirement (Vested Termination Benefit)**

Police officers with 10 or more years of service are eligible for a deferred retirement benefit. The pension begins upon meeting the requirements for normal retirement. Contributions must be left on deposit in the Plan. Failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately. The pension amount is computed as for normal retirement, based upon service and final average compensation at time of termination.

**Duty Disability Retirement**

There are no age or service requirements for duty disability for police officers. The pension amount is computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. The minimum benefit is 60% of average final compensation.

**Non-Duty Disability Before Retirement**

Police officers are eligible for non-duty disability benefits before retirement after 10 or more years of credited service. The pension amount is computed as for normal retirement. The minimum benefit is 30% of average final compensation.

**Duty Death Before Retirement**

There are no age or service requirements for duty death benefits before retirement for police officers. The pension amount to each surviving child is 25% of the member's Average Final Compensation not to exceed 50% or equal share of 75% of the member's Average Final Compensation when there are 4 or more surviving children being paid. The surviving spouse shall receive a pension benefit of the difference, if any, between 75% of the member's average final compensation and the aggregate amount paid to the children.

**Non-Duty Death Before Retirement**

Police officers are eligible for non-duty death benefits before retirement after 10 or more years of credited service. The pension amount is computed as 75% of normal retirement benefit to a surviving spouse or equal shares of 75% of the normal retirement benefit to surviving unmarried children under age 18. Dependent payment continues not to exceed age 25 when no surviving spouse.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *POLICE OFFICERS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

#### Automatic Death After Retirement Pension

If the member chooses the standard option, police officers who had attained normal retirement eligibility based on credited service as of May 1, 2012 are eligible for an automatic after death retirement pension. The benefit to surviving children shall be 25% of the retiree's pension payable to age 18, not to exceed an equal share of 75% of the retiree's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable. The benefit to the surviving spouse shall be the difference, if any, between 75% of the retiree's pension and the aggregate amount paid to any surviving children.

Police officers who had not attained retirement eligibility as of May 1, 2012 shall have frozen accrued benefits as described in the preceding paragraph. New plan benefits accrue after April 30, 2012. Reduced optional forms of payment are available.

#### Post-Retirement Cost-of-Living Adjustment

Police officers that retired after September 30, 1968 and prior to October 1, 1990 receive an annual 1.0% increase computed on base benefit. Other adjustments have been made periodically. Police officers that retired after September 30, 1990 and before May 1, 2012 receive an annual 2.0% increase based on the total pension payable subsequent to an initial 3-year deferral period.

Police officers who had attained normal retirement eligibility based on credited service as of May 1, 2012 will receive an annual 2.0% increase based on pension benefits accrued, subject to an initial 3-year deferral period.

Police officers who had not attained retirement eligibility as of May 1, 2012 do not receive any cost-of-living adjustment for benefits derived from service accrued on or after May 1, 2012. Police officers who have accrued service as of April 30, 2012 will receive a 2.0% cost of living adjustment for benefits derived for service accrued to that date.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *FIREFIGHTERS*

### *Prior to May 1, 2012*

Firefighters were eligible for retirement after 20 or more years of service, regardless of age; or age 50 with 10 or more years of service; or, members with at least 10 years of credited service who retire after September 30, 1990 are eligible when the individual's age plus credited service totals 65 years or more.

Firefighters' retirement benefits were determined by multiplying the average final compensation (highest two consecutive years out of the last five), times the greater of 3.5% per year of credited service to a maximum of 25 years, or 2.0% per year of credited service to a maximum of 50 years.

A member of the Firefighters' Retirement System could elect to enter the DROP within 7 years of the date the member first reaches normal retirement eligibility. The member receives 100% of their accrued benefit at the date of their election to participate in DROP.

Members who retired after September 30, 1968, and prior to October 1, 1990, received an annual 1% increase in their retirement benefit computed on the base benefit. Members who retired after September 30, 1990, received a 2% annual cost of living adjustment subsequent to an initial 3-year deferral period.

### *Effective May 1, 2012*

The Firefighters' Retirement System also provided certain disability, death, and other benefits, which are considered to be retirement benefits for funding and actuarial purposes. Eligible employees become fully vested after 10 years of credited service.

All employees working in excess of 1,040 hours per year were required to participate.

**Normal Retirement**

Firefighters shall be eligible for normal retirement after 20 or more years of service, regardless of age; or age 50 with 10 or more years of service; or, members with at least 10 years of credited service who retire after September 30, 1990 are eligible when the individual's age plus credited service totals 65 years or more. Such Firefighters' retirement benefits are determined by multiplying the average final compensation (highest two consecutive years out of the last five), times the greater of 3.5% per year of credited service to a maximum of 25 years, or 2.0% per year of credited service to a maximum of 50 years.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *FIREFIGHTERS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

**Normal Retirement (continued)**

Firefighters shall be eligible for normal retirement upon attaining age 50, or 20 or more years of credited service without regard to age, and upon such retirement shall be eligible to receive the frozen accrued benefit based on credited service and average final compensation on April 30, 2012 and the above formulas. Effective June 1, 2024, normal retirement eligibility for non-bargaining and bargaining unit firefighters is the earlier of age 55 with 8 years of service or at least 25 years of service. Does not apply to members who retired or separated from employment before June 1, 2024.

Non-Bargaining members whose employment terminated between October 1, 2019 and May 31, 2024, and Bargaining members whose employment terminated between November 2, 2019 and May 31, 2024 are eligible to retire or enter the DROP at the earlier of Age 55 with 10 or more years of service or Age 52 with 25 or more years of service. Effective June 1, 2024, for bargaining members, the vesting period was updated to 8 years for active members and new hires. Member who were in DROP as of June 1, 2024 and those that entered after June 1, 2024 can extend the period up to 8 years.

Non-Bargaining members whose employment terminated on or after October 1, 2016 and Bargaining members whose employment terminated on or after August 12, 2017 are eligible to retire or enter the DROP at age 56 with 10 or more years of service.

All other members are eligible to retire or enter the DROP at age 65 with 10 or more years of service.

Non-bargaining unit firefighters: For credited service between May 1, 2012 and September 30, 2016, the benefit formula shall be the average final compensation multiplied by 1.25% per year of credited service. For service between October 1, 2016 and May 31, 2024, the benefit formula shall be the average final compensation multiplied by 2.75% per year of credited service. For service on or after June 1, 2024 , the benefit formula shall be the average final compensation multiplied by 3.00% per year of credited service. Average final compensation after April 30, 2012 will be over a period increasing up to the final 5 years of credited service.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *FIREFIGHTERS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

#### Normal Retirement (continued)

Bargaining unit firefighters: For credited service between May 1, 2012 and August 11, 2017, the benefit formula shall be the average final compensation multiplied by 1.25% per year of credited service. For service between August 12, 2017 and May 31, 2024 the benefit formula shall be the average final compensation multiplied by 2.75% per year of credited service. For service on or after June 1, 2024 , the benefit formula shall be the average final compensation multiplied by 3.00% per year of credited service. Average final compensation after April 30, 2012 will be over a period increasing up to the final 5 years of credited service.

#### DROP Retirement

Firefighters may elect to enter the DROP after the member first reaches normal retirement eligibility. The member receives 100% of their accrued benefit at the date of their election to participate in DROP.

#### Deferred Retirement (Vested Termination Benefit)

Firefighters with 10 or more years of service are eligible for a deferred retirement benefit. The pension begins upon meeting the requirements for normal retirement. Contributions must be left on deposit in the Plan. Failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately. The pension amount is computed as for normal retirement, based upon service and final average compensation at time of termination.

#### Duty Disability Retirement

There are no age or service requirements for duty disability for firefighters. The pension amount is computed as a regular retirement with additional service credit granted from date of disability to earliest normal retirement eligibility date. The minimum benefit is 60% of average final compensation.

#### Non-Duty Disability Before Retirement

Firefighters are eligible for non-duty disability benefits before retirement after 10 or more years of credited service. The pension amount is computed as for normal retirement. The minimum benefit is 30% of average final compensation.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *FIREFIGHTERS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

#### Duty Death Before Retirement

There are no age or service requirements for duty death benefits before retirement for firefighters. The pension amount to each surviving child is 25% of the member's average final compensation not to exceed 50% or equal share of 75% of the member's average final compensation when there are 4 or more surviving children being paid. The surviving spouse shall receive a pension benefit of the difference, if any, between 75% of the member's average final compensation and the aggregate amount paid to the children.

#### Non-Duty Death Before Retirement

Firefighters are eligible for non-duty death benefits before retirement after 10 or more years of credited service. The pension amount is computed as 75% of normal retirement benefit to a surviving spouse or equal shares of 75% of the normal retirement benefit to surviving unmarried children under age 18. Dependent payment continues not to exceed age 25 when no surviving spouse.

#### Automatic Death After Retirement Pension

If the member chooses the standard option, firefighters who had attained normal retirement eligibility based on credited service as of May 1, 2012 are eligible for an automatic after death retirement pension. The benefit to surviving children shall be 25% of the retiree's pension payable to age 18, not to exceed an equal share of 75% of the retiree's pension. Payments to surviving children may be paid to age 25 if no spouse benefits are payable. The benefit to the surviving spouse shall be the difference, if any, between 75% of the retiree's pension and the aggregate amount paid to any surviving children.

Firefighters who had not attained retirement eligibility as of May 1, 2012 shall have frozen accrued benefits as described in the preceding paragraph. New plan benefits accrue after April 30, 2012. Reduced optional forms of payment are available.

#### Post-Retirement Cost-of-Living Adjustment

Firefighters that retired after September 30, 1968 and prior to October 1, 1990 receive an annual 1.0% increase computed on base benefit. Other adjustments have been made periodically. Firefighters that retired after September 30, 1990 and before May 1, 2012 receive an annual 2.0% increase based on the total pension payable subsequent to an initial 3-year deferral period.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *FIREFIGHTERS (CONTINUED)*

### *Effective May 1, 2012 (continued)*

#### Post-Retirement Cost-of-Living Adjustment (continued)

Firefighters who had attained normal retirement eligibility based on credited service as of May 1, 2012 will receive an annual 2.0% increase based on pension benefits accrued, subject to an initial 3-year deferral period.

Firefighters who had not attained retirement eligibility as of May 1, 2012 do not receive any cost-of-living adjustment for benefits derived from service accrued on or after May 1, 2012. Firefighters who have accrued service as of April 30, 2012 will receive a 2.0% cost of living adjustment for benefits derived for service accrued to that date.

#### Share Accounts

Effective October 1, 2003, the Town Council authorized the establishment of individual member Share accounts for firefighters actively employed by the town. These accounts were funded annually using Chapter 175 monies that have not been otherwise committed for benefits for firefighter members. As of September 30, 2024, $591,177 was held in Share accounts included in the Plan's net position.

On July 22, 2009, the Board adopted a resolution that permits the Plan participants to self-direct their Share accounts. The self-directed accounts are administered by the ICMA Retirement Corporation. As of September 30, 2024, the amount of self-directed investments held outside the Plan was $2,848,314. Members are eligible to take distributions after separation from service. No new member accounts shall be established after May 1, 2012.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *CONTRIBUTIONS*

The contribution requirements of Plan members and the Town are established and may be amended by the Town Council. Plan members are required to contribute a percentage of their annual covered salary as described in the table on the following page. The Town is required to contribute at an actuarially determined rate. Administrative expenses of the Plans are reimbursed on a retrospective basis by an addition to the Town's contribution rate.

The contribution rates for the fiscal year ended September 30, 2024, as a percentage of the employees' annual compensation, were as follows:

| | Member Contributions | Town Contributions |
|---|---|---|
| General employees | 3.50% | 32.27% |
| Lifeguards | 3.50% | 239.45% |
| Police officers | 8.50% | 77.32% |
| Firefighters - Non-Union | 8.50% | 76.80% |
| Firefighters - Union | 8.50% | 76.80% |

For the fiscal year ended September 30, 2024, the Town and its employees made the following contributions to the Plan:

| Employee Classification | Town Contributions | Employee Contributions | Total Contributions |
|---|---|---|---|
| General employees and lifeguards | $ 5,818,372 | $ 505,277 | $ 6,323,649 |
| Police officers | 5,495,478 | 548,538 | 6,044,016 |
| Firefighters | 6,757,028 | 589,928 | 7,346,956 |
| **Total** | $18,070,878 | $ 1,643,743 | $19,714,621 |

### *PAYABLE TO THE RETIREMENT PLAN*

At September 30, 2024, the Town had no payables for outstanding contributions to the Plan required for the fiscal year ended September 30, 2024.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *INVESTMENTS*

Investments of the Plan are reported at fair value, except money market funds, which are reported at amortized cost. Net depreciation in fair value of investments includes realized and unrealized gains and losses.

### *RATE OF RETURN*

The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. Inputs to the dollar-weighted rate of return valuation are determined on a monthly basis. For the year ended September 30, 2024, the annual money-weighted rate of return on Plan investments, net of investment expenses was 19.53%.

### *LONG-TERM EXPECTED RATE OF RETURN*

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity funds | 35.0% | 7.50% |
| International equity funds | 20.0% | 8.50% |
| Domestic bonds | 19.5% | 2.50% |
| International bonds | 0.0% | 3.50% |
| Real estate funds | 10.0% | 4.50% |
| Alternative assets | 15.5% | 6.24% |
| Total | 100.0% | |

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *NET PENSION LIABILITY – GENERAL EMPLOYEES AND LIFEGUARDS*

The components of the net pension liability at September 30, 2024 were as follows:

| Description | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| **Balance** - September 30, 2023 | $ 135,737,882 | $ (92,561,570) | $ 43,176,312 |
| Changes due to: | | | |
| Service cost | 1,710,590 | -- | 1,710,590 |
| Interest on total pension liability | 8,227,280 | -- | 8,227,280 |
| Benefit changes | 1,655,326 | -- | 1,655,326 |
| Difference between expected and actual experience | (638,399) | -- | (638,399) |
| Assumption changes | 3,041,301 | -- | 3,041,301 |
| Benefit payments | (7,759,377) | 7,759,377 | -- |
| Refunds | (30,864) | 30,864 | -- |
| Employer contributions | -- | (5,818,372) | (5,818,372) |
| Employee contributions | -- | (505,277) | (505,277) |
| Investment income | -- | (18,433,232) | (18,433,232) |
| Investment expense | -- | 218,763 | 218,763 |
| Administrative expense | -- | 178,739 | 178,739 |
| Total changes | 6,205,857 | (16,569,138) | (10,363,281) |
| **Balance** - September 30, 2024 | $ 141,943,739 | $ (109,130,708) | $ 32,813,031 |

Effective September 30, 2024 the investment return assumption decreased from 6.20% to 6.00%.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *NET PENSION LIABILITY – POLICE OFFICERS*

The components of the net pension liability at September 30, 2024 were as follows:

| Description | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| **Balance** - September 30, 2023 | $ 117,782,647 | $ (80,353,567) | $ 37,429,080 |
| Changes due to: | | | |
| Service cost | 1,426,532 | -- | 1,426,532 |
| Interest on total pension liability | 7,109,264 | -- | 7,109,264 |
| Benefit changes | 144,494 | -- | 144,494 |
| Difference between expected and actual experience | 724,496 | -- | 724,496 |
| Assumption changes | 2,684,093 | -- | 2,684,093 |
| Benefit payments | (7,598,785) | 7,598,785 | -- |
| Refunds | (61,949) | 61,949 | -- |
| Employer contributions | -- | (5,495,478) | (5,495,478) |
| Employee contributions | -- | (548,538) | (548,538) |
| Investment income | -- | (15,838,815) | (15,838,815) |
| Investment expense | -- | 187,973 | 187,973 |
| Administrative expense | -- | 153,941 | 153,941 |
| Total changes | 4,428,145 | (13,880,183) | (9,452,038) |
| **Balance** - September 30, 2024 | $ 122,210,792 | $ (94,233,750) | $ 27,977,042 |

Effective September 30, 2024 the investment return assumption decreased from 6.20% to 6.00%.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *NET PENSION LIABILITY – FIREFIGHTERS*

The components of the net pension liability at September 30, 2024 were as follows:

| Description | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| **Balance** - September 30, 2023 | $ 124,842,921 | $ (79,067,451) | $ 45,775,470 |
| Changes due to: | | | |
| Service cost | 1,754,089 | -- | 1,754,089 |
| Interest on total pension liability | 7,557,746 | -- | 7,557,746 |
| Benefit changes | 1,066,506 | -- | 1,066,506 |
| Difference between expected and actual experience | (3,037) | -- | (3,037) |
| Assumption changes | 3,096,947 | -- | 3,096,947 |
| Benefit payments | (7,548,543) | 7,548,543 | -- |
| Refunds | (93,130) | 93,130 | -- |
| Employer contributions | -- | (6,757,028) | (6,757,028) |
| Employee contributions | -- | (589,928) | (589,928) |
| Investment income | -- | (15,239,722) | (15,239,722) |
| Investment expense | -- | 180,863 | 180,863 |
| Administrative expense | -- | 148,886 | 148,886 |
| Total changes | 5,830,578 | (14,615,256) | (8,784,678) |
| **Balance** - September 30, 2024 | $ 130,673,499 | $ (93,682,707) | $ 36,990,792 |

Effective September 30, 2024 the investment return assumption decreased from 6.20% to 6.00%.

### *DISCOUNT RATE*

A single discount rate of 6.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE*

The following table presents the net pension liability of the Town calculated using the single discount rate of 6.00% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| General employees and lifeguards | $ 49,808,830 | $ 32,813,031 | $18,627,109 |
| Police Officers | 43,118,214 | 27,977,042 | 15,527,270 |
| Firefighters | 54,592,228 | 36,990,792 | 22,680,622 |
| Net Pension Liability of the Town | $ 147,519,272 | $ 97,780,865 | $56,835,001 |

### *DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES AND PENSION EXPENSES*

***General Employees and Lifeguards***

At September 30, 2024, the Town reported a net pension liability of $32,813,031 for the general employees and lifeguards. The liability was measured as of September 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023.

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES AND PENSION EXPENSES (CONTINUED)*

***General Employees and Lifeguards (continued)***

For the fiscal year ended September 30, 2024, the Town recognized a pension expense of $1,239,991 for the general employees and lifeguards. In addition, the Town reported deferred outflows and inflows of resources related to the general employees and lifeguards from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience on liabilities | $ -- | $ (1,560,229) |
| Changes of assumptions or other inputs | 4,950,775 | -- |
| Net difference between projected and actual earnings on pension plan investment | -- | (4,049,095) |
| **Total** | $ 4,950,775 | $ (5,609,324) |

The amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

| Fiscal Year Ending September 30 | Amount |
|---|---|
| 2025 | $ 876,996 |
| 2026 | 2,846,001 |
| 2027 | (2,270,169) |
| 2028 | (2,111,377) |
| **Total** | $ (658,549) |

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES AND PENSION EXPENSES (CONTINUED)*

***Police Officers***

At September 30, 2024, the Town reported a net pension liability of $27,977,042 for the police officers. The liability was measured as of September 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023.

For the fiscal year ended September 30, 2024, the Town recognized a pension expense of $272,554 for the police officers. In addition, the Town reported deferred outflows and inflows of resources related to the police officers from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience on liabilities | $ 1,182,368 | $ -- |
| Changes of assumptions or other inputs | 3,822,982 | -- |
| Net difference between projected and actual earnings on pension plan investment | -- | (3,371,773) |
| **Total** | $ 5,005,350 | $ (3,371,773) |

The amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

| Fiscal Year Ending September 30 | Amount |
|---|---|
| 2025 | $ 1,990,243 |
| 2026 | 3,497,688 |
| 2027 | (1,743,663) |
| 2028 | (2,110,691) |
| **Total** | $ 1,633,577 |

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES AND PENSION EXPENSES (CONTINUED)*

***Firefighters***

At September 30, 2024, the Town reported a net pension liability of $36,990,792 for the firefighters. The liability was measured as of September 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023.

For the fiscal year ended September 30, 2024 the Town recognized a pension expense of $608,782 for the firefighters. In addition, the Town reported deferred outflows and inflows of resources and deferred inflows of resources related to the firefighters from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience on liabilities | $ -- | $ (128,790) |
| Changes of assumptions or other inputs | 4,643,855 | -- |
| Net difference between projected and actual earnings on pension plan investment | -- | (2,926,494) |
| **Total** | $ 4,643,855 | $ (3,055,284) |

The amounts reported as deferred outflows of resources will be recognized in pension expense as follows:

| Fiscal Year Ending September 30 | Amount |
|---|---|
| 2025 | $ 1,637,847 |
| 2026 | 3,277,108 |
| 2027 | (1,409,653) |
| 2028 | (1,916,731) |
| **Total** | $ 1,588,571 |

## NOTE 9 – TOWN OF PALM BEACH RETIREMENT SYSTEM (CONTINUED)

### *SIGNIFICANT ACTUARIAL ASSUMPTIONS*

The total pension liability was determined using the following actuarial assumptions:

| | |
|---|---|
| Valuation date: | September 30, 2023 |
| Measurement date: | September 30, 2024 |
| Actuarial cost method: | Entry Age Normal |
| Single discount rate: | 6.00% |
| Investment rate of return: | 6.00% |
| General inflation: | 2.25% |
| Salary increases – General: | 5.5% including inflation |
| Salary increases – Police: | 6.0% including inflation |
| Salary increases – Firefighters: | 6.0% including inflation |
| Mortality: | The mortality tables used are the same as those used for the July 1, 2022 Pension Actuarial Valuation of the Florida Retirement System. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. |
| Other Information: | Effective as of September 30, 2024, the investment return assumption was lowered from 6.20% to 6.00%. The impact of this assumption change is disclosed in the Schedule of Changes in Net Pension Liability Exhibit of this report. |

## NOTE 10 – PRESERVATION OF BENEFITS RETIREMENT PLAN

### *PLAN DESCRIPTION*

Effective November 1, 2017, the Town established the Preservation of Benefits Retirement Plan (the "POB"), a single-employer defined benefit pension plan to provide payment of retirement income that would have been available to retired Town employees and their beneficiaries if the benefit provisions of the Town of Palm Beach Retirement Plan were to apply without the limitation in Section 415(b) of the Internal Revenue Code ("IRC"). Benefits are retroactive to the original entrance date to the Town of Palm Beach Retirement Plan.

The POB has no assets accumulated in a trust that meets the criteria in GASB Statement No. 73, paragraph 4.

As of September 30, 2023, membership of the POB consisted of the following:

| | |
|---|---|
| Retirees receiving benefits | 2 |
| Active plan members | -- |
| **Total** | 2 |

### *ELIGIBILITY*

A member of the Town of Palm Beach Retirement Plan who retires or enters the DROP on or after July 1, 2014 and before November 1, 2017, and the beneficiaries of such member, shall participate in the POB whenever his or her benefit under the Town of Palm Beach Retirement Plan is reduced by application of Section 415(b) of the IRC. Participation in the POB shall continue for as long as the member's benefit under the Town of Palm Beach Retirement Plan is reduced by application of Section 415(b) of the IRC.

### *CONTRIBUTIONS*

The POB shall be unfunded and unsecured within the meaning of the federal tax laws. No member contributions or deferrals, direct or indirect, by election or otherwise shall be made or allowed under the POB.

## NOTE 10 – PRESERVATION OF BENEFITS RETIREMENT PLAN (CONTINUED)

### *ADMINISTRATION*

The POB shall be administered by the Town. Benefits due under the POB as determined by the Deputy Town Manager, Finance and Administration, shall be paid timely by the Town. The Deputy Town Manager, Finance and Administration, may make modifications to the benefits payable under the POB as may be necessary to maintain compliance with Section 415(m) and other relevant sections of the IRC.

### *PENSION LIABILITIES, PENSION EXPENSE (INCOME), AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES*

As of September 30, 2024, the Town reported a total pension liability of $2,115,995 for the POB. It was determined not to reclassify any long-term amounts that are considered to be due within one year in relation to total pension liability as the amounts are minimal. Since these amounts are not material, the Town will not present them in the financial statements or footnotes. The total pension liability was measured as of September 30, 2024, based on a September 30, 2023 actuarial valuation. The total pension liability was then "rolled forward" to the measurement date utilizing update procedures incorporating the actuarial assumptions. For the fiscal year ended September 30, 2024, the Town recognized pension expense of $769,654. As of September 30, 2024, the Town did not report any deferred outflows of resources or deferred inflows of resources related to the POB.

### *TOTAL PENSION LIABILITY*

The components of the total pension liability at September 30, 2024 are as follows:

| *Preservation of Benefits Retirement Plan* | Total Pension Liability |
|---|---|
| **Balance** - September 30, 2023 | $ 1,346,341 |
| Changes due to: | |
| Service cost | -- |
| Interest on total pension liability | 62,329 |
| Benefit changes | 601,979 |
| Difference between expected and actual experience | (83,746) |
| Assumption changes | 189,378 |
| Benefit payments | (286) |
| Total changes | 769,654 |
| **Balance** - September 30, 2024 | $ 2,115,995 |

## NOTE 10 – PRESERVATION OF BENEFITS RETIREMENT PLAN (CONTINUED)

### *SENSITIVITY OF THE TOTAL PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE*

The following table presents the total pension liability of the Town calculated using a single discount rate of 3.81% as well as what the Town's total pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current rate.

| | 1% Decrease 2.81% | Current Discount Rate 3.81% | 1% Increase 4.81% |
|---|---|---|---|
| Total Pension Liability | $ 2,387,141 | $ 2,115,995 | $ 1,888,468 |

### *ACTUARIAL ASSUMPTIONS AND OTHER INPUTS*

The total pension liability was determined using the following actuarial assumptions and other inputs:

| | |
|---|---|
| Valuation date: | September 30, 2023 |
| Measurement date: | September 30, 2024 |
| Actuarial cost method: | Entry Age Normal |
| Inflation: | 2.0%. The inflation rate was used for the assumed future annual increase in the Internal Revenue Code Section 415(b) dollar limit. |
| Salary increase rate: | N/A |
| Discount rate: | 3.81% |
| Retirement rate: | N/A |
| Mortality: | The mortality tables used are the same as those used in the July 1, 2022 Pension Actuarial Valuation of the Florida Retirement System for other than special risk members (General) and special risk members (Police). These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. |

## NOTE 10 – PRESERVATION OF BENEFITS RETIREMENT PLAN (CONTINUED)

### *SENSITIVITY OF THE TOTAL PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE (CONTINUED)*

The discount rate was determined from Fidelity's AA credit rated 20-Year Municipal Bond General Obligation Index as of September 26, 2024. This is the rate for Fidelity's Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds. In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

The discount rate was changed from 4.63% as of September 30, 2023 to 3.81% as of September 30, 2024 based on the long-term municipal bond rate.

## NOTE 11 – SUMMARY OF PENSION DATA

The following table provides a summary of significant information related to defined benefit pension plans for the fiscal year ended September 30, 2024.

| | General Employees & Lifeguards | Police Officers | Firefighters | Preservation of Benefits Plan | Totals |
|---|---|---|---|---|---|
| Plan fiduciary net position | $ 109,130,708 | $ 94,233,750 | $ 93,682,707 | $ -- | $ 297,047,165 |
| Total pension liability | 141,943,739 | 122,210,792 | 130,673,499 | 2,115,995 | 396,944,025 |
| Net pension liability | 32,813,031 | 27,977,042 | 36,990,792 | 2,115,995 | 99,896,860 |
| Plan of fiduciary net position as a percentage of the total pension liability | 76.88% | 77.11% | 71.69% | 0.00% | 74.83% |
| Covered payroll | 13,142,864 | 5,348,964 | 6,510,371 | N/A | 25,002,199 |
| Net pension liability as a percentage of covered payroll | 249.66% | 523.04% | 568.18% | N/A | 399.55% |
| Deferred outflows of resources | 4,950,775 | 5,005,350 | 4,643,855 | -- | 14,599,980 |
| Deferred inflows of resources | 5,609,324 | 3,371,773 | 3,055,284 | -- | 12,036,381 |
| Pension expense (income) | 1,239,991 | 272,554 | 608,782 | 769,654 | 2,890,981 |

## NOTE 12 – DEFINED CONTRIBUTION PENSION PLAN

The Town established the Town of Palm Beach Defined Contribution Retirement Plan in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan & Trust effective May 1, 2012 to provide benefits at retirement to the Town's employees. The Plan is a single-employer defined contribution pension plan administered by the ICMA Retirement Corporation. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

The Plan covers all employees working in excess of 1,850 hours per year. Police officers and non–union firefighters, hired before May 1, 1992, were required to make mandatory pre-tax contributions equal to 2% of covered compensation until September 30, 2016. Union firefighters hired before May 1, 1992 were required to make mandatory pre-tax contributions equal to 2% of covered compensation until August 11, 2017.

General employees and lifeguards were required to make mandatory pre-tax contributions of 4% of covered compensation until April 30, 2017. Thereafter they are required to make mandatory pre-tax contributions of 3% of covered compensation. The Town is required to match mandatory contributions. Covered compensation includes base pay (inclusive of all leave time) but excludes overtime and bonuses. General employees and lifeguards are allowed to make voluntary contributions up to the maximum allowable under IRS Regulations. The Town is required to match up to 2% for voluntary contributions. For the fiscal year ended September 30, 2024, the Town recognized pension expense of $628,567 for the defined contribution plan, which included forfeitures of $40,000. At September 30, 2024, the Town reported a payable in the amount of $167,989 for outstanding contributions to the Plan for the fiscal year ended September 30, 2024.

The Town does not hold or administer resources of the Plan. Consequently, the Plan does not meet the requirements for inclusion in the Town's financial statements as a fiduciary fund. The Plan does not issue a stand-alone financial report. Plan provisions are established and may be amended only by the Town Council.

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

### *PLAN DESCRIPTION*

The OPEB Plan is a single-employer, defined benefit postemployment healthcare plan that is administered by the Town and covers retired employees of the Town and their dependents. The Town Council has the authority to establish and amend benefit provisions of the Plan. The Plan does not issue a separate, publicly available financial report.

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

### *BENEFITS PROVIDED*

The Plan provides for the payment of a portion of the health insurance premiums for eligible retired employees.

### *PLAN MEMBERSHIP*

A summary of employees or beneficiaries covered by the Plan as of September 30, 2024 is as follows:

| | |
|---|---|
| Active employees | 314 |
| Inactive employees currently receiving benefits | 221 |
| Inactive employees entitled to but not yet receiving benefits | -- |
| **Total Plan Participants** | 535 |

### *CONTRIBUTIONS*

The contribution requirements of Plan members and the Town are established and may be amended by the Town Council. These contributions are neither mandated nor guaranteed. The Town has retained the right to unilaterally modify its payment for retiree health care benefits. Plan members receiving benefits contribute a percentage of the monthly insurance premium. Prior to January 1, 2010, retiree contributions were 50% of the actuarial premium. Effective January 1, 2010, the retiree contributions were changed to a sliding scale under which the retiree contribution varies depending on years of service and pension benefit. The retiree contributions vary from a minimum of 50% of the actuarial premium to the maximum amount allowed under Florida Statute 112.08.

The State of Florida prohibits the Town from separately rating retirees and active employees. The Town therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. However, the Town has elected to contribute to the Plan at a rate that is based on an actuarial valuation prepared using the blended rate premium that is actually charged to the Plan. The Plan recognized contributions of $789,128 from the Town for the fiscal year ended September 30, 2024.

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

### *DISCOUNT RATE*

The discount rate used to measure the total OPEB liability was 5.0%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the discount rate of 5.0% was applied to all periods of projected benefit payments to determine the total OPEB liability.

### *LONG-TERM EXPECTED RATE OF RETURN*

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity funds | 40.0% | 7.50% |
| International equity funds | 10.0% | 8.50% |
| Domestic bonds | 32.0% | 2.50% |
| Real estate funds | 10.0% | 4.50% |
| Alternative assets | 8.0% | 6.24% |
| **Total** | 100.0% | |

### *RATE OF RETURN*

The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. Inputs to the dollar-weighted rate of return valuation are determined on a monthly basis. For the fiscal year ended September 30, 2024 the annual money-weighted rate of return on Plan investments, net of investment expenses was 20.36%.

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

### *ACTUARIAL ASSUMPTIONS AND OTHER INPUTS*

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

| | |
|---|---|
| Valuation date: | September 30, 2024 |
| Measurement date: | September 30, 2024 |
| Actuarial cost method: | Entry Age Normal |
| Single discount rate: | 5.0% |
| Participation of future retirees: | 100% medical, 60% life insurance |
| Participation of future spouses: | 100% |
| Health care cost trend rates: | Based on the Getzen Model, with trend starting at 7.00% on 10/1/2025, followed by 6.50% on 10/1/2026 and gradually decreasing to an ultimate trend rate of 4.00%. |
| Mortality: | Rates of mortality are the same as used in the July 1, 2023 actuarial valuation of the Florida Retirement System. These rates were taken from the adjusted PUB-2010 mortality tables published by the Society of Actuaries with generational mortality using Scale MP-2018. Adjustment to referenced tables are based on the results of a statewide experience study covering the period 2013 through 2018. |
| Retiree benefits: | Under age 65 retirees can elect either the PPO, POS, or HMO plan. Medicare eligible retirees can elect either the PPO or POS plan. Retirees are eligible for dental coverage. Retirees have the option of purchasing a term-life policy in the amount of $10,000 at the rate of $8.56 per month for coverage. Benefits are for the lifetime of the retiree and surviving spouse. |
| Aging factors: | Based on the 2013 SOA Study "Health Care Costs – From Birth to Death" |

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

### *NET OPEB LIABILITY (ASSET)*

The components of the net OPEB liability (asset) as of September 30, 2024 were as follows:

| | Total OPEB Liability | Fiduciary Net Position | Net OPEB Liability (Asset) |
|---|---|---|---|
| **Balance** - September 30, 2023 | $ 33,360,217 | $ (36,885,660) | $ (3,525,444) |
| Changes due to: | | | |
| Service cost | 1,492,737 | -- | 1,492,737 |
| Interest on total OPEB liability | 1,712,548 | -- | 1,712,548 |
| Benefit changes | -- | -- | -- |
| Difference between expected and actual experience | (1,145,010) | -- | (1,145,010) |
| Assumption changes | 5,588,092 | -- | 5,588,092 |
| Benefit payments | (1,203,986) | 1,203,986 | -- |
| Employer contributions | -- | (789,128) | (789,128) |
| Net investment income | -- | (7,477,239) | (7,477,239) |
| Administrative expense | -- | 173,967 | 173,967 |
| Total changes | 6,444,381 | (6,888,414) | (444,033) |
| **Balance** - September 30, 2024 | $ 39,804,598 | $ (43,774,074) * | $ (3,969,477) |

* Plan fiduciary net position noted above for the OPEB Trust Fund for 2024 excluded $8,314, related to accounts payable balances due to timing.

| | |
|---|---|
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 109.97% |

### *SENSITIVITY OF THE NET OPEB LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE*

The following table presents the net OPEB liability (asset) of the Town calculated using the single discount rate of 5.0% as well as what the Town net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

| | 1% Decrease 4.0% | Current Discount Rate 5.0% | 1% Increase 6.0% |
|---|---|---|---|
| Net OPEB Liability (Asset) | $ 1,930,671 | $ (3,969,477) | $ (8,793,863) |

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

### *SENSITIVITY OF THE NET OPEB LIABILITY (ASSET) TO CHANGES IN THE HEALTHCARE TREND RATES*

The following table presents the net OPEB liability (asset) of the Town calculated using the current healthcare costs trend rates used in the most recent funding valuation as well as what the Town net OPEB liability (asset) would be if it were calculated using a healthcare costs trends that are one percentage point lower or one percentage point higher than the current healthcare costs trend rates.

| | 1% Decrease | Current Healthcare Cost Trend Rates (7.0%) | 1% Increase |
|---|---|---|---|
| Net OPEB Liability (Asset) | $ (9,056,881) | $ (3,969,477) | $ 2,409,738 |

### *DEFERRED OUTFLOWS OF RESOURCES, DEFERRED INFLOWS OF RESOURCES, AND OPEB EXPENSE (INCOME)*

At September 30, 2024, the Town reported a net OPEB asset of $3,969,477. The asset was measured as of September 30, 2024 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2024. For the fiscal year ended September 30, 2024, the Town recognized an OPEB expense (income) of $(142,212). In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ -- | $ (3,119,416) |
| Assumption changes | 8,367,442 | (1,992,603) |
| Net difference between projected and actual earnings on OPEB plan investments | -- | (3,252,462) |
| **Total** | $ 8,367,442 | $ (8,364,481) |

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

### *DEFERRED OUTFLOWS OF RESOURCES, DEFERRED INFLOWS OF RESOURCES, AND OPEB EXPENSE (INCOME) (CONTINUED)*

Amounts reported as deferred outflow and inflows of resources will be recognized in OPEB expense (income) as follows:

| Fiscal Year Ending September 30 | Amount |
|---|---|
| 2025 | $ (1,051,982) |
| 2026 | 527,177 |
| 2027 | (189,030) |
| 2028 | (255,129) |
| 2029 | 694,231 |
| Thereafter | 277,694 |
| **Total** | $ 2,961 |

### *PAYABLE TO THE OPEB PLAN*

At September 30, 2024, the Town had no payables for outstanding contributions to the Plan required for the fiscal year ended September 30, 2024.

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The OPEB Trust Fund does not issue a separate financial report. The Trust Fund's financial statements are presented below:

Statement of Fiduciary Net Position
September 30, 2024

| | |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 98,779 |
| Investments | |
| Short-term investment fund | 664,321 |
| Fixed income securities | 15,703,599 |
| Domestic equity funds | 21,418,512 |
| International and emerging market equity funds | 1,681,605 |
| Private equity funds | 595,673 |
| Real estate funds | 3,633,749 |
| **Total Assets** | 43,796,238 |
| **Liabilities** | |
| Accounts payable and accrued liabilities | 20,468 |
| Due to brokers | 10,010 |
| **Total Liabilities** | 30,478 |
| **Net Position Restricted for Retiree Health Benefits** | $ 43,765,760 |

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2024

| | |
|---|---|
| **Additions** | |
| Contributions | |
| Employer | $ 789,128 |
| Employee | 957,556 |
| Other | 18,780 |
| Total contributions | 1,765,464 |
| Investment income | |
| Net appreciation in fair value of investments | 6,695,638 |
| Interest and dividends | 864,495 |
| Total investment income | 7,560,133 |
| Less investment expense | (119,450) |
| Net investment income | 7,440,683 |
| **Total Additions** | 9,206,147 |
| **Deductions** | |
| Benefit payments | 2,192,330 |
| Administrative expenses | 133,717 |
| **Total Deductions** | 2,326,047 |
| **Change in Net Position** | 6,880,100 |
| **Net Position Restricted for Retiree Health Benefits -** | |
| Beginning of Year | 36,885,660 |
| **Net Position Restricted for Retiree Health Benefits -** | |
| End of Year | $43,765,760 |

## NOTE 14 – INSURANCE PROGRAM

The Town retains the risk of loss for certain claims related to general liability and property risks, group accident and health, and workers' compensation. These insurance activities are accounted for in the Internal Service Funds. The Internal Service Funds charge departments of the Town for insurance coverage based upon historical claims experience, insurance costs and relative share of total risk. A claims liability of approximately $2,184,000 is included in accrued liabilities of the Internal Service Funds at September 30, 2024. This liability is based on the provisions of GASB Statement No. 10, which requires that a liability for claims be accrued if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Accordingly, the accrued liability for claims includes the estimated future liability on a case-by-case basis for all reported claims and an amount for claims incurred but not reported. The accrued claims liabilities at September 30, 2024 were determined by actuarial valuations performed by Wakely Consulting Group, LLC for group health and Glicksman Consulting, LLC for general liability, workers' compensation, and property.

The Town's insurance program covers most risks insured by public entities. There are exposures to the Town that are either uninsured or uninsurable that pose a financial risk to the Town. The exposures consist of, but are not limited to, street lights, traffic lights, signs, roads, sidewalks, underground storm and sanitary sewers, seawalls, bulkheads, piling, docks, statues, living wall, clock tower, mold, beaches, shrubs, plants, acts of terrorism, and debris left from hurricanes. There is also a 5% deductible for named wind storms under the Town's property coverage which is not included in the 75% confidence level provided by the outside actuarial firm. Settled claims have exceeded commercial insurance coverage in the past three years.

The Town is a party to various claims, legal actions and complaints. In the opinion of Town management, all such matters are adequately covered by claim reserves under its insurance program or if not covered, are without merit or involve such minimal amounts that an unfavorable disposition would not have a material effect on the Town's financial position.

The insurance coverage and accrued claims liability of the Internal Service Funds at September 30, 2024 are summarized below and on the following pages.

## NOTE 14 – INSURANCE PROGRAM (CONTINUED)

### *GROUP ACCIDENT AND HEALTH*

Certain employees and retirees of the Town contribute through payroll deductions or deductions from pension payments to the cost of group benefits. The remainder of the necessary funding is contributed by the Town based on an actuarially determined amount. As of September 30, 2024, these benefits covered 318 active employees, 125 retirees, 0 COBRA, and 428 dependents. The Town retains the risk of loss up to $135,000 per occurrence. Insurance coverage for claims in excess of these specific limits has been obtained from a commercial carrier. The Town makes available certain health insurance benefits for its retired employees and their dependents in accordance with State Statute. Retiree health care benefits are accounted for in the Town's OPEB plan.

### *OTHER LIABILITIES*

The Town retains the risk of loss for most exposures as follows:

- Property Liability - $25,000 deductible per occurrence plus a 5% deductible per insured location for a "named" windstorm.
- General Liability - $500,000 per occurrence.
- Law Enforcement Liability - $100,000 per occurrence.
- Public Officials Liability - $200,000 per occurrence.
- Employment Practices Liability - $200,000 per occurrence.
- Automobile Liability - $100,000 per occurrence.
- Workers' Compensation – $500,000 deductible per occurrence.
- Cyber Liability - $25,000 per occurrence.
- An aggregate retention (loss fund) of $1,100,000 is established each fiscal year for this purpose. The loss fund does not include property, wind, hailstorm, flood, or any uninsured or uninsurable asset.

## NOTE 14 – INSURANCE PROGRAM (CONTINUED)

### *OTHER LIABILITIES (CONTINUED)*

Excess liability coverage is maintained above the Town's retained risk of loss with commercial carriers as follows:

- Property Liability - $40,893,204 for buildings and contents.
- General Liability - $5,000,000 per occurrence and $10,000,000 aggregate.
- Law Enforcement Liability - $5,000,000 per occurrence $10,000,000 aggregate.
- Public Officials Liability - $5,000,000 per occurrence and $5,000,000 aggregate.
- Employment Practices Liability - $5,000,000 per occurrence and $5,000,000 aggregate.
- Automobile Liability - $5,000,000 per occurrence with no aggregate.
- Workers' Compensation – statutory.
- Cyber Liability - $1,000,000 per occurrence with no aggregate.

Florida Statutes limit the Town's maximum loss for most liability claims to $200,000 per person and $300,000 per occurrence under the doctrine of sovereign immunity. However, under certain circumstances a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in the Florida Statutes do not apply to claims filed in Federal Courts.

The claims activity for the last two fiscal years is summarized as follows:

| | Year Ended September 30, 2024 | Year Ended September 30, 2023 |
|---|---|---|
| Accrued claims liability at beginning of fiscal year | $ 2,017,192 | $ 1,880,306 |
| Current year claims and changes in estimates | 6,578,260 | 5,680,411 |
| Claim payments | (6,411,101) | (5,543,525) |
| **Accrued Claims Liability at End of Fiscal Year** | $ 2,184,351 | $ 2,017,192 |

The accrued claims liability at September 30, 2024 consisted of $486,904 for group health and accident claims and $1,697,447 for other claims.

## NOTE 15 – COMMITMENTS AND CONTINGENCIES

### *CONTRACTUAL COMMITMENTS*

The Town has various long-term contractual obligations for construction projects on which work has not been completed. The remaining commitments on these obligations were $43,606,370 at September 30, 2024.

### *GRANTS*

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the Federal government and State of Florida. Any disallowed claims, including amounts already received, might constitute a liability of the Town for the return of those funds. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

### *ENCUMBRANCES*

At September 30, 2024, the following amounts were encumbered in the governmental funds:

| | |
|---|---|
| **Major Funds** | |
| General Fund | $ 1,618,752 |
| Townwide Undergrounding Assessment Fund | 24,253,015 |
| Capital Improvement Fund | 13,063,456 |
| Beach Restoration Project Fund | 4,267,254 |
| **Total Major Funds** | 43,202,477 |
| **Non-Major Governmental Funds** | 934,411 |
| **Total Encumbrances** | $ 44,136,888 |

### *CONTINGENCY*

The Town is a defendant in various lawsuits. Although the outcome of such litigation is not presently determinable, management does not believe the settlement of these matters will have a material effect upon the financial condition or results of operations of the affected funds.

## NOTE 16 – LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The Town currently operates two vegetative waste landfill sites, one on Skees Road and another on Okeechobee Boulevard. State and federal laws and regulations require that the Town place a final cover on these landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at these sites for a minimum of thirty years after closure. Although the majority of closure and post-closure care costs will be paid only near or after the date that the operating landfills stop accepting waste, in accordance with GASB Statement No. 18, *Landfill Closure and Post-closure Care Costs*, the Town reports a portion of these closure and post closure care costs as an operating expense each fiscal year based on the landfill capacity used during the period.

As of September 30, 2024, the estimated liability for landfill closure and post-closure care costs were $5,420,495 for the Skees Road site and $7,352,206 for the Okeechobee Boulevard site for a total of $12,772,701. This represents the cumulative amounts reported to date based on the use of 67.39% of the estimated capacity of the Skees Road site and 96.60% of the Okeechobee Boulevard site. The total liability is reported in the Governmental Activities in the government-wide Statement of Net Position. The Town will recognize the remaining estimated costs of closure and post-closure care of $2,622,578 for the Skees Road Site and $258,773 for the Okeechobee Boulevard site as the remaining estimated capacity is filled. The landfills have remaining estimated lives of 36 years and 10 years for the Skees Road site and Okeechobee Boulevard site, respectively.

The estimated total current cost of the landfill closure and post closure care is $8,043,072 for the Skees Road site and $7,610,980 for the Okeechobee Boulevard site for a total of $15,654,052. This is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of September 30, 2024. However, the actual cost of closure and post-closure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

In accordance with Rule 62-701.630, Florida Administrative Code, the Town is required to prepare and submit alternate proof of financial assurance to the Florida Department of Environmental Protection on an annual basis showing that the Town has sufficient financial resources to cover, at a minimum, the costs of complying with all state landfill closing and long-term care requirements. The Town is in compliance with this requirement.

## NOTE 17 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS

As of September 30, 2024, the Special Assessment Maintenance Fund had an unassigned fund balance deficit in the amount of $441,084. The deficit is caused by expenditures for special assessment projects incurred prior to the collection of the assessments. The Town expects collection of such amounts, within twenty-four (24) months subsequent to yearend.

# REQUIRED SUPPLEMENTARY INFORMATION

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION
## BUDGETARY COMPARISON SCHEDULE
## GENERAL FUND

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | | Variance with Final Budget - Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Revenues** | | | | |
| Taxes: | | | | |
| Ad valorem | $ 72,130,510 | $ 72,130,510 | $ 72,878,561 | $ 748,051 |
| Local option gas tax | 343,000 | 343,000 | 340,762 | (2,238) |
| Franchise fees | 2,405,000 | 2,405,000 | 2,719,997 | 314,997 |
| Utility service | 6,335,000 | 6,335,000 | 7,129,442 | 794,442 |
| Business tax receipts | 910,000 | 910,000 | 940,767 | 30,767 |
| Total taxes | 82,123,510 | 82,123,510 | 84,009,529 | 1,886,019 |
| Fees and permits: | | | | |
| Building permits | 1,016,000 | 1,016,000 | 1,164,763 | 148,763 |
| Fees and other permits | 1,000,000 | 1,000,000 | 1,507,839 | 507,839 |
| Total fees and permits | 2,016,000 | 2,016,000 | 2,672,602 | 656,602 |
| Intergovernmental: | | | | |
| State shared revenue | 1,170,000 | 1,170,000 | 1,352,986 | 182,986 |
| Shared revenue - local | 17,500 | 17,500 | 21,560 | 4,060 |
| Total intergovernmental | 1,187,500 | 1,187,500 | 1,374,546 | 187,046 |
| Charges for services: | | | | |
| General government | 93,500 | 93,500 | 85,921 | (7,579) |
| Public safety | 2,276,500 | 2,276,500 | 3,256,428 | 979,928 |
| Physical environment | 1,164,000 | 1,164,000 | 1,312,799 | 148,799 |
| Transportation | 3,438,778 | 3,438,778 | 3,373,606 | (65,172) |
| Culture and recreation | 1,222,860 | 1,222,860 | 1,524,551 | 301,691 |
| Total charges for services | 8,195,638 | 8,195,638 | 9,553,305 | 1,357,667 |
| Fines and forfeiture | 1,128,000 | 1,128,000 | 1,338,269 | 210,269 |
| Investment earnings | 685,386 | 3,305,865 | 3,696,668 | 390,803 |
| Grant revenue | 32,700 | 32,700 | 252,359 | 219,659 |
| Miscellaneous: | | | | |
| Rents and royalties | 312,200 | 312,200 | 92,271 | (219,929) |
| Other miscellaneous | 283,000 | 283,000 | 548,381 | 265,381 |
| Total miscellaneous | 595,200 | 595,200 | 640,652 | 45,452 |
| **Total Revenues** | $ 95,963,934 | $ 98,584,413 | $ 103,537,930 | $ 4,953,517 |

(Continued)

***See notes to budgetary comparison schedule.***

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION
## BUDGETARY COMPARISON SCHEDULE
## GENERAL FUND (CONTINUED)

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | | Variance with Final Budget - Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Expenditures** | | | | |
| General government: | | | | |
| Town manager | $ 2,585,773 | $ 2,596,795 | $ 3,605,370 | $ (1,008,575) |
| Human resources | 973,047 | 988,776 | 911,106 | 77,670 |
| Information systems | 4,420,178 | 4,620,162 | 4,026,188 | 593,974 |
| Town clerk | 447,374 | 460,400 | 392,411 | 67,989 |
| Finance | 2,076,603 | 2,077,852 | 2,079,302 | (1,450) |
| Planning, zoning and building | 1,272,398 | 1,957,664 | 1,779,173 | 178,491 |
| Permit issuance | -- | -- | 203 | (203) |
| Employee benefits | 789,128 | 789,128 | 789,128 | -- |
| Total general government | 12,564,501 | 13,490,777 | 13,582,881 | (92,104) |
| Public safety: | | | | |
| Inspection and compliance | 362,267 | 362,331 | 368,057 | (5,726) |
| Fire-rescue | 17,757,870 | 17,758,951 | 18,086,936 | (327,985) |
| Police | 20,125,258 | 20,145,440 | 20,884,247 | (738,807) |
| Emergency/disaster response | -- | -- | 4,555 | (4,555) |
| Total public safety | 38,245,395 | 38,266,722 | 39,343,795 | (1,077,073) |
| Physical environment: | | | | |
| Administration | 988,279 | 990,327 | 1,015,522 | (25,195) |
| Sewer and sanitation | 12,182,613 | 12,313,252 | 11,302,541 | 1,010,711 |
| Public works | 3,944,372 | 3,984,696 | 3,728,199 | 256,497 |
| Total physical environment | 17,115,264 | 17,288,275 | 16,046,262 | 1,242,013 |
| Transportation: | | | | |
| Streets and repairs | 605,591 | 635,621 | 605,184 | 30,437 |
| Traffic control | 885,977 | 934,868 | 864,757 | 70,111 |
| Total transportation | 1,491,568 | 1,570,489 | 1,469,941 | 100,548 |
| Culture and recreation: | | | | |
| Recreation | 2,474,528 | 2,498,287 | 2,574,580 | (76,293) |
| Library | 385,351 | 385,351 | 385,351 | -- |
| Parks and beaches | 2,408,167 | 2,476,472 | 2,317,822 | 158,650 |
| Total culture and recreation | 5,268,046 | 5,360,110 | 5,277,753 | 82,357 |
| Non-departmental | 8,349,817 | 7,749,817 | 7,791,127 | (41,310) |
| Debt service: | | | | |
| Principal | -- | -- | 155,043 | (155,043) |
| Interest | -- | -- | 7,887 | (7,887) |
| Total debt service | -- | -- | 162,930 | (162,930) |
| **Total Expenditures** | $ 83,034,591 | $ 83,726,190 | $ 83,674,689 | $ 51,501 |

(Continued)

***See notes to budgetary comparison schedule.***

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION
## BUDGETARY COMPARISON SCHEDULE
## GENERAL FUND (CONTINUED)

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | | Variance with Final Budget - Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Other Financing Sources (Uses)** | | | | |
| Initiation of leases | $ -- | $ -- | $ 117,062 | $ 117,062 |
| Transfers in | 7,748,997 | 7,748,997 | 7,748,997 | -- |
| Transfers out | (21,778,340) | (24,998,819) | (24,998,819) | -- |
| Appropriation of prior year's fund balance | 1,100,000 | 2,391,599 | -- | (2,391,599) |
| **Total Other Financing Sources (Uses)** | (12,929,343) | (14,858,223) | (17,132,760) | (2,274,537) |
| **Revenues and Other Financing Sources Over Expenditures and Other Financing Uses** | $ -- | $ -- | 2,730,481 | $ 2,730,481 |
| **Fund Balance** - Beginning of Year | | | 44,254,281 | |
| **Fund Balance** - End of Year | | | $ 46,984,762 | |

***See notes to budgetary comparison schedule.***

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION
## BUDGETARY COMPARISON SCHEDULE
## TOWNWIDE UNDERGROUNDING ASSESSMENT FUND

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | | Variance with Final Budget - Positive |
|---|---|---|---|---|
| | Original | Final | Actual | (Negative) |
| **Revenues** | | | | |
| Investment earnings | $ 300,000 | $ 300,000 | $ 1,447,985 | $ 1,147,985 |
| Grant revenue | -- | -- | 1,155,247 | 1,155,247 |
| Special assessments and related interest | 3,503,760 | 3,503,760 | 3,502,368 | (1,392) |
| Miscellaneous | 224,900 | 224,900 | 192,967 | (31,933) |
| **Total Revenues** | 4,028,660 | 4,028,660 | 6,298,567 | 2,269,907 |
| **Expenditures** | | | | |
| Current: | | | | |
| Physical environment | 29,911,250 | 62,093,418 | 21,502,085 | 40,591,333 |
| Total current | 29,911,250 | 62,093,418 | 21,502,085 | 40,591,333 |
| Debt service: | | | | |
| Principal | 1,430,000 | 1,430,000 | 1,430,000 | -- |
| Interest and fiscal charges | 2,417,355 | 2,417,355 | 2,416,855 | 500 |
| Total debt service | 3,847,355 | 3,847,355 | 3,846,855 | 500 |
| **Total Expenditures** | 33,758,605 | 65,940,773 | 25,348,940 | 40,591,833 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | 4,600,000 | 4,600,000 | 4,600,000 | -- |
| Appropriation of prior year's fund balance | 25,129,945 | 57,312,113 | -- | (57,312,113) |
| **Total Other Financing Sources (Uses)** | 29,729,945 | 61,912,113 | 4,600,000 | (57,312,113) |
| **Revenues and Other Financing Sources Under Expenditures and Other Financing Uses** | $ -- | $ -- | (14,450,373) | $ (14,450,373) |
| **Fund Balance** - Beginning of Year | | | 31,605,309 | |
| **Fund Balance** - End of Year | | | $ 17,154,936 | |

***See notes to budgetary comparison schedule.***

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

## NOTES TO BUDGETARY COMPARISON SCHEDULES

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

#### *BUDGETS*

Budgets are legally adopted for the General Fund, Townwide Undergrounding Assessment Fund, all Debt Service Funds, and all Capital Projects Funds. Special Revenue Funds are not budgeted because they are not legally required to do so, except for the Townwide Undergrounding Assessment Fund which the Town has elected to budget. All governmental fund budgets are prepared on the modified accrual basis of accounting. Formal budgetary integration is employed within the accounting system as a management control device. Appropriations are legally controlled at the fund level and expenditures may not legally exceed appropriations at that level.

Under the Laws of the State of Florida and the Town Code, the Town Manager submits to the Mayor and Town Council, prior to July 31st, a proposed Annual Budget and Financial Plan for the fiscal year commencing the following October 1st. The Annual Budget and Financial Plan is prepared by fund, function and activity and includes all proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to October 1st, the budget is legally enacted by the Town Council through passage of an ordinance.

Changes or amendments to increase or decrease the total amount of budgeted revenue or expenditures for a given fund must be approved by a majority vote of the Town Council; however, changes, amendments or transfers within the total revenue or expenditures for functions, activities or departments of a given fund may be approved by the Town Manager.

The general fund had supplemental appropriations in the amount of $1,291,599 for the fiscal year 2024.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget based on legally authorized revisions to the original budgets during the year. Unexpended appropriations lapse at year end.

#### *ENCUMBRANCES*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control. Encumbrances lapse at year end and become obligations of the subsequent year's budget. At September 30, 2023, the Town had commitments related to unperformed contracts, which have been re-appropriated in the 2023-2024 annual budget. These amounts are not included in the current year’s expenditures as reported in these financial statements. The amended budget at September 30, 2024, includes $2,391,599 of prior year encumbrances that were re-appropriated.

## NOTE 2 – BUDGET AND ACTUAL COMPARISONS

A budgetary comparison schedule is required to be presented for the General Fund and each budgeted special revenue fund. For the year ended September 30, 2024, no funds had an excess of expenditures over appropriations.

**TOWN OF PALM BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE**
**TOWN'S NET PENSION LIABILITY AND RELATED RATIOS (LAST TEN FISCAL YEARS)**
**LAST TEN FISCAL YEARS**
**GENERAL EMPLOYEES AND LIFEGUARDS RETIREMENT PLAN**

| **Measurement Date, September 30,** | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 1,710,590 | $ 1,453,713 | $ 1,213,920 | $ 1,133,679 | $ 1,080,087 | $ 913,152 | $ 977,761 | $ 750,112 | $ 636,740 | $ 739,734 |
| Interest on the total pension liability | 8,227,280 | 8,305,645 | 8,345,764 | 8,335,237 | 8,516,974 | 8,246,713 | 8,198,739 | 7,948,875 | 7,664,270 | 7,096,090 |
| Benefit changes | 1,655,326 | -- | -- | -- | -- | -- | -- | 1,932,700 | -- | 39,572 |
| Difference between expected and actual experience | (638,399) | (1,676,295) | (500,495) | (4,553) | (1,066,898) | 842,186 | (222,903) | 529,542 | 961,731 | 499,433 |
| Assumption changes | 3,041,301 | 2,878,010 | 2,791,907 | 2,709,676 | 1,649,212 | 2,427,319 | 1,280,204 | 1,253,789 | 2,296,388 | 7,152,240 |
| Benefit payments | (7,759,377) | (8,501,770) | (8,715,089) | (7,881,960) | (7,169,660) | (6,890,890) | (8,931,671) | (6,243,450) | (6,476,789) | (9,215,159) |
| Refunds | (30,864) | (42,290) | (33,384) | (49,981) | (71,470) | (54,245) | (73,812) | (20,235) | (37,241) | (70,488) |
| **Net Change in Total Pension Liability** | 6,205,857 | 2,417,013 | 3,102,623 | 4,242,098 | 2,938,245 | 5,484,235 | 1,228,318 | 6,151,333 | 5,045,099 | 6,241,422 |
| **Total Pension Liability** - Beginning | 135,737,882 | 133,320,869 | 130,218,246 | 125,976,148 | 123,037,903 | 117,553,668 | 116,325,350 | 110,174,017 | 105,128,918 | 98,887,496 |
| **Total Pension Liability** - Ending (a) | $ 141,943,739 | $ 135,737,882 | $133,320,869 | $130,218,246 | $125,976,148 | $123,037,903 | $117,553,668 | $116,325,350 | $110,174,017 | $105,128,918 |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| Employer contributions | $ 5,818,372 | $ 5,527,967 | $ 5,688,466 | $ 5,489,209 | $ 5,240,710 | $ 6,256,450 | $ 4,582,576 | $ 3,531,685 | $ 2,210,609 | $ 2,008,406 |
| Employee contributions | 505,277 | 451,792 | 402,072 | 367,687 | 359,848 | 362,987 | 391,275 | 332,457 | 289,317 | 282,284 |
| Pension plan investment income (loss) | 18,433,232 | 8,031,274 | (16,797,486) | 19,486,420 | 5,241,399 | 4,052,639 | 6,397,527 | 8,813,057 | 5,708,914 | (3,076,859) |
| Investment expense | (218,763) | (235,580) | (240,827) | (264,572) | (217,734) | (247,244) | (232,883) | (198,929) | (223,064) | (241,461) |
| Benefit payments | (7,759,377) | (8,501,770) | (8,715,089) | (7,881,960) | (7,169,660) | (6,890,890) | (8,931,671) | (6,243,450) | (6,476,789) | (9,215,159) |
| Refunds | (30,864) | (42,290) | (33,384) | (49,981) | (71,470) | (54,244) | (73,812) | (20,235) | (37,241) | (70,488) |
| Pension plan administrative expense | (178,739) | (145,351) | (129,788) | (125,205) | (145,095) | (174,965) | (159,813) | (166,261) | (175,570) | (175,900) |
| **Net Change in Plan Fiduciary Net Position** | 16,569,138 | 5,086,042 | (19,826,036) | 17,021,598 | 3,237,998 | 3,304,733 | 1,973,199 | 6,048,324 | 1,296,176 | (10,489,177) |
| **Plan Fiduciary Net Position** - Beginning | 92,561,570 | 87,475,528 | 107,301,564 | 90,279,966 | 87,041,968 | 83,737,235 | 81,764,036 | 75,715,712 | 74,419,536 | 84,908,713 |
| **Plan Fiduciary Net Position** - Ending (b) | $ 109,130,708 | $ 92,561,570 | $ 87,475,528 | $107,301,564 | $ 90,279,966 | $ 87,041,968 | $ 83,737,235 | $ 81,764,036 | $ 75,715,712 | $ 74,419,536 |
| **Net Pension Liability -** Ending (a) - (b) | $ 32,813,031 | $ 43,176,312 | $ 45,845,341 | $ 22,916,682 | $ 35,696,182 | $ 35,995,935 | $ 33,816,433 | $ 34,561,314 | $ 34,458,305 | $ 30,709,382 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 76.88% | 68.19% | 65.61% | 82.40% | 71.66% | 70.74% | 71.23% | 70.29% | 68.72% | 70.79% |
| Covered Payroll | $ 13,142,864 | $ 11,793,808 | $ 10,422,675 | $ 10,158,087 | $ 10,109,445 | $ 10,499,412 | $ 11,086,494 | $ 10,714,252 | $ 9,856,405 | $ 10,075,310 |
| Net Pension Liability as a Percentage of Covered Payroll | 249.66% | 366.09% | 439.86% | 225.60% | 353.10% | 342.84% | 305.02% | 322.57% | 349.60% | 304.80% |

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

**Changes in Assumptions**

In 2015 the assumed life expectancies increased substantially based on an experience study for the period from July 1, 2010 to June 30, 2014. Effective September 30, 2016, the investment return assumption decreased from 7.50% to 7.40% and the mortality table was updated from the RP-2014 Healthy Annuitant Mortality Table for males and females projected to 2017 using Projection Scale MP-2014 to the same tables used in the Florida Retirement System actuarial valuation. These tables are based on the RP-2000 Mortality Tables with white and blue collar adjustments and with mortality improvements projected for healthy lives to all future years using Scale BB. The results for 2016 also reflect the impact of Ordinance 12-2016. Effective September 30, 2017, the investment return assumption decreased from 7.40% to 7.30% and the salary increase assumption decreased from 3.50% to 3.00%. The results for 2017 also reflect the impact of Ordinance No. 07-2017 as measured in the Actuarial Impact Statement dated March 6, 2017 and the impact of Ordinance No. 20-2017 as measured in the Actuarial Impact Statement dated August 4, 2017. Effective September 30, 2018, the investment return assumption decreased from 7.30% to 7.20% and the salary increase assumption decreased from 3.00% to 2.75%. Effective September 30, 2019, the investment return assumption decreased from 7.20% to 7.10% and the salary increase assumption increased to 5.5%. Effective as of September 30, 2021, the investment return assumption was lowered from 6.80% to 6.60% and the assumed Town Manager DROP participation period (for purposes of projecting the applicable IRC Section 415 limit) was updated from 7 years to 10 years. Effective as of September 30, 2022, the investment return assumption was lowered from 6.60% to 6.40%. Effective as of September 30, 2023, the investment return assumption was lowered from 6.40% to 6.20%. Effective as of September 30, 2024, the investment return assumption was lowered from 6.20% to 6.00%. Ordinance No. 014-2024 was adopted on May 14, 2024. The impact of benefit changes resulting from this ordinance is disclosed in the Schedule of Change in Net Pension Liability Exhibit of this report.

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF TOWN CONTRIBUTIONS
## GENERAL EMPLOYEES AND LIFEGUARDS RETIREMENT PLAN

### LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2024 | $ 4,021,448 | $ 5,818,372 | $ (1,796,924) | $ 13,142,864 | 44.27% |
| 2023 | 3,676,825 | 5,527,967 | (1,851,142) | 11,793,808 | 46.87% |
| 2022 | 3,832,117 | 5,688,466 | (1,856,349) | 10,422,675 | 54.58% |
| 2021 | 3,776,151 | 5,489,209 | (1,713,058) | 10,158,087 | 54.04% |
| 2020 | 3,487,055 | 5,240,710 | (1,753,655) | 10,109,445 | 51.84% |
| 2019 | 3,122,468 | 6,256,450 | (3,133,982) | 10,499,412 | 59.59% |
| 2018 | 3,063,127 | 4,582,576 | (1,519,449) | 11,086,494 | 41.33% |
| 2017 | 2,578,403 | 3,531,685 | (953,282) | 10,714,252 | 32.96% |
| 2016 | 2,066,276 | 2,210,609 | (144,333) | 9,856,405 | 22.43% |
| 2015 | 2,013,723 | 2,008,406 | 5,317 | 10,075,310 | 19.93% |

**Notes to the schedule**

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2024:

Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year for which contributions are reported.

| | |
|---|---|
| Valuation date: | September 30, 2022 |
| Actuarial cost method | Entry-age normal |
| Amortization method | Level percent-of-payroll, closed |
| Remaining Amortization Period | 9-20 years |
| Asset valuation method | 5 year smoothed market |
| General inflation | 2.25% |
| Salary increases | 5.50% including inflation |
| Investment rate of return | 6.40% |
| Retirement age | Age-based tables of rates specific to the type of eligibility condition. |
| Mortality | The mortality tables used are the same as those used in the July 1, 2021 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members (General) and Special Risk members (Ocean Rescue). These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 |

**Other Information:**

| | |
|---|---|
| Cost-of-Living Adjustment | Members who retire after 09/30/68 and prior to 10/01/90 receive an annual 1.0% increase computed on the base benefit. Members who retire after 09/30/90 will be increased 2.0% annually based on total pension after a 3-year deferral period. Benefits accrued after 04/30/12 are not adjusted for those not eligible for normal retirement at 05/01/12. Other adjustments have been made periodically. |

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

**TOWN OF PALM BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE**
**TOWN'S NET PENSION LIABILITY AND RELATED RATIOS**
**LAST TEN FISCAL YEARS**
**POLICE OFFICERS RETIREMENT PLAN**

| **Measurement Date, September 30,** | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 1,426,532 | $ 1,284,052 | $ 1,083,302 | $ 950,293 | $ 919,349 | $ 585,084 | $ 643,300 | $ 571,802 | $ 229,514 | $ 274,361 |
| Interest on the total pension liability | 7,109,264 | 7,058,735 | 7,014,676 | 7,063,366 | 7,278,642 | 7,149,681 | 7,014,540 | 6,940,855 | 6,571,902 | 6,343,197 |
| Benefit changes | 144,494 | -- | -- | -- | -- | 145,828 | -- | -- | 1,149,473 | 83,392 |
| Difference between expected and actual experience | 724,496 | 1,013,858 | 613,600 | (596,176) | (11,374) | (343,932) | (95,342) | (978,835) | 489,883 | 637,285 |
| Assumption changes | 2,684,093 | 2,562,865 | 2,443,113 | 1,837,268 | (421,043) | 1,314,379 | 1,137,472 | 1,110,893 | 3,077,576 | 2,464,150 |
| Benefit payments | (7,598,785) | (7,525,118) | (6,881,847) | (6,817,590) | (5,910,802) | (5,595,110) | (5,223,687) | (5,509,488) | (5,492,306) | (7,918,798) |
| Refunds | (61,949) | (50,027) | (33,623) | (89,548) | (30,276) | (70,225) | (29,648) | (9,583) | (27,651) | (22,377) |
| **Net Change in Total Pension Liability** | 4,428,145 | 4,344,365 | 4,239,221 | 2,347,613 | 1,824,496 | 3,185,705 | 3,446,635 | 2,125,644 | 5,998,391 | 1,861,210 |
| **Total Pension Liability** - Beginning | 117,782,647 | 113,438,282 | 109,199,061 | 106,851,448 | 105,026,952 | 101,841,247 | 98,394,612 | 96,268,968 | 90,270,577 | 88,409,367 |
| **Total Pension Liability** - Ending (a) | $ 122,210,792 | $ 117,782,647 | $ 113,438,282 | $ 109,199,061 | $ 106,851,448 | $ 105,026,952 | $ 101,841,247 | $ 98,394,612 | $ 96,268,968 | $ 90,270,577 |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| Employer contributions | $ 5,495,478 | $ 4,925,952 | $ 5,016,198 | $ 5,161,524 | $ 4,884,745 | $ 5,800,452 | $ 4,214,624 | $ 3,747,478 | $ 2,306,795 | $ 2,144,662 |
| Employee contributions | 548,538 | 459,543 | 409,443 | 377,048 | 360,556 | 415,736 | 388,770 | 368,777 | 122,231 | 98,530 |
| Pension plan investment income (loss) | 15,838,815 | 6,900,900 | (14,433,295) | 16,668,477 | 4,445,485 | 3,397,864 | 5,127,108 | 7,060,834 | 4,574,146 | (2,464,621) |
| Investment expense | (187,973) | (202,423) | (206,931) | (226,312) | (184,670) | (207,297) | (186,638) | (159,377) | (178,714) | (193,415) |
| Benefit payments | (7,598,785) | (7,525,118) | (6,881,847) | (6,817,590) | (5,910,802) | (5,595,110) | (5,223,687) | (5,509,488) | (5,492,306) | (7,918,798) |
| Refunds | (61,949) | (50,027) | (33,623) | (89,548) | (30,276) | (70,225) | (29,648) | (9,583) | (27,651) | (22,377) |
| Pension plan administrative expense | (153,941) | (124,893) | (111,521) | (107,100) | (123,062) | (146,696) | (128,077) | (133,206) | (140,951) | (140,899) |
| **Net Change in Plan Fiduciary Net Position** | 13,880,183 | 4,383,934 | (16,241,576) | 14,966,499 | 3,441,976 | 3,594,724 | 4,162,452 | 5,365,435 | 1,163,550 | (8,496,918) |
| **Plan Fiduciary Net Position** - Beginning | 80,353,567 | 75,969,633 | 92,211,209 | 77,244,710 | 73,802,734 | 70,208,010 | 66,045,558 | 60,680,123 | 59,516,573 | 68,013,491 |
| **Plan Fiduciary Net Position** - Ending (b) | $ 94,233,750 | $ 80,353,567 | $ 75,969,633 | $ 92,211,209 | $ 77,244,710 | $ 73,802,734 | $ 70,208,010 | $ 66,045,558 | $ 60,680,123 | $ 59,516,573 |
| **Net Pension Liability -** Ending (a) - (b) | $ 27,977,042 | $ 37,429,080 | $ 37,468,649 | $ 16,987,852 | $ 29,606,738 | $ 31,224,218 | $ 31,633,237 | $ 32,349,054 | $ 35,588,845 | $ 30,754,004 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 77.11% | 68.22% | 66.97% | 84.44% | 72.29% | 70.27% | 68.94% | 67.12% | 63.03% | 65.93% |
| Covered Payroll | $ 5,348,964 | $ 5,026,795 | $ 4,480,952 | $ 4,108,195 | $ 4,232,212 | $ 3,603,005 | $ 3,865,012 | $ 3,559,337 | $ 3,668,239 | $ 3,354,258 |
| Net Pension Liability as a Percentage of Covered Payroll | 523.04% | 744.59% | 836.18% | 413.51% | 699.56% | 866.62% | 818.45% | 908.85% | 970.19% | 916.86% |

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

**Changes in Assumptions**

In 2015 the assumed life expectancies increased substantially based on an experience study for the period from July 1, 2010 to June 30, 2014. Effective September 30, 2016, the investment return assumption decreased from 7.50% to 7.40% and the mortality table was updated from the RP-2014 Healthy Annuitant Mortality Table for males and females projected to 2017 using Projection Scale MP-2014 to the same tables used in the Florida Retirement System actuarial valuation. These tables are based on the RP-2000 Mortality Tables with white and blue collar adjustments and with mortality improvements projected for healthy lives to all future years using Scale BB. The results for 2016 also reflect the impact of Ordinance 12-2016. Effective September 30, 2017, the investment return assumption decreased from 7.40% to 7.30% and the salary increase assumption decreased from 3.50% to 3.00%. The results for 2017 also reflect the impact of Ordinance No. 07-2017 as measured in the Actuarial Impact Statement dated March 6, 2017 and the impact of Ordinance No. 20-2017 as measured in the Actuarial Impact Statement dated August 4, 2017. Effective September 30, 2018, the investment return assumption decreased from 7.30% to 7.20% and the salary increase assumption decreased from 3.00% to 2.75%. Effective September 30, 2019, the investment return assumption decreased from 7.20% to 7.10% and the salary increase assumption increased to 5.5%. Effective as of September 30, 2021, the investment return assumption was lowered from 6.80% to 6.60% and the assumed Town Manager DROP participation period (for purposes of projecting the applicable IRC Section 415 limit) was updated from 7 years to 10 years. Effective as of September 30, 2022, the investment return assumption was lowered from 6.60% to 6.40%. Effective as of September 30, 2023, the investment return assumption was lowered from 6.40% to 6.20%. Effective as of September 30, 2024, the investment return assumption was lowered from 6.20% to 6.00%. Ordinance No. 014-2024 was adopted on May 14, 2024. The impact of benefit changes resulting from this ordinance is disclosed in the Schedule of Change in Net Pension Liability Exhibit of this report.

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF TOWN CONTRIBUTIONS
## POLICE OFFICERS RETIREMENT PLAN

### LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2024 | $ 3,928,198 | $ 5,495,478 | $ (1,567,280) | $ 5,348,964 | 102.74% |
| 2023 | 3,446,777 | 4,925,952 | (1,479,175) | 5,026,795 | 97.99% |
| 2022 | 3,521,362 | 5,016,198 | (1,494,836) | 4,480,952 | 111.94% |
| 2021 | 3,653,689 | 5,161,524 | (1,507,835) | 4,108,195 | 125.64% |
| 2020 | 3,303,037 | 4,884,745 | (1,581,708) | 4,232,212 | 115.42% |
| 2019 | 2,835,728 | 5,800,452 | (2,964,724) | 3,603,005 | 160.99% |
| 2018 | 2,870,523 | 4,214,624 | (1,344,101) | 3,865,012 | 109.05% |
| 2017 | 2,642,757 | 3,747,478 | (1,104,721) | 3,559,337 | 105.29% |
| 2016 | 2,233,214 | 2,306,795 | (73,581) | 3,668,239 | 62.89% |
| 2015 | 2,144,662 | 2,144,662 | -- | 3,354,258 | 63.94% |

**Notes to the schedule**

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2024:

Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year for which contributions are reported.

| | |
|---|---|
| Valuation date: | September 30, 2022 |
| Actuarial cost method | Entry-age normal |
| Amortization method | Level percent-of-payroll, closed |
| Remaining Amortization Period | 4-20 years |
| Asset valuation method | 5 year smoothed market |
| General inflation | 2.25% |
| Salary increases | 6.0% including inflation |
| Investment rate of return | 6.40% |
| Retirement age | Age-based tables of rates specific to the type of eligibility condition. |
| Mortality | The mortality tables used are the same as those used in the July 1, 2021 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale |

**Other Information:**

| | |
|---|---|
| Cost-of-Living Adjustment | Members who retire after 09/30/68 and prior to 10/01/90 receive an annual 1.0% increase computed on the base benefit. Members who retire after 09/30/90 will be increased 2.0% annually based on total pension after a 3-year deferral period. Benefits accrued after 04/30/12 are not adjusted for those not eligible for normal retirement at 05/01/12. Other adjustments have been made periodically. |

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

## TOWN OF PALM BEACH, FLORIDA

### REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS LAST TEN FISCAL YEARS FIREFIGHTERS RETIREMENT PLAN

| **Measurement Date, September 30,** | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $ 1,754,089 | $ 1,560,654 | $ 1,382,422 | $ 1,226,110 | $ 998,383 | $ 683,825 | $ 621,134 | $ 342,206 | $ 187,387 | $ 238,556 |
| Interest on the total pension liability | 7,557,746 | 7,538,865 | 7,544,042 | 7,489,146 | 7,670,059 | 7,446,115 | 7,336,841 | 6,927,564 | 6,601,468 | 6,396,715 |
| Benefit changes | 1,066,506 | -- | -- | -- | 138,701 | 259,657 | -- | 1,163,805 | 370,169 | 35,550 |
| Difference between expected and actual experience | (3,037) | (19,963) | (406,131) | 35,675 | 115,537 | 524,778 | 224,785 | 3,372,587 | 1,133,752 | (299,119) |
| Assumption changes | 3,096,947 | 2,898,399 | 2,744,180 | 2,609,188 | (19,161) | 1,846,849 | 1,202,733 | 1,167,456 | 3,049,237 | 2,324,039 |
| Benefit payments | (7,548,543) | (8,293,200) | (7,371,029) | (7,002,720) | (6,409,058) | (6,399,388) | (6,500,328) | (5,861,110) | (5,679,431) | (6,098,229) |
| Refunds | (93,130) | (5,734) | (55,094) | (109,401) | (25,160) | (59,346) | (47,423) | (39,427) | (66,548) | (36,034) |
| **Net Change in Total Pension Liability** | 5,830,578 | 3,679,021 | 3,838,390 | 4,247,998 | 2,469,301 | 4,302,490 | 2,837,742 | 7,073,081 | 5,596,034 | 2,561,478 |
| **Total Pension Liability** - Beginning | 124,842,921 | 121,163,900 | 117,325,510 | 113,077,512 | 110,608,211 | 106,305,721 | 103,467,979 | 96,394,898 | 90,798,864 | 88,237,386 |
| **Total Pension Liability** - Ending (a) | $ 130,673,499 | $ 124,842,921 | $ 121,163,900 | $ 117,325,510 | $ 113,077,512 | $ 110,608,211 | $ 106,305,721 | $ 103,467,979 | $96,394,898 | $90,798,864 |
| **Plan Fiduciary Net Position** | | | | | | | | | | |
| Employer contributions | $ 6,757,028 | $ 6,423,324 | $ 6,461,341 | $ 6,434,814 | $ 6,086,196 | $ 6,747,179 | $ 5,282,052 | $ 3,607,922 | $ 2,359,519 | $ 2,269,117 |
| Employee contributions | 589,928 | 557,473 | 515,864 | 477,535 | 449,699 | 451,845 | 481,910 | 262,473 | 129,585 | 210,233 |
| Pension plan investment income (loss) | 15,239,722 | 6,639,878 | (13,887,366) | 15,836,619 | 4,179,254 | 3,184,465 | 4,868,112 | 6,706,324 | 4,346,954 | (2,285,815) |
| Investment expense | (180,863) | (194,767) | (199,104) | (215,018) | (173,611) | (194,277) | (177,210) | (151,375) | (169,741) | (179,383) |
| Benefit payments [1] | (7,548,543) | (8,293,200) | (7,371,029) | (7,002,720) | (6,409,058) | (6,399,388) | (6,500,328) | (5,861,110) | (5,679,431) | (6,098,229) |
| Refunds | (93,130) | (5,734) | (55,094) | (109,401) | (25,160) | (59,346) | (47,423) | (39,427) | (66,548) | (36,034) |
| Pension plan administrative expense | (148,886) | (120,169) | (107,302) | (101,755) | (115,693) | (137,483) | (121,607) | (126,518) | (133,874) | (130,676) |
| **Net Change in Plan Fiduciary Net Position** | 14,615,256 | 5,006,805 | (14,642,690) | 15,320,074 | 3,991,627 | 3,592,995 | 3,785,506 | 4,398,289 | 786,464 | (6,250,787) |
| **Plan Fiduciary Net Position** - Beginning | 79,067,451 | 74,060,646 | 88,703,336 | 73,383,262 | 69,391,635 | 65,798,640 | 62,013,134 | 57,614,845 | 56,828,381 | 63,079,168 |
| **Plan Fiduciary Net Position** - Ending (b) | $ 93,682,707 | $ 79,067,451 | $ 74,060,646 | $ 88,703,336 | $ 73,383,262 | $ 69,391,635 | $ 65,798,640 | $ 62,013,134 | $57,614,845 | $56,828,381 |
| **Net Pension Liability -** Ending (a) - (b) | $ 36,990,792 | $ 45,775,470 | $ 47,103,254 | $ 28,622,174 | $ 39,694,250 | $ 41,216,576 | $ 40,507,081 | $ 41,454,845 | $38,780,053 | $33,970,483 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 71.69% | 63.33% | 61.12% | 75.60% | 64.90% | 62.74% | 61.90% | 59.93% | 59.77% | 62.59% |
| Covered Payroll | $ 6,510,371 | $ 6,056,756 | $ 5,616,955 | $ 5,204,780 | $ 4,446,646 | $ 4,146,355 | $ 3,736,398 | $ 3,457,670 | $ 3,242,811 | $ 3,403,307 |
| Net Pension Liability as a Percentage of Covered Payroll | 568.18% | 755.78% | 838.59% | 549.92% | 892.68% | 994.04% | 1084.12% | 1198.92% | 1195.88% | 998.16% |

[1] Transfers from ICMA Shares included in benefit payments for 2015.

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

**Changes in Assumptions**

In 2015 the assumed life expectancies increased substantially based on an experience study for the period from July 1, 2010 to June 30, 2014. Effective September 30, 2016, the investment return assumption decreased from 7.50% to 7.40% and the mortality table was updated from the RP-2014 Healthy Annuitant Mortality Table for males and females projected to 2017 using Projection Scale MP-2014 to the same tables used in the Florida Retirement System actuarial valuation. These tables are based on the RP-2000 Mortality Tables with white and blue collar adjustments and with mortality improvements projected for healthy lives to all future years using Scale BB. The results for 2016 also reflect the impact of Ordinance 12-2016. Effective September 30, 2017, the investment return assumption decreased from 7.40% to 7.30% and the salary increase assumption decreased from 3.50% to 3.00%. The results for 2017 also reflect the impact of Ordinance No. 07-2017 as measured in the Actuarial Impact Statement dated March 6, 2017 and the impact of Ordinance No. 20-2017 as measured in the Actuarial Impact Statement dated August 4, 2017. Effective September 30, 2018, the investment return assumption decreased from 7.30% to 7.20% and the salary increase assumption decreased from 3.00% to 2.75%. Effective September 30, 2019, the investment return assumption decreased from 7.20% to 7.10% and the salary increase assumption increased to 5.5%. Effective as of September 30, 2021, the investment return assumption was lowered from 6.80% to 6.60% and the assumed Town Manager DROP participation period (for purposes of projecting the applicable IRC Section 415 limit) was updated from 7 years to 10 years. Effective as of September 30, 2022, the investment return assumption was lowered from 6.60% to 6.40%. Effective as of September 30, 2023, the investment return assumption was lowered from 6.40% to 6.20%. Effective as of September 30, 2024, the investment return assumption was lowered from 6.20% to 6.00%. Ordinance No. 014-2024 was adopted on May 14, 2024. The impact of benefit changes resulting from this ordinance is disclosed in the Schedule of Change in Net Pension Liability Exhibit of this report.

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF TOWN CONTRIBUTIONS
## FIREFIGHTERS RETIREMENT PLAN

## LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2024 | $ 4,701,232 | $ 6,757,028 | $ (2,055,796) | $ 6,510,371 | 103.79% |
| 2023 | 4,333,641 | 6,423,324 | (2,089,683) | 6,056,756 | 106.05% |
| 2022 | 4,392,526 | 6,461,341 | (2,068,815) | 5,616,955 | 115.03% |
| 2021 | 4,362,652 | 6,434,814 | (2,072,162) | 5,204,780 | 123.63% |
| 2020 | 4,001,559 | 6,086,196 | (2,084,637) | 4,446,646 | 136.87% |
| 2019 | 3,344,186 | 6,747,179 | (3,402,993) | 4,146,355 | 162.73% |
| 2018 | 3,262,296 | 5,282,052 | (2,019,756) | 3,736,398 | 141.37% |
| 2017 | 2,629,230 | 3,607,922 | (978,692) | 3,457,670 | 104.35% |
| 2016 | 2,285,579 | 2,359,519 | (73,940) | 3,242,811 | 72.76% |
| 2015 | 2,223,584 | 2,223,584 | -- | 3,403,307 | 65.34% |

**Notes to the schedule**

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2024:

Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year for which contributions are reported.

| | |
|---|---|
| Valuation date: | September 30, 2022 |
| Actuarial cost method | Entry-age normal |
| Amortization method | Level percent-of-payroll, closed |
| Remaining Amortization Period | 9-20 years |
| Asset valuation method | 5 year smoothed market |
| General inflation | 2.25% |
| Salary increases | 6.0% including inflation |
| Investment rate of return | 6.40% |
| Retirement age | Age-based tables of rates specific to the type of eligibility condition. |
| Mortality | The mortality tables used are the same as those used in the July 1, 2021 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. |

**Other Information:**

| | |
|---|---|
| Cost-of-Living Adjustment | Members who retire after 09/30/68 and prior to 10/01/90 receive an annual 1.0% increase computed on the base benefit. Members who retire after 09/30/90 will be increased 2.0% annually based on total pension after a 3-year deferral period. Benefits accrued after 04/30/12 are not adjusted for those not eligible for normal retirement at 05/01/12. Other adjustments have been made periodically. |

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

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF INVESTMENT RETURNS
## TOWN OF PALM BEACH RETIREMENT PLAN

## LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Money Weighted Rate of Investment Return (%) |
|---|---|
| 2024 | 19.53 % |
| 2023 | 9.74 |
| 2022 | (16.53) |
| 2021 | 18.32 |
| 2020 | 6.43 |
| 2019 | 4.59 |
| 2018 | 7.52 |
| 2017 | 11.20 |
| 2016 | 7.80 |
| 2015 | (4.22) |

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

## TOWN OF PALM BEACH, FLORIDA

### REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE TOWN'S TOTAL PENSION LIABILITY AND RELATED RATIOS

### PRESERVATION OF BENEFITS RETIREMENT PLAN

| **Measurement Date, September 30,** | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | |
| Service cost | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- |
| Interest on the total pension liability | 62,329 | 74,622 | 53,492 | 28,969 | 32,052 | 21,802 | 21,440 |
| Benefit changes | 601,979 | -- | -- | -- | -- | -- | -- |
| Differences between expected and actual experience | (83,746) | (386,854) | (233,319) | 112,719 | (1,704) | (64,161) | -- |
| Assumption changes | 189,378 | (33,186) | (555,677) | 1,111,220 | 17,243 | 649,729 | -- |
| Benefit payments | (286) | (8,407) | (13,756) | (11,068) | (11,093) | (11,041) | (12,961) |
| **Net Change in Total Pension Liability** | 769,654 | (353,825) | (749,260) | 1,241,840 | 36,498 | 596,329 | 8,479 |
| **Total Pension Liability** - Beginning | 1,346,341 | 1,700,166 | 2,449,426 | 1,207,586 | 1,171,088 | 574,759 | 566,280 |
| **Total Pension Liability** - Ending | $ 2,115,995 | $ 1,346,341 | $ 1,700,166 | $ 2,449,426 | $ 1,207,586 | $ 1,171,088 | $ 574,759 |
| **Covered-Employee Payroll** | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| **Total Pension Liability as a Percentage of Covered-Employee Payroll** | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Changes in Assumptions:**

The discount rate was changed from 3.83% as of September 30, 2018 to 2.75% as of September 30, 2019 based on the long-term municipal bond rate. The assumed Town Manager DROP participation period (for purposes of projecting the applicable IRC Section 415 limit) was updated from 5 years to 7 years. The discount rate was changed from 2.41% as of the beginning of the measurement period to 2.19% as of September 30, 2021 (based on the Long-Term Municipal Bond rate). The assumed Town Manager DROP participation period was changed from 7 years to 10 years. The discount rate was changed from 2.19% as of the beginning of the measurement period to 4.40% as of September 30, 2022 (based on the Long-Term Municipal Bond rate). The discount rate was changed from 4.40% as of the beginning of the measurement period to 4.63% as of September 30, 2023 (based on the Long-Term Municipal Bond rate). The discount rate was changed from 4.63% as of the beginning of the measurement period to 3.81% as of September 30, 2024 (based on the Long-Term Municipal Bond rate).

**Note:**

The Preservation of Benefits Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 73, paragraph 4.

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

## TOWN OF PALM BEACH, FLORIDA

### REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB ASSET AND RELATED RATIOS

### OTHER POST-EMPLOYMENT BENEFITS PLAN

| **Measurement Date, September 30,** | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|
| **Total OPEB Liability** | | | | | | | | |
| Service cost | $ 1,492,737 | $ 1,435,324 | $ 1,063,824 | $ 805,605 | $ 921,211 | $ 881,964 | $ 455,909 | $ 411,675 |
| Interest on the total OPEB liability | 1,712,548 | 1,606,440 | 1,398,126 | 1,385,176 | 1,964,318 | 1,845,152 | 1,945,718 | 1,865,625 |
| Benefit changes | -- | -- | (189,802) | -- | 599,947 | -- | -- | -- |
| Difference between expected and actual experience | (1,145,010) | -- | (2,074,202) | -- | (4,124,393) | -- | (2,597,405) | (36,232) |
| Assumption changes | 5,588,092 | -- | 4,416,503 | 3,339,474 | (8,219,478) | -- | 3,919,261 | -- |
| Benefit payments | (1,203,986) | (750,029) | (889,342) | (935,078) | (421,650) | (1,138,900) | (1,247,029) | (1,035,214) |
| **Net Change in Total OPEB Liability** | 6,444,381 | 2,291,735 | 3,725,107 | 4,595,177 | (9,280,045) | 1,588,216 | 2,476,454 | 1,205,854 |
| **Total OPEB Liability** - Beginning | 33,360,217 | 31,068,482 | 27,343,375 | 22,748,198 | 32,028,243 | 30,440,027 | 27,963,573 | 26,757,719 |
| **Total OPEB Liability** - Ending (a) | $ 39,804,598 | $ 33,360,217 | $ 31,068,482 | $ 27,343,375 | $ 22,748,198 | $ 32,028,243 | $ 30,440,027 | $ 27,963,573 |
| **Plan Fiduciary Net Position** | | | | | | | | |
| Employer contributions | $ 789,128 | $ 331,217 | $ 334,215 | $ 429,858 | $ 423,014 | $ 435,383 | $ 960,000 | $ 1,339,000 |
| OPEB plan investment income (loss) | 7,477,239 | 3,071,072 | (5,332,693) | 6,313,289 | 2,056,309 | 940,329 | 1,802,059 | 2,692,135 |
| Benefit payments | (1,203,986) | (750,029) | (889,342) | (935,078) | (421,650) | (1,138,900) | (1,247,029) | (1,035,214) |
| Administrative expense | (173,967) | (174,203) | (121,971) | (118,910) | (142,315) | (109,425) | (106,592) | (121,385) |
| Other | -- | -- | -- | -- | -- | 2,678 | (1,345) | -- |
| **Net Change in Plan Fiduciary Net Position** | 6,888,414 | 2,478,057 | (6,009,791) | 5,689,159 | 1,915,358 | 130,065 | 1,407,093 | 2,874,536 |
| **Plan Fiduciary Net Position** - Beginning | 36,885,661 | 34,407,603 | 40,417,394 | 34,728,235 | 32,812,877 | 32,682,812 | 31,275,719 | 28,401,183 |
| **Plan Fiduciary Net Position** - Ending (b) | $ 43,774,075 | $ 36,885,661 | $ 34,407,603 | $ 40,417,394 | $ 34,728,235 | $ 32,812,877 | $ 32,682,812 | $ 31,275,719 |
| **Net OPEB Liability (Asset) -** Ending (a) - (b) | $ (3,969,477) | $ (3,525,444) | $ (3,339,121) | $ (13,074,019) | $ (11,980,037) | $ (784,634) | $ (2,242,785) | $ (3,312,146) |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 109.97% | 110.57% | 110.75% | 147.81% | 152.66% | 102.45% | 107.37% | 111.84% |
| Covered-Employee Payroll | $ 29,539,747 | $ 27,628,772 | $ 26,824,050 | $ 24,689,447 | $ 23,970,337 | $ 23,920,162 | $ 23,111,268 | $ 25,241,257 |
| Town's Net OPEB Liability (Asset) as a Percentage of Covered Payroll | -13.44% | -12.76% | -12.45% | -52.95% | -49.98% | -3.28% | -9.70% | -13.12% |

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

**Changes in Assumptions**

In 2017 the mortality assumption has been updated fromRP-2014 Mortality Fully Generational using Projection Scale MP-2015 to RP-2014 Mortality Fully Generational using Projection Scale MP-2016. In 2018 the Discount Rate and Investment Rate of Return were lowered from7.0% to 6.0%. Mortality rates were revised to be the same as developed for the Florida Retirement System. Aging Factors were revised to be based on the nationwide study sponsored by the Society of Actuaries. Trend rates used for modeling future health care costs were revised to be based on a long-term model published by the Society of Actuaries. Participation rates were revised to reflect the recent experience. Effective September 30, 2021, the investment rate of return assumption was lowered from 6.0% to 5.0%. Per Capita Cost and Premium assumptions were revised as of September 30, 2022. Assumed health cost trends were revised to reflect an ultimate level of 4.00% starting in 2050 (previously 2040). There were no revisions in assumptions between the last actuarial valuation and the measurement date as of September 30, 2023. Per Capita Cost and Premium assumptions were revised as of September 30, 2024. Assumed health cost trends were revised to reflect an ultimate level of 4.00%. As of September 30, 2024, the health coverage acceptance rate decreased from 90% to

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF TOWN CONTRIBUTIONS
## OTHER POST-EMPLOYMENT BENEFITS PLAN

## LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Actual Contribution as a % of Covered Employee Payroll |
|---|---|---|---|---|---|
| 2024 | $ 789,128 | $ 789,128 | $ -- | $ 29,539,747 | 2.67% |
| 2023 | 331,217 | 331,217 | -- | 27,628,772 | 1.20% |
| 2022 | 334,215 | 334,215 | -- | 26,824,050 | 1.25% |
| 2021 | 429,858 | 429,858 | -- | 24,689,447 | 1.74% |
| 2020 | 423,916 | 423,014 | 902 | 23,970,337 | 1.76% |
| 2019 | 157,994 | 435,383 | (277,389) | 23,920,162 | 1.82% |
| 2018 | 216,729 | 960,000 | (743,271) | 23,111,268 | 4.15% |
| 2017 | -- | 1,339,000 | (1,339,000) | 25,241,257 | 5.30% |

**Notes to the schedule**

The fiscal year 2024 contributions rates were determined in the October 1, 2022 Actuarial Valuation Report dated February 3, 2023.

| | |
|---|---|
| Valuation date: | October 1, 2022 |
| Actuarial cost method | Entry-age normal |
| Inflation | 2.50% |
| Salary increases | 5.50% including inflation for General Employees; 6.00% including inflation for Police Officers and Firefighters |
| Investment rate of return | 5.00% net of investment related expenses |
| Retirement age | Experienced-based tables of rates that are specific to the type of eligibility condition. |
| Health care cost trend rates | Starting at 7.50% on 10/1/2023, followed by 6.50% on 10/1/2024 and gradually decreasing according to the Getzen Model to an ultimate trend rate of 4.00%. |
| Years until ultimate trend rate | 28 |
| Mortality | Rates of mortality are the same as used in the July 1, 2022 actuarial valuation of the Florida Retirement System. These rates are taken from the PUB-2010 Mortality Tables published by the Society of Actuaries with generational mortality improvements using Scale MP-2018. Adjustments to referenced tables are based on the results of a statewide experience study covering the period 2013 |
| Aging factors | Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". |
| Expenses | OPEB Plan administrative expenses exclude investment related expenses returns; Health Plan administrative expenses are included in the per capita costs. |

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

# TOWN OF PALM BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF INVESTMENT RETURNS
## OTHER POST-EMPLOYMENT BENEFITS PLAN

## LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Money Weighted Rate of Investment Return |
|---|---|
| 2024 | 20.36 % |
| 2023 | 8.93 |
| 2022 | (12.50) |
| 2021 | 18.26 |
| 2020 | 6.29 |
| 2019 | 3.23 |
| 2018 | 6.26 |
| 2017 | 10.31 |

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

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

# TOWN OF PALM BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## CAPITAL IMPROVEMENT FUND

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Intergovernmental | $ 500,000 | $ 500,000 | $ 921,594 | $ 421,594 |
| Investment earnings | 500,000 | 500,000 | 1,864,181 | 1,364,181 |
| Grant revenue | -- | -- | 2,042,496 | 2,042,496 |
| Cost Sharing and donations | 1,000,000 | 1,000,000 | 360,997 | (639,003) |
| Miscellaneous | -- | -- | 2,399 | 2,399 |
| **Total Revenues** | $ 2,000,000 | $ 2,000,000 | $ 5,191,667 | $ 3,191,667 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government | $ -- | $ 335,492 | $ 147,018 | $ 188,474 |
| Public safety | -- | 11,456,604 | 7,469,080 | 3,987,524 |
| Physical environment | -- | 16,665,374 | 8,234,838 | 8,430,536 |
| Transportation | -- | 5,889,831 | 2,171,925 | 3,717,906 |
| Culture and recreation | -- | 2,381,968 | 475,599 | 1,906,369 |
| Non-departmental | 38,535,886 | 1,806,617 | -- | 1,806,617 |
| **Total Expenditures** | $ 38,535,886 | $ 38,535,886 | $ 18,498,460 | $ 20,037,426 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | $ 11,308,122 | $ 11,308,122 | $ 12,308,122 | $ 1,000,000 |
| Transfers out | (500,000) | (500,000) | (500,000) | -- |
| Appropriation of prior year's fund balance | 25,727,764 | 25,727,764 | -- | (25,727,764) |
| **Total Other Financing Sources (Uses)** | $ 36,535,886 | $ 36,535,886 | $ 11,808,122 | $ (24,727,764) |
| **Revenues and Other Financing Sources Over Expenditures and Other Financing Uses** | $ -- | $ -- | $ (1,498,671) | $ (1,498,671) |

# TOWN OF PALM BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## BEACH RESTORATION PROJECT FUND

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Investment earnings | $ 700,000 | $ 700,000 | $ 2,788,426 | $ 2,088,426 |
| Grant revenue | 1,853,847 | 1,853,847 | 270 | (1,853,577) |
| **Total Revenues** | $ 2,553,847 | $ 2,553,847 | $ 2,788,696 | $ 234,849 |
| **Expenditures** | | | | |
| Current: | | | | |
| Physical environment | $ 278,732 | $ 35,925,988 | $ 2,037,550 | $ 33,888,438 |
| Non-departmental | 35,661,983 | 14,727 | -- | 14,727 |
| **Total Expenditures** | $ 35,940,715 | $ 35,940,715 | $ 2,037,550 | $ 33,903,165 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | $ 5,791,205 | $ 5,791,205 | $ 5,791,205 | $ -- |
| Transfers out | (508,463) | (508,463) | (508,463) | -- |
| Appropriation of prior year's fund balance | 28,104,126 | 28,104,126 | -- | (28,104,126) |
| **Total Other Financing Sources (Uses)** | $ 33,386,868 | $ 33,386,868 | $ 5,282,742 | $ (28,104,126) |
| **Revenues and Other Financing Sources Over Expenditures and Other Financing Uses** | $ -- | $ -- | $ 6,033,888 | $ 6,033,888 |

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Town reports the following nonmajor special revenue funds.

**State Forfeiture Fund** – To account for Law Enforcement Trust Fund monies.

**Federal Forfeiture Fund** – To account for Federal forfeiture receipts.

**Donation Fund** – To account for monies donated to the Town.

**Special Assessment Fund** – To account for revenue from Underground Utility and other Infrastructure Assessments.

**Special Assessment Maintenance Fund** – To account for revenue from Special Assessments.

## DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of debt principal, interest, and related costs. The Town reports the following nonmajor debt service funds.

**Series 2013/2016A Debt Service Fund**

**Series 2016B Debt Service Fund**

## CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Town reports the following nonmajor capital projects funds.

**Worth Avenue Assessment Fund**

# TOWN OF PALM BEACH, FLORIDA

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS

## SEPTEMBER 30, 2024

| | Special Revenue | | | |
|---|---|---|---|---|
| | State Forfeiture Fund | Federal Forfeiture Fund | Donation Fund | Special Assessment Maintenance Fund |
| **Assets** | | | | |
| Cash and cash equivalents | $ -- | $ -- | $ -- | $ -- |
| Equity in pooled cash and investments | 55,024 | 92 | 2,057,291 | -- |
| Interest receivable | 495 | -- | -- | -- |
| **Total Assets** | $ 55,519 | $ 92 | $ 2,057,291 | $ -- |
| **Liabilities and Fund Balances** | | | | |
| **Liabilities** | | | | |
| Accounts and contracts payable | $ -- | $ -- | $ 56,425 | $ 1,257 |
| Due to other funds | -- | -- | -- | 439,827 |
| **Total Liabilities** | -- | -- | 56,425 | 441,084 |
| **Fund Balances** | | | | |
| Restricted for: | | | | |
| Crime prevention | 55,519 | 92 | -- | -- |
| Special projects | -- | -- | 2,000,866 | -- |
| Debt service | -- | -- | -- | -- |
| Worth avenue | -- | -- | -- | -- |
| Unassigned | -- | -- | -- | (441,084) |
| **Total Fund Balances** | 55,519 | 92 | 2,000,866 | (441,084) |
| **Total Liabilities and Fund Balances** | $ 55,519 | $ 92 | $ 2,057,291 | $ -- |

# TOWN OF PALM BEACH, FLORIDA

## COMBINING BALANCE SHEET
## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

### SEPTEMBER 30, 2024

| | Debt Service | | Capital Project | |
|---|---|---|---|---|
| | 2013/2016A Debt Service Fund | 2016B Debt Service Fund | Worth Avenue Assessment Fund | Total Nonmajor Governmental Funds |
| **Assets** | | | | |
| Cash and cash equivalents | $ -- | $ -- | $ -- | $ -- |
| Equity in pooled cash and investments | 5,537 | 283,827 | 331,976 | 2,733,747 |
| Interest receivable | 10,964 | 1,900 | 976 | 14,335 |
| **Total Assets** | $ 16,501 | $ 285,727 | $ 332,952 | $ 2,748,082 |
| **Liabilities and Fund Balances** | | | | |
| **Liabilities** | | | | |
| Accounts and contracts payable | $ -- | $ -- | $ 17,648 | $ 75,330 |
| Due to other funds | -- | -- | -- | 439,827 |
| **Total Liabilities** | -- | -- | 17,648 | 515,157 |
| **Fund Balances** | | | | |
| Restricted for: | | | | |
| Crime prevention | -- | -- | -- | 55,611 |
| Special projects | -- | -- | -- | 2,000,866 |
| Debt service | 16,501 | 285,727 | -- | 302,228 |
| Worth avenue | -- | -- | 315,304 | 315,304 |
| Unassigned | -- | -- | -- | (441,084) |
| **Total Fund Balances** | 16,501 | 285,727 | 315,304 | 2,232,925 |
| **Total Liabilities and Fund Balances** | $ 16,501 | $ 285,727 | $ 332,952 | $ 2,748,082 |

# TOWN OF PALM BEACH, FLORIDA

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

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Special Revenue | | | |
|---|---|---|---|---|
| | State Forfeiture Fund | Federal Forfeiture Fund | Donation Fund | Special Assessment Maintenance Fund |
| **Revenues** | | | | |
| Investment earnings | $ 2,781 | $ 5 | $ -- | $ -- |
| Contributions and donations | -- | -- | 1,489,761 | -- |
| Special assessments | -- | -- | -- | 181,602 |
| **Total Revenues** | 2,781 | 5 | 1,489,761 | 181,602 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government | -- | -- | 71,757 | -- |
| Public safety | -- | -- | 414,245 | -- |
| Physical environment | -- | -- | 4,681 | -- |
| Economic environment | -- | -- | -- | 19,277 |
| Culture and recreation | -- | -- | 18,152 | -- |
| Debt service: | | | | |
| Principal | -- | -- | -- | -- |
| Interest and fiscal charges | -- | -- | -- | -- |
| **Total Expenditures** | -- | -- | 508,835 | 19,277 |
| **Excess (Deficiency) of Revenues over Expenditures** | 2,781 | 5 | 980,926 | 162,325 |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | -- | -- | -- | -- |
| Transfers out | -- | -- | -- | -- |
| **Total Other Financing Sources (Uses)** | -- | -- | -- | -- |
| **Net Change in Fund Balances** | 2,781 | 5 | 980,926 | 162,325 |
| **Fund Balances** - Beginning of Year | 52,738 | 87 | 1,019,940 | (603,409) |
| **Fund Balances** - End of Year | $ 55,519 | $ 92 | $ 2,000,866 | $ (441,084) |

## TOWN OF PALM BEACH, FLORIDA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Debt Service | | Capital Projects | |
|---|---|---|---|---|
| | 2013/2016A Debt Service Fund | 2016B Debt Service Fund | Worth Avenue Assessment Fund | Total Nonmajor Governmental Funds |
| **Revenues** | | | | |
| Investment earnings | $ 15,633 | $ 10,970 | $ 5,546 | $ 34,935 |
| Contributions and donations | -- | -- | 5,000 | 1,494,761 |
| Special assessments | -- | 800,489 | 418,141 | 1,400,232 |
| **Total Revenues** | 15,633 | 811,459 | 428,687 | 2,929,928 |
| **Expenditures** | | | | |
| Current: | | | | |
| General government | 7,500 | -- | -- | 79,257 |
| Public safety | -- | -- | -- | 414,245 |
| Physical environment | -- | -- | -- | 4,681 |
| Economic environment | -- | -- | 348,480 | 367,757 |
| Culture and recreation | -- | -- | -- | 18,152 |
| Debt service: | | | | |
| Principal | 3,430,000 | 390,000 | -- | 3,820,000 |
| Interest and fiscal charges | 3,106,368 | 338,363 | -- | 3,444,731 |
| **Total Expenditures** | 6,543,868 | 728,363 | 348,480 | 8,148,823 |
| **Excess (Deficiency) of Revenues over Expenditures** | (6,528,235) | 83,096 | 80,207 | (5,218,895) |
| **Other Financing Sources (Uses)** | | | | |
| Transfers in | 6,375,683 | -- | -- | 6,375,683 |
| Transfers out | (1,000,000) | -- | -- | (1,000,000) |
| **Total Other Financing Sources (Uses)** | 5,375,683 | -- | -- | 5,375,683 |
| **Net Change in Fund Balances** | (1,152,552) | 83,096 | 80,207 | 156,788 |
| **Fund Balances** - Beginning of Year | 1,169,053 | 202,631 | 235,097 | 2,076,137 |
| **Fund Balances** - End of Year | $ 16,501 | $ 285,727 | $ 315,304 | $ 2,232,925 |

# TOWN OF PALM BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## SERIES 2013/2016A DEBT SERVICE FUND

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Investment earnings | $ 20,000 | $ 20,000 | $ 15,633 | $ (4,367) |
| **Total Revenues** | $ 20,000 | $ 20,000 | $ 15,633 | $ (4,367) |
| **Expenditures** | | | | |
| Current: | | | | |
| General Government | $ 7,500 | $ 7,500 | $ 7,500 | $ -- |
| Debt service: | | | | |
| Principal | 3,430,000 | 3,430,000 | 3,430,000 | -- |
| Interest and fiscal charges | 3,113,183 | 3,113,933 | 3,106,368 | 7,565 |
| **Total Expenditures** | $ 6,550,683 | $ 6,551,433 | $ 6,543,868 | $ 7,565 |
| **Other Financing Sources** | | | | |
| Transfers in | $ 6,375,683 | $ 6,375,683 | $ 6,375,683 | $ -- |
| Appropriation of prior year's fund balance | 1,155,000 | 1,155,750 | -- | (1,155,750) |
| Transfers out | (1,000,000) | (1,000,000) | (1,000,000) | -- |
| **Total Other Financing Sources** | $ 6,530,683 | $ 6,531,433 | $ 5,375,683 | $ (1,155,750) |
| **Revenue and Other Financing Sources Under Expenditures and Other Financing Uses** | $ -- | $ -- | $ (1,152,552) | $ (1,152,552) |

# TOWN OF PALM BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## SERIES 2016B DEBT SERVICE FUND

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Investment earnings | $ -- | $ -- | $ 10,970 | $ 10,970 |
| Special assessments | 727,038 | 727,038 | 800,489 | 73,451 |
| **Total Revenues** | $ 727,038 | $ 727,038 | $ 811,459 | $ 84,421 |
| **Expenditures** | | | | |
| Debt service: | | | | |
| Principal | $ 390,000 | $ 390,000 | $ 390,000 | $ -- |
| Interest and fiscal charges | 337,038 | 337,038 | 338,363 | (1,325) |
| **Total Expenditures** | $ 727,038 | $ 727,038 | $ 728,363 | $ (1,325) |
| **Revenues over Expenditures** | $ -- | $ -- | $ 83,096 | $ 83,096 |

# TOWN OF PALM BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

## WORTH AVENUE ASSESSMENT FUND

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **Revenues** | | | | |
| Investment earnings | $ 1,000 | $ 1,000 | $ 5,546 | $ 4,546 |
| Contributions and donations | 5,000 | 5,000 | 5,000 | -- |
| Special assessments | 478,027 | 478,027 | 418,141 | (59,886) |
| **Total Revenues** | $ 484,027 | $ 484,027 | $ 428,687 | $ (55,340) |
| **Expenditures** | | | | |
| Current: | | | | |
| Economic environment | $ 604,027 | $ 638,144 | $ 348,480 | $ 289,664 |
| **Total Expenditures** | $ 604,027 | $ 638,144 | $ 348,480 | $ 289,664 |
| **Other Financing Sources** | | | | |
| Appropriation of prior year's fund balance | $ 120,000 | $ 154,117 | $ -- | $ (154,117) |
| **Total Other Financing Sources** | $ 120,000 | $ 154,117 | $ -- | $ (154,117) |
| **Revenues and Other Financing Sources Under Expenditures** | $ -- | $ -- | $ 80,207 | $ 80,207 |

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The Town reports the following internal service funds.

**Property, Liability and Workers Compensation Insurance Fund** – To account for the Town's property, liability, and workers compensation insurance activities.

**Group Health Insurance Fund** – To account for the Town's health insurance activities.

**Equipment Replacement Fund** – To account for the accumulation of financial resources to be used for the acquisition of major capital equipment and vehicles.

# TOWN OF PALM BEACH, FLORIDA

## COMBINING STATEMENT OF NET POSITION
## INTERNAL SERVICE FUNDS

### SEPTEMBER 30, 2024

| | Property, Liability and Workers Compensation Insurance Fund | Group Health Insurance Fund | Equipment Replacement Fund | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ 20,000 | $ 35,055 | $ -- | $ 55,055 |
| Equity in pooled cash and investments | 7,514,320 | 3,419,979 | 22,602,446 | 33,536,745 |
| Accounts receivable | -- | 29,661 | 40,135 | 69,796 |
| Interest receivable | 31,544 | 18,397 | 80,173 | 130,114 |
| Prepaid items | 8,184 | 211,000 | -- | 219,184 |
| Total current assets | 7,574,048 | 3,714,092 | 22,722,754 | 34,010,894 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Construction in progress | -- | -- | 2,097,045 | 2,097,045 |
| Equipment | -- | -- | 26,546,567 | 26,546,567 |
| Accumulated depreciation | -- | -- | (16,263,264) | (16,263,264) |
| Total capital assets, net | -- | -- | 12,380,348 | 12,380,348 |
| Due from other funds | -- | -- | 439,827 | 439,827 |
| Total noncurrent assets | -- | -- | 12,820,175 | 12,820,175 |
| **Total Assets** | 7,574,048 | 3,714,092 | 35,542,929 | 46,831,069 |
| **Deferred Outflows of Resources** | | | | |
| Pension related items | 23,632 | 20,256 | -- | 43,888 |
| **Liabilities** | | | | |
| Current liabilities: | | | | |
| Accounts payable | 44,965 | 139,083 | 30,864 | 214,912 |
| Accrued liabilities | 1,701,539 | 489,377 | -- | 2,190,916 |
| Due to other funds | -- | 19,000 | -- | 19,000 |
| Current portion of compensated absences | 3,826 | 226 | -- | 4,052 |
| Total current liabilities | 1,750,330 | 647,686 | 30,864 | 2,428,880 |
| Noncurrent liabilities: | | | | |
| Compensated absences payable | 45,552 | 10,620 | -- | 56,172 |
| Net pension liability | 156,630 | 134,254 | -- | 290,884 |
| Total noncurrent liabilities | 202,182 | 144,874 | -- | 347,056 |
| **Total Liabilities** | 1,952,512 | 792,560 | 30,864 | 2,775,936 |
| **Deferred Inflows of Resources** | | | | |
| Pension related items | 26,776 | 22,950 | -- | 49,726 |
| **Net Position** | | | | |
| Investment in capital assets | -- | -- | 12,380,348 | 12,380,348 |
| Unrestricted | 5,618,392 | 2,918,838 | 23,131,717 | 31,668,947 |
| **Total Net Position** | $ 5,618,392 | $ 2,918,838 | $ 35,512,065 | $ 44,049,295 |

# TOWN OF PALM BEACH, FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Property, Liability and Workers Compensation Insurance Fund | Group Health Insurance Fund | Equipment Replacement Fund | Total |
|---|---|---|---|---|
| **Operating Revenues** | | | | |
| Charges for services | $ 2,329,817 | $ 5,794,137 | $ 2,113,014 | $ 10,236,968 |
| Other | -- | -- | 444,977 | 444,977 |
| **Total Operating Revenues** | 2,329,817 | 5,794,137 | 2,557,991 | 10,681,945 |
| **Operating Expenses** | | | | |
| Personal services | 153,046 | 120,452 | -- | 273,498 |
| Contractual services | 69,915 | 520,812 | -- | 590,727 |
| Insurance | 2,200,887 | 1,254,799 | -- | 3,455,686 |
| Claims | 854,360 | 5,775,072 | -- | 6,629,432 |
| Claims adjustment | 126,831 | 40,328 | -- | 167,159 |
| Depreciation | -- | -- | 1,782,963 | 1,782,963 |
| Other | 3,422 | 5,532 | 128,892 | 137,846 |
| **Total Operating Expenses** | 3,408,461 | 7,716,995 | 1,911,855 | 13,037,311 |
| **Operating Income (Loss)** | (1,078,644) | (1,922,858) | 646,136 | (2,355,366) |
| **Nonoperating Revenue (Expenses)** | | | | |
| Investment earnings | 461,727 | 277,487 | 1,374,047 | 2,113,261 |
| Insurance recoveries | 52,582 | -- | -- | 52,582 |
| Grant revenue | -- | -- | 74,999 | 74,999 |
| Loss on disposal of assets | -- | -- | (226,261) | (226,261) |
| **Total Nonoperating Revenue (Expense)** | 514,309 | 277,487 | 1,222,785 | 2,014,581 |
| **Income Before Capital Contributions from other funds and Transfers** | (564,335) | (1,645,371) | 1,868,921 | (340,785) |
| Capital contributions from other funds | -- | -- | 227,411 | 227,411 |
| Transfers in | -- | -- | 2,220,479 | 2,220,479 |
| **Total Capital Contributions and Transfers** | -- | -- | 2,447,890 | 2,447,890 |
| **Change in Net Position** | (564,335) | (1,645,371) | 4,316,811 | 2,107,105 |
| **Net Position** - Beginning | 6,182,727 | 4,564,209 | 31,195,254 | 41,942,190 |
| **Net Position** - Ending | $ 5,618,392 | $ 2,918,838 | $ 35,512,065 | $ 44,049,295 |

# TOWN OF PALM BEACH, FLORIDA

## COMBINING STATEMENT OF CASH FLOWS
## INTERNAL SERVICE FUNDS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | Property, Liability and Workers Compensation Insurance Fund | Group Health Insurance Fund | Equipment Replacement Fund | Total |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Receipts from interfund services provided | $ 2,329,817 | $ 5,780,383 | $ 2,084,624 | $ 10,194,824 |
| Payments to employees | (161,176) | (120,001) | -- | (281,177) |
| Payments to suppliers | (2,640,950) | (7,516,646) | (118,129) | (10,275,725) |
| Insurance recoveries | 52,582 | -- | -- | 52,582 |
| Other receipts | -- | -- | 444,977 | 444,977 |
| **Net Cash Provided by (Used in) Operating Activities** | (419,727) | (1,856,264) | 2,411,472 | 135,481 |
| **Cash Flows from Noncapital Financing Activities** | | | | |
| Due from other funds | -- | -- | 156,744 | 156,744 |
| Due to other funds | -- | 19,000 | -- | 19,000 |
| Transfers from other funds | -- | -- | 2,220,479 | 2,220,479 |
| Transfers to other funds | -- | -- | -- | -- |
| **Net Cash Provided by Noncapital Financing Activities** | -- | 19,000 | 2,377,223 | 2,396,223 |
| **Cash Flows from Capital and Related Financing Activities** | | | | |
| Acquisition of capital assets | -- | -- | (5,109,574) | (5,109,574) |
| Proceeds from sale of assets | -- | -- | 15,910 | 15,910 |
| Receipts from grants | -- | -- | 74,999 | 74,999 |
| **Net Cash Used in Capital and Related Financing Activities** | -- | -- | (5,018,665) | (5,018,665) |
| **Cash Flows from Investing Activities** | | | | |
| Investment income received | 465,127 | 278,759 | 1,376,310 | 2,120,196 |
| **Net Provided by Investing Activities** | 465,127 | 278,759 | 1,376,310 | 2,120,196 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 45,400 | (1,558,505) | 1,146,340 | (366,765) |
| **Cash and Cash Equivalents** - Beginning | 7,488,920 | 5,013,539 | 21,456,106 | 33,958,565 |
| **Cash and Cash Equivalents** - Ending | $ 7,534,320 | $ 3,455,034 | $ 22,602,446 | $ 33,591,800 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities** | | | | |
| Operating income (loss) | $ (1,078,644) | $ (1,922,858) | $ 646,136 | $ (2,355,366) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation | -- | -- | 1,782,963 | 1,782,963 |
| Insurance recoveries | 52,582 | -- | -- | 52,582 |
| Changes in net pension liability and related deferred amounts | (9,112) | (2,566) | -- | (11,678) |
| Changes in operating assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | -- | (13,754) | (28,390) | (42,144) |
| (Increase) decrease in prepaid expenses | 479,827 | -- | -- | 479,827 |
| Increase (decrease) in accounts payable | 6,822 | 39,153 | 10,763 | 56,738 |
| Increase (decrease) in accrued liabilities | 127,816 | 40,744 | -- | 168,560 |
| Increase (decrease) in compensated absences payable | 982 | 3,017 | -- | 3,999 |
| **Net Cash Provided by (Used in) Operating Activities** | $ (419,727) | $ (1,856,264) | $ 2,411,472 | $ 135,481 |
| **Noncash Activity** | | | | |
| Contributions of capital assets by other funds | $ -- | $ -- | $ 227,411 | $ 227,411 |
| Insurance claims adjustment | $ 126,831 | $ 40,328 | $ -- | $ 167,159 |
| Loss on disposal of assets | $ -- | $ -- | $ (226,261) | $ (226,261) |

## FIDUCIARY FUNDS

### TRUST FUNDS

Trust funds are used to account for resources that are required to be held in trust for others. The Town reports the following employee benefit trust funds.

**General Employees' Pension Trust Fund** – To account for the accumulation of resources to be used for retirement benefits payable to eligible Town general employees and lifeguards.

**Police Officers' Pension Trust Fund** – To account for the accumulation of resources to be used for retirement benefits payable to eligible Town police employees.

**Firefighters' Pension Trust Fund** – To account for the accumulation of resources to be used for retirement benefits payable to eligible Town fire-rescue employees.

**OPEB Trust Fund** – To account for the accumulation of resources to be used for Town retiree health care benefits.

# TOWN OF PALM BEACH, FLORIDA

## COMBINING STATEMENT OF FIDUCIARY NET POSITION
## FIDUCIARY FUNDS

### SEPTEMBER 30, 2024

| | General Employees' Pension Trust Fund | Police Officers' Pension Trust Fund | Firefighters' Pension Trust Fund | OPEB Trust Fund | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $ 979,626 | $ 845,901 | $ 840,955 | $ 98,779 | $ 2,765,261 |
| Interest and dividends receivable | 78,277 | 67,591 | 67,196 | -- | 213,064 |
| Prepaid items | 4,986 | 4,306 | 4,281 | -- | 13,573 |
| Investments: | | | | | |
| Short-term investment fund | 8,695,000 | 7,508,083 | 7,464,179 | 664,321 | 24,331,583 |
| Fixed income securities | 16,929,295 | 14,618,351 | 14,532,869 | 15,703,599 | 61,784,114 |
| Common stock | 10,785,790 | 9,313,469 | 9,259,007 | -- | 29,358,266 |
| Domestic equity funds | 35,992,878 | 31,079,647 | 30,897,905 | 21,418,512 | 119,388,942 |
| International and emerging market equity funds | 21,400,586 | 18,479,285 | 18,371,225 | 1,681,605 | 59,932,701 |
| Hedge funds | 5,130,111 | 4,429,822 | 4,403,918 | -- | 13,963,851 |
| Private equity funds | 5,912,897 | 5,105,754 | 5,075,897 | 595,673 | 16,690,221 |
| Real estate funds | 3,272,585 | 2,825,858 | 2,809,334 | 3,633,749 | 12,541,526 |
| **Total Assets** | 109,182,031 | 94,278,067 | 93,726,766 | 43,796,238 | 340,983,102 |
| **Liabilities** | | | | | |
| Accounts payable and accrued liabilities | 51,062 | 44,092 | 43,834 | 20,468 | 159,456 |
| Due to brokers | -- | -- | -- | 10,010 | 10,010 |
| **Total Liabilities** | 51,062 | 44,092 | 43,834 | 30,478 | 169,466 |
| **Net Position Restricted for Pension and Retiree Health Benefits** | $ 109,130,969 | $ 94,233,975 | $ 93,682,932 | $ 43,765,760 | $ 340,813,636 |

# TOWN OF PALM BEACH, FLORIDA

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
## FIDUCIARY FUNDS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| | General Employees' Pension Trust Fund | Police Officers' Pension Trust Fund | Firefighters' Pension Trust Fund | OPEB Trust Fund | Total |
|---|---|---|---|---|---|
| **Additions** | | | | | |
| Contributions: | | | | | |
| Employer | $ 5,818,372 | $ 5,495,478 | $ 6,757,028 | $ 789,128 | $ 18,860,006 |
| Employee | 505,277 | 548,538 | 589,928 | 957,556 | 2,601,299 |
| Other | -- | -- | -- | 18,780 | 18,780 |
| Total contributions | 6,323,649 | 6,044,016 | 7,346,956 | 1,765,464 | 21,480,085 |
| Investment income | | | | | |
| Net appreciation in fair value of investments | 15,792,040 | 13,569,363 | 13,056,111 | 6,695,638 | 49,113,152 |
| Interest and dividends | 2,641,191 | 2,269,452 | 2,183,611 | 864,495 | 7,958,749 |
| Total investment income | 18,433,231 | 15,838,815 | 15,239,722 | 7,560,133 | 57,071,901 |
| Less: investment expense | (218,762) | (187,973) | (180,863) | (119,450) | (707,048) |
| Net investment income | 18,214,469 | 15,650,842 | 15,058,859 | 7,440,683 | 56,364,853 |
| **Total Additions** | 24,538,118 | 21,694,858 | 22,405,815 | 9,206,147 | 77,844,938 |
| **Deductions** | | | | | |
| Benefit payments | 7,684,377 | 6,644,960 | 6,539,477 | 2,192,330 | 23,061,144 |
| Share distributions | -- | -- | 75,408 | -- | 75,408 |
| DROP distributions | 75,000 | 953,825 | 933,658 | -- | 1,962,483 |
| Refunds of participants' contributions | 30,864 | 61,948 | 93,130 | -- | 185,942 |
| Administrative expenses | 178,478 | 153,717 | 148,661 | 133,717 | 614,573 |
| **Total Deductions** | 7,968,719 | 7,814,450 | 7,790,334 | 2,326,047 | 25,899,550 |
| **Change in Net Position** | 16,569,399 | 13,880,408 | 14,615,481 | 6,880,100 | 51,945,388 |
| **Net Position Restricted for Pension Benefits and OPEB** - Beginning of Year | 92,561,570 | 80,353,567 | 79,067,451 | 36,885,660 | 288,868,248 |
| **Net Position Restricted for Pension Benefits and OPEB** - End of Year | $ 109,130,969 | $ 94,233,975 | $ 93,682,932 | $ 43,765,760 | $ 340,813,636 |

# DEBT SERVICE REQUIREMENTS

## TOWN OF PALM BEACH, FLORIDA

### SUMMARY SCHEDULE OF DEBT SERVICE REQUIREMENTS
### PRINCIPAL AND INTEREST TO MATURITY

**SEPTEMBER 30, 2024**

| Fiscal Year Ending September 30, | Revenue Bonds Series 2013 | Revenue Refunding Bonds Series 2016A | Revenue Refunding Bonds Series 2016B | Revenue Refunding Bonds Series 2019 | Taxable Revenue Refunding Bonds Series 2019 | General Obligation Bonds Series 2018 | General Obligation Bonds Series 2021 | Business Type Activities Revenue Bonds Series 2020 | Total |
|---|---|---|---|---|---|---|---|---|---|
| 2025 | $ 1,506,750 | $ 2,930,000 | $ 722,688 | $ 293,365 | $ 1,809,162 | $ 3,399,350 | $ 447,755 | $ 1,996,244 | $ 13,105,313 |
| 2026 | -- | 2,930,125 | 720,538 | 288,589 | 3,333,224 | 3,401,100 | 446,255 | 1,999,238 | 13,119,068 |
| 2027 | -- | 2,926,500 | 713,888 | 288,754 | 3,342,099 | 3,399,600 | 449,255 | 1,996,500 | 13,116,596 |
| 2028 | -- | 2,924,000 | 717,263 | 288,803 | 3,339,599 | 3,399,850 | 446,505 | 1,998,031 | 13,114,051 |
| 2029 | -- | 2,927,250 | 714,513 | 293,677 | 3,330,912 | 3,401,600 | 448,255 | 2,003,719 | 13,119,925 |
| 2030 | -- | 2,930,875 | 720,513 | 293,376 | 3,329,639 | 3,399,600 | 449,255 | 2,003,563 | 13,126,820 |
| 2031 | -- | 2,924,875 | 715,263 | 292,959 | 3,329,416 | 3,398,850 | 449,505 | 2,007,563 | 13,118,429 |
| 2032 | -- | 2,933,875 | 713,888 | 292,425 | 3,335,134 | 3,399,100 | 449,005 | 2,005,719 | 13,129,145 |
| 2033 | -- | 2,943,400 | 723,263 | 291,775 | 3,342,058 | 3,400,100 | 447,505 | 2,008,031 | 13,156,132 |
| 2034 | -- | 2,944,400 | 728,394 | 291,008 | 3,340,688 | 3,401,600 | 445,905 | 2,009,444 | 13,161,438 |
| 2035 | -- | 2,936,900 | 732,644 | 295,067 | 3,345,488 | 3,398,000 | 449,205 | 2,014,900 | 13,172,203 |
| 2036 | -- | 2,950,500 | 716,631 | 289,009 | 3,346,888 | 3,401,400 | 447,305 | 2,014,400 | 13,166,132 |
| 2037 | -- | 2,945,000 | 722,081 | 292,834 | 3,345,888 | 3,401,400 | 445,305 | 2,017,944 | 13,170,452 |
| 2038 | -- | 2,950,400 | 723,494 | 291,485 | 3,341,783 | 3,398,000 | 448,205 | 2,020,475 | 13,173,841 |
| 2039 | -- | 2,951,400 | 728,838 | 290,019 | 3,349,324 | 3,401,200 | 445,905 | 2,021,994 | 13,188,679 |
| 2040 | -- | 2,952,900 | 728,113 | 293,379 | 3,353,968 | 3,400,600 | 448,505 | 2,022,500 | 13,199,964 |
| 2041 | -- | -- | -- | -- | 3,354,938 | 3,401,200 | 445,715 | -- | 7,201,853 |
| 2042 | -- | -- | -- | -- | 3,357,133 | 3,397,800 | 447,823 | -- | 7,202,755 |
| 2043 | -- | -- | -- | -- | 3,356,228 | 3,400,400 | 449,528 | -- | 7,206,155 |
| 2044 | -- | -- | -- | -- | -- | 3,398,600 | 446,023 | -- | 3,844,623 |
| 2045 | -- | -- | -- | -- | -- | 3,397,400 | 447,413 | -- | 3,844,813 |
| 2046 | -- | -- | -- | -- | -- | 3,401,600 | 448,488 | -- | 3,850,088 |
| 2047 | -- | -- | -- | -- | -- | 3,400,800 | 449,350 | -- | 3,850,150 |
| **Total** | $ 1,506,750 | $ 47,002,400 | $ 11,542,006 | $ 4,666,521 | $ 61,983,563 | $ 78,199,150 | $ 10,297,968 | $ 32,140,263 | $ 247,338,620 |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2013

## SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 5.000% | $ 1,470,000 | $ 36,750 | $ 1,506,750 | $ -- |
| **Total** | | $ 1,470,000 | $ 36,750 | $ 1,506,750 | |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016A

## SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 5.000% | $ 1,460,000 | $ 1,470,000 | $ 2,930,000 | $ 32,705,000 |
| 2026 | 5.000% | 1,535,000 | 1,395,125 | 2,930,125 | 31,170,000 |
| 2027 | 5.000% | 1,610,000 | 1,316,500 | 2,926,500 | 29,560,000 |
| 2028 | 5.000% | 1,690,000 | 1,234,000 | 2,924,000 | 27,870,000 |
| 2029 | 5.000% | 1,780,000 | 1,147,250 | 2,927,250 | 26,090,000 |
| 2030 | 5.000% | 1,875,000 | 1,055,875 | 2,930,875 | 24,215,000 |
| 2031 | 5.000% | 1,965,000 | 959,875 | 2,924,875 | 22,250,000 |
| 2032 | 5.000% | 2,075,000 | 858,875 | 2,933,875 | 20,175,000 |
| 2033 | 4.000% | 2,180,000 | 763,400 | 2,943,400 | 17,995,000 |
| 2034 | 4.000% | 2,270,000 | 674,400 | 2,944,400 | 15,725,000 |
| 2035 | 4.000% | 2,355,000 | 581,900 | 2,936,900 | 13,370,000 |
| 2036 | 4.000% | 2,465,000 | 485,500 | 2,950,500 | 10,905,000 |
| 2037 | 4.000% | 2,560,000 | 385,000 | 2,945,000 | 8,345,000 |
| 2038 | 4.000% | 2,670,000 | 280,400 | 2,950,400 | 5,675,000 |
| 2039 | 4.000% | 2,780,000 | 171,400 | 2,951,400 | 2,895,000 |
| 2040 | 4.000% | 2,895,000 | 57,900 | 2,952,900 | -- |
| **Total** | | $ 34,165,000 | $ 12,837,400 | $ 47,002,400 | |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016B

## SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 3.000% | $ 400,000 | $ 322,688 | $ 722,688 | $ 8,370,000 |
| 2026 | 3.000% | 410,000 | 310,538 | 720,538 | 7,960,000 |
| 2027 | 5.000% | 420,000 | 293,888 | 713,888 | 7,540,000 |
| 2028 | 5.000% | 445,000 | 272,263 | 717,263 | 7,095,000 |
| 2029 | 5.000% | 465,000 | 249,513 | 714,513 | 6,630,000 |
| 2030 | 5.000% | 495,000 | 225,513 | 720,513 | 6,135,000 |
| 2031 | 5.000% | 515,000 | 200,263 | 715,263 | 5,620,000 |
| 2032 | 5.000% | 540,000 | 173,888 | 713,888 | 5,080,000 |
| 2033 | 2.500% | 570,000 | 153,263 | 723,263 | 4,510,000 |
| 2034 | 2.625% | 590,000 | 138,394 | 728,394 | 3,920,000 |
| 2035 | 2.625% | 610,000 | 122,644 | 732,644 | 3,310,000 |
| 2036 | 2.625% | 610,000 | 106,631 | 716,631 | 2,700,000 |
| 2037 | 3.636% | 635,000 | 87,081 | 722,081 | 2,065,000 |
| 2038 | 3.650% | 660,000 | 63,494 | 723,494 | 1,405,000 |
| 2039 | 3.656% | 690,000 | 38,838 | 728,838 | 715,000 |
| 2040 | 3.668% | 715,000 | 13,113 | 728,113 | -- |
| **Total** | | $ 8,770,000 | $ 2,772,006 | $ 11,542,006 | |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2019 (TAXABLE)

## SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 2.500% | $ 460,000 | $ 1,349,162 | $ 1,809,162 | $ 46,520,000 |
| 2026 | 2.500% | 2,015,000 | 1,318,224 | 3,333,224 | 44,505,000 |
| 2027 | 2.500% | 2,075,000 | 1,267,099 | 3,342,099 | 42,430,000 |
| 2028 | 2.500% | 2,125,000 | 1,214,599 | 3,339,599 | 40,305,000 |
| 2029 | 2.500% | 2,170,000 | 1,160,912 | 3,330,912 | 38,135,000 |
| 2030 | 2.620% | 2,225,000 | 1,104,639 | 3,329,639 | 35,910,000 |
| 2031 | 2.720% | 2,285,000 | 1,044,416 | 3,329,416 | 33,625,000 |
| 2032 | 2.820% | 2,355,000 | 980,134 | 3,335,134 | 31,270,000 |
| 2033 | 2.870% | 2,430,000 | 912,058 | 3,342,058 | 28,840,000 |
| 2034 | 2.920% | 2,500,000 | 840,688 | 3,340,688 | 26,340,000 |
| 2035 | 3.000% | 2,580,000 | 765,488 | 3,345,488 | 23,760,000 |
| 2036 | 3.000% | 2,660,000 | 686,888 | 3,346,888 | 21,100,000 |
| 2037 | 3.000% | 2,740,000 | 605,888 | 3,345,888 | 18,360,000 |
| 2038 | 3.050% | 2,820,000 | 521,783 | 3,341,783 | 15,540,000 |
| 2039 | 3.050% | 2,915,000 | 434,324 | 3,349,324 | 12,625,000 |
| 2040 | 3.050% | 3,010,000 | 343,968 | 3,353,968 | 9,615,000 |
| 2041 | 3.100% | 3,105,000 | 249,938 | 3,354,938 | 6,510,000 |
| 2042 | 3.100% | 3,205,000 | 152,133 | 3,357,133 | 3,305,000 |
| 2043 | 3.100% | 3,305,000 | 51,228 | 3,356,228 | -- |
| **Total** | | $ 46,980,000 | $ 15,003,563 | $ 61,983,563 | |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2019

## SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 2.330% | $ 205,000 | $ 88,365 | $ 293,365 | $ 3,690,000 |
| 2026 | 2.330% | 205,000 | 83,589 | 288,589 | 3,485,000 |
| 2027 | 2.330% | 210,000 | 78,754 | 288,754 | 3,275,000 |
| 2028 | 2.330% | 215,000 | 73,803 | 288,803 | 3,060,000 |
| 2029 | 2.330% | 225,000 | 68,677 | 293,677 | 2,835,000 |
| 2030 | 2.330% | 230,000 | 63,376 | 293,376 | 2,605,000 |
| 2031 | 2.330% | 235,000 | 57,959 | 292,959 | 2,370,000 |
| 2032 | 2.330% | 240,000 | 52,425 | 292,425 | 2,130,000 |
| 2033 | 2.330% | 245,000 | 46,775 | 291,775 | 1,885,000 |
| 2034 | 2.330% | 250,000 | 41,008 | 291,008 | 1,635,000 |
| 2035 | 2.330% | 260,000 | 35,067 | 295,067 | 1,375,000 |
| 2036 | 2.330% | 260,000 | 29,009 | 289,009 | 1,115,000 |
| 2037 | 2.330% | 270,000 | 22,834 | 292,834 | 845,000 |
| 2038 | 2.330% | 275,000 | 16,485 | 291,485 | 570,000 |
| 2039 | 2.330% | 280,000 | 10,019 | 290,019 | 290,000 |
| 2040 | 2.330% | 290,000 | 3,379 | 293,379 | -- |
| **Total** | | $ 3,895,000 | $ 771,521 | $ 4,666,521 | |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## GENERAL OBLIGATION BONDS, SERIES 2018

### SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 5.000% | $ 1,265,000 | $ 2,134,350 | $ 3,399,350 | $ 48,605,000 |
| 2026 | 5.000% | 1,330,000 | 2,071,100 | 3,401,100 | 47,275,000 |
| 2027 | 5.000% | 1,395,000 | 2,004,600 | 3,399,600 | 45,880,000 |
| 2028 | 5.000% | 1,465,000 | 1,934,850 | 3,399,850 | 44,415,000 |
| 2029 | 5.000% | 1,540,000 | 1,861,600 | 3,401,600 | 42,875,000 |
| 2030 | 5.000% | 1,615,000 | 1,784,600 | 3,399,600 | 41,260,000 |
| 2031 | 5.000% | 1,695,000 | 1,703,850 | 3,398,850 | 39,565,000 |
| 2032 | 5.000% | 1,780,000 | 1,619,100 | 3,399,100 | 37,785,000 |
| 2033 | 5.000% | 1,870,000 | 1,530,100 | 3,400,100 | 35,915,000 |
| 2034 | 4.000% | 1,965,000 | 1,436,600 | 3,401,600 | 33,950,000 |
| 2035 | 4.000% | 2,040,000 | 1,358,000 | 3,398,000 | 31,910,000 |
| 2036 | 4.000% | 2,125,000 | 1,276,400 | 3,401,400 | 29,785,000 |
| 2037 | 4.000% | 2,210,000 | 1,191,400 | 3,401,400 | 27,575,000 |
| 2038 | 4.000% | 2,295,000 | 1,103,000 | 3,398,000 | 25,280,000 |
| 2039 | 4.000% | 2,390,000 | 1,011,200 | 3,401,200 | 22,890,000 |
| 2040 | 4.000% | 2,485,000 | 915,600 | 3,400,600 | 20,405,000 |
| 2041 | 4.000% | 2,585,000 | 816,200 | 3,401,200 | 17,820,000 |
| 2042 | 4.000% | 2,685,000 | 712,800 | 3,397,800 | 15,135,000 |
| 2043 | 4.000% | 2,795,000 | 605,400 | 3,400,400 | 12,340,000 |
| 2044 | 4.000% | 2,905,000 | 493,600 | 3,398,600 | 9,435,000 |
| 2045 | 4.000% | 3,020,000 | 377,400 | 3,397,400 | 6,415,000 |
| 2046 | 4.000% | 3,145,000 | 256,600 | 3,401,600 | 3,270,000 |
| 2047 | 4.000% | 3,270,000 | 130,800 | 3,400,800 | -- |
| **Total** | | $ 49,870,000 | $ 28,329,150 | $ 78,199,150 | |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## GENERAL OBLIGATION BONDS, SERIES 2021

## SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 5.000% | $ 230,000 | $ 217,755 | $ 447,755 | $ 7,685,000 |
| 2026 | 5.000% | 240,000 | 206,255 | 446,255 | 7,445,000 |
| 2027 | 5.000% | 255,000 | 194,255 | 449,255 | 7,190,000 |
| 2028 | 5.000% | 265,000 | 181,505 | 446,505 | 6,925,000 |
| 2029 | 5.000% | 280,000 | 168,255 | 448,255 | 6,645,000 |
| 2030 | 5.000% | 295,000 | 154,255 | 449,255 | 6,350,000 |
| 2031 | 5.000% | 310,000 | 139,505 | 449,505 | 6,040,000 |
| 2032 | 2.000% | 325,000 | 124,005 | 449,005 | 5,715,000 |
| 2033 | 2.000% | 330,000 | 117,505 | 447,505 | 5,385,000 |
| 2034 | 2.000% | 335,000 | 110,905 | 445,905 | 5,050,000 |
| 2035 | 2.000% | 345,000 | 104,205 | 449,205 | 4,705,000 |
| 2036 | 2.000% | 350,000 | 97,305 | 447,305 | 4,355,000 |
| 2037 | 2.000% | 355,000 | 90,305 | 445,305 | 4,000,000 |
| 2038 | 2.000% | 365,000 | 83,205 | 448,205 | 3,635,000 |
| 2039 | 2.000% | 370,000 | 75,905 | 445,905 | 3,265,000 |
| 2040 | 2.000% | 380,000 | 68,505 | 448,505 | 2,885,000 |
| 2041 | 2.050% | 385,000 | 60,715 | 445,715 | 2,500,000 |
| 2042 | 2.050% | 395,000 | 52,823 | 447,823 | 2,105,000 |
| 2043 | 2.050% | 405,000 | 44,528 | 449,528 | 1,700,000 |
| 2044 | 2.100% | 410,000 | 36,023 | 446,023 | 1,290,000 |
| 2045 | 2.100% | 420,000 | 27,413 | 447,413 | 870,000 |
| 2046 | 2.100% | 430,000 | 18,488 | 448,488 | 440,000 |
| 2047 | 2.125% | 440,000 | 9,350 | 449,350 | -- |
| **Total** | | $ 7,915,000 | $ 2,382,968 | $ 10,297,968 | |

# TOWN OF PALM BEACH, FLORIDA

## DEBT SERVICE REQUIREMENTS
## PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2020

## SEPTEMBER 30, 2024

| Fiscal Year Ending September 30, | Rate | Principal | Interest | Total | Principal Balance Outstanding End of Year |
|---|---|---|---|---|---|
| 2025 | 2.250% | $ 1,405,000 | $ 591,244 | $ 1,996,244 | $ 25,575,000 |
| 2026 | 2.250% | 1,440,000 | 559,238 | 1,999,238 | 24,135,000 |
| 2027 | 2.250% | 1,470,000 | 526,500 | 1,996,500 | 22,665,000 |
| 2028 | 2.250% | 1,505,000 | 493,031 | 1,998,031 | 21,160,000 |
| 2029 | 2.250% | 1,545,000 | 458,719 | 2,003,719 | 19,615,000 |
| 2030 | 2.250% | 1,580,000 | 423,563 | 2,003,563 | 18,035,000 |
| 2031 | 2.250% | 1,620,000 | 387,563 | 2,007,563 | 16,415,000 |
| 2032 | 2.250% | 1,655,000 | 350,719 | 2,005,719 | 14,760,000 |
| 2033 | 2.250% | 1,695,000 | 313,031 | 2,008,031 | 13,065,000 |
| 2034 | 2.250% | 1,735,000 | 274,444 | 2,009,444 | 11,330,000 |
| 2035 | 2.250% | 1,780,000 | 234,900 | 2,014,900 | 9,550,000 |
| 2036 | 2.250% | 1,820,000 | 194,400 | 2,014,400 | 7,730,000 |
| 2037 | 2.250% | 1,865,000 | 152,944 | 2,017,944 | 5,865,000 |
| 2038 | 2.250% | 1,910,000 | 110,475 | 2,020,475 | 3,955,000 |
| 2039 | 2.250% | 1,955,000 | 66,994 | 2,021,994 | 2,000,000 |
| 2040 | 2.250% | 2,000,000 | 22,500 | 2,022,500 | -- |
| **Total** | | $ 26,980,000 | $ 5,160,263 | $ 32,140,263 | |

# STATISTICAL SECTION

## Statistical Section

This part of the Town of Palm Beach's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Town's overall financial health.

**Contents** **Page**


**Financial Trends** **172-177**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

**Revenue Capacity** **178-185**

These schedules contain information to help the reader understand and assess the Town's most significant local revenue source, the property tax.

**Debt Capacity** **186-190**

These schedules represent information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

**Demographic and Economic Information** **191-192**

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Town financial activities take place.

**Operating Information** **193-195**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial reports relates to the services the Town provides and the activities it performs.

## Town of Palm Beach, Florida

*Net Position by Component*
*Last Ten Fiscal Years*
*Accrual Basis of Accounting*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental activities** | | | | | | | | | | |
| Net investment in capital assets | $ 74,251,960 | $ 84,762,756 | $ 79,461,477 | $ 78,478,304 | $ 80,988,015 | $ 57,421,514 | $ 52,511,662 | $ 78,435,532 | $ 15,151,939 | $ 31,828,183 |
| Restricted | 37,801,235 | 24,489,710 | 19,393,986 | 18,595,941 | 104,925,150 | 111,483,275 | 127,820,279 | 66,420,887 | 38,523,962 | 24,862,905 |
| Unrestricted | (52,411) | 1,629,162 | (12,774,443) | 78,699,629 | 6,513,845 | 15,874,972 | 25,928,414 | 34,213,452 | 119,713,785 | 121,506,192 |
| **Total governmental activities net position** | $ 112,000,784 | $ 110,881,628 | $ 86,081,020 | $ 175,773,874 | $ 192,427,010 | $ 184,779,761 | $ 206,260,355 | $ 179,069,871 | $ 173,389,686 | $ 178,197,280 |
| **Business-type activities** | | | | | | | | | | |
| Net investment in capital assets | $ 17,072,347 | $ 16,498,309 | $ 15,898,227 | $ 15,674,570 | $ 13,620,325 | $ 12,831,232 | $ 12,153,252 | $ 15,241,078 | $ 14,982,710 | $ 14,411,651 |
| Restricted | -- | -- | 248,211 | 1,418,272 | 20,636 | 781,137 | 863,207 | 271,263 | 323,928 | 389,878 |
| Unrestricted | 4,303,456 | 5,132,473 | 6,314,816 | 12,731,660 | 5,120,899 | 9,275,191 | 13,477,784 | 18,946,799 | 32,327,925 | 41,515,207 |
| **Total business-type activities net position** | $ 21,375,803 | $ 21,630,782 | $ 22,461,254 | $ 29,824,502 | $ 18,761,860 | $ 22,887,560 | $ 26,494,243 | $ 34,459,140 | $ 47,634,563 | $ 56,316,736 |
| **Primary government** | | | | | | | | | | |
| Net investment in capital assets | $ 91,324,307 | $ 101,261,065 | $ 95,359,704 | $ 94,152,874 | $ 94,608,340 | $ 70,252,746 | $ 64,664,914 | $ 93,676,610 | $ 30,134,649 | $ 46,239,834 |
| Restricted | 37,801,235 | 24,489,710 | 19,642,197 | 20,014,213 | 104,945,786 | 112,264,412 | 128,683,486 | 66,692,150 | 38,847,890 | 25,252,783 |
| Unrestricted | 4,251,045 | 6,761,635 | (6,459,627) | 91,431,289 | 11,634,744 | 25,150,163 | 39,406,198 | 53,160,251 | 152,041,710 | 163,021,399 |
| **Total primary government net position** | $ 133,376,587 | $ 132,512,410 | $ 108,542,274 | $ 205,598,376 | $ 211,188,870 | $ 207,667,321 | $ 232,754,598 | $ 213,529,011 | $ 221,024,249 | $ 234,514,016 |

## Town of Palm Beach, Florida

*Changes in Net Position*
*Last Ten Fiscal Years*
*Accrual Basis of Accounting*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | $ 14,710,957 | $ 16,342,132 | $ 21,186,486 | $ 20,371,263 | $ 23,618,964 | $ 37,193,659 | $ 25,526,075 | $ 27,398,326 | $ 31,616,222 | $ 33,163,866 |
| Public safety | 29,315,807 | 35,197,465 | 33,354,806 | 30,720,793 | 29,967,201 | 30,520,971 | 23,391,138 | 34,614,335 | 41,273,484 | 41,878,920 |
| Physical environment | 21,525,593 | 23,361,401 | 27,174,801 | 35,572,597 | 33,599,598 | 38,977,270 | 37,117,556 | 60,586,194 | 56,044,125 | 51,993,667 |
| Transportation | 1,070,730 | 1,049,791 | 1,051,542 | 1,441,011 | 1,347,157 | 3,399,432 | 1,430,861 | 2,228,474 | 1,927,984 | 1,998,141 |
| Economic Environment | 232,490 | 248,223 | 307,619 | 287,730 | 296,528 | 327,464 | 329,765 | 390,376 | 352,934 | 367,757 |
| Culture and recreation | 1,912,995 | 1,915,433 | 2,127,041 | 2,187,973 | 3,429,596 | 3,589,831 | 3,662,242 | 4,273,266 | 4,885,327 | 5,621,335 |
| Interest on long-term debt | 5,463,859 | 5,275,112 | 4,930,514 | 4,882,965 | 6,726,860 | 4,629,539 | 5,751,587 | 5,659,626 | 5,473,705 | 5,278,356 |
| **Total governmental activities expenses** | 74,232,431 | 83,389,557 | 90,132,809 | 95,464,332 | 98,985,904 | 118,638,166 | 97,209,224 | 135,150,597 | 141,573,781 | 140,302,042 |
| Business-type activities: | | | | | | | | | | |
| Town docks | -- | -- | -- | -- | 1,234,240 | 988,621 | 1,738,328 | 4,521,415 | 4,978,763 | 5,611,834 |
| Golf course | -- | -- | -- | -- | 2,309,136 | 2,196,475 | 2,001,206 | 2,914,467 | 3,937,723 | 3,840,045 |
| Leisure services | 4,432,739 | 4,931,600 | 4,889,532 | 5,146,773 | -- | -- | -- | -- | -- | -- |
| Building Enterprise | -- | -- | -- | -- | -- | -- | 4,924,286 | 3,070,730 | 4,037,068 | 4,871,606 |
| Interest on long-term debt | -- | -- | -- | -- | -- | 497,229 | 699,360 | 677,089 | 675,030 | -- |
| **Total business-type activities expenses** | 4,432,739 | 4,931,600 | 4,889,532 | 5,146,773 | 3,543,376 | 3,682,325 | 9,363,180 | 11,183,701 | 13,628,584 | 14,323,485 |
| **Total primary government expenses** | $ 78,665,170 | $ 88,321,157 | $ 95,022,341 | $ 100,611,105 | $ 102,529,280 | $ 122,320,491 | $ 106,572,404 | $ 146,334,298 | $ 155,202,365 | $ 154,625,527 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | $ 10,116,770 | $ 9,498,005 | $ 7,098,034 | $ 9,416,642 | $ 11,243,637 | $ 19,951,281 | $ 11,513,238 | $ 11,978,479 | $ 14,111,099 | $ 12,995,491 |
| Public safety | 2,810,616 | 3,012,132 | 2,123,886 | 2,485,185 | 3,205,143 | 3,588,914 | 3,983,249 | 3,568,361 | 6,401,779 | 4,594,697 |
| Physical environment | 2,500,197 | 2,198,314 | 2,273,362 | 92,365,478 | 3,736,651 | 1,450,455 | 1,406,497 | 1,251,705 | 923,716 | 633,853 |
| Transportation | 1,321,912 | 1,395,121 | 1,369,271 | 1,456,196 | 1,544,322 | 1,905,152 | 2,728,460 | 2,935,034 | 3,292,126 | 3,373,606 |
| Culture and recreation | -- | -- | -- | -- | 377,538 | 739,378 | 1,148,175 | 1,190,148 | 1,332,653 | 1,524,551 |
| Operating grants and contributions: | | | | | | | | | | |
| General government | 95,052 | 65,083 | 102,302 | 201,224 | 355,320 | 1,059,803 | 1,013,367 | 325,277 | 196,697 | 180,777 |
| Public safety | 443,902 | 212,299 | 684,874 | 387,517 | 867,824 | 65,273 | 456,490 | 227,924 | 348,539 | 1,286,762 |
| Physical environment | 302,474 | 2,569,518 | 5,040 | 149,604 | 8,806 | -- | 5,960 | 5,042,856 | 8,284,546 | 6,704,256 |
| Transportation | 3,077 | -- | -- | 220,304 | 121,978 | 10,000 | -- | 746,520 | 718,434 | 800,489 |
| Economic Environment | -- | -- | -- | -- | -- | 1,080,655 | -- | 5,000 | 235,127 | 186,602 |
| Culture and recreation | 10,574 | 3,819 | 59,542 | 6,348 | 9 | -- | 10,002 | 292,500 | 440,133 | 473,142 |
| Capital grants and contributions: | | | | | | | | | | |
| General government | 360,593 | 1,000,000 | -- | 47,122 | -- | 487,851 | -- | 100,000 | -- | 134,385 |
| Public safety | 114,740 | 106,303 | 9,467 | 18,368 | 161,177 | -- | -- | -- | -- | -- |
| Physical environment | 377,689 | 759,024 | 1,107,657 | 13,327,684 | 516,572 | 1,771,380 | 17,735,711 | 456,765 | 1,329,311 | 435,996 |
| Transportation | -- | -- | -- | -- | -- | -- | 1,405,500 | 727,000 | 5,000 | -- |
| Economic Environment | -- | -- | -- | -- | -- | 5,000 | 5,000 | -- | -- | 215,705 |
| Culture and recreation | 213,500 | 350,000 | 2,021,868 | 5,067 | 3,021,735 | 3,339,646 | 298,521 | 1,025,724 | -- | -- |
| **Total governmental activities program revenues** | 18,671,096 | 21,169,618 | 16,855,303 | 120,086,739 | 25,160,712 | 35,454,788 | 41,710,170 | 29,873,293 | 37,619,160 | 33,540,312 |
| | | | | | | | | | | -- |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Town docks | -- | -- | -- | -- | 4,116,852 | 5,429,988 | 1,928,332 | 10,474,415 | 15,170,001 | 13,889,103 |
| Golf course | -- | -- | -- | -- | 2,455,266 | 2,332,430 | 3,650,560 | 4,325,060 | 5,061,321 | 5,207,437 |
| Leisure services | 5,809,804 | 6,110,187 | 6,332,330 | 6,868,410 | -- | -- | -- | -- | -- | -- |
| Building Enterprise | -- | -- | -- | -- | -- | -- | 10,741,651 | 12,305,388 | 14,849,371 | 13,583,712 |
| Operating grants and contributions | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Capital grants and contributions | 25,000 | -- | 132,530 | 1,761,358 | -- | -- | -- | -- | -- | 1,390 |
| **Total business-type activities program revenues** | 5,834,804 | 6,110,187 | 6,464,860 | 8,629,768 | 6,572,118 | 7,762,418 | 16,320,543 | 27,104,863 | 35,080,693 | 32,681,642 |
| **Total primary government program revenues** | $ 24,505,900 | $ 27,279,805 | $ 23,320,163 | $ 128,716,507 | $ 31,732,830 | $ 43,217,206 | $ 58,030,713 | $ 56,978,156 | $ 72,699,853 | $ 66,221,954 |
| **Net (expense)/revenue** | | | | | | | | | | |
| Governmental activities | $ (55,561,335) | $ (62,219,939) | $ (73,277,506) | $ 24,622,407 | $ (73,825,192) | $ (83,183,378) | $ (55,499,054) | $ (105,277,304) | $ (103,954,621) | $ (106,761,730) |
| Business-type activities | 1,402,065 | 1,178,587 | 1,575,328 | 3,482,995 | 3,028,742 | 4,080,093 | 6,957,363 | 15,921,162 | 21,452,109 | 18,358,157 |
| **Total primary government net expense** | $ (54,159,270) | $ (61,041,352) | $ (71,702,178) | $ 28,105,402 | $ (70,796,450) | $ (79,103,285) | $ (48,541,691) | $ (89,356,142) | $ (82,502,512) | $ (88,403,573) |

## Town of Palm Beach, Florida

*Changes in Net Position (continued)*
*Last Ten Fiscal Years*
*Accrual Basis of Accounting*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Revenues and Other Changes in Net Position** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | $ 43,869,888 | $ 47,882,187 | $ 50,195,981 | $ 52,282,253 | $ 54,883,747 | $ 56,817,697 | $ 58,016,220 | $ 60,530,819 | $ 66,331,261 | $ 72,878,561 |
| Local option gas tax | 329,481 | 338,120 | 352,281 | 347,820 | 353,375 | 315,146 | 326,859 | 342,808 | 356,093 | 340,762 |
| Infrastructure surtax | -- | -- | 350,847 | 576,792 | 623,176 | -- | -- | -- | -- | -- |
| Franchise fees | 2,168,171 | 2,132,019 | 2,305,715 | 2,249,067 | 2,226,941 | 2,176,528 | 2,267,996 | 2,600,808 | 2,901,197 | 2,719,997 |
| Utility service taxes | 5,558,660 | 5,591,219 | 5,695,690 | 5,795,378 | 5,945,986 | 6,052,180 | 6,125,995 | 6,358,180 | 6,716,048 | 7,129,442 |
| Business tax receipts | 682,428 | 723,649 | 713,710 | 771,499 | 773,039 | 813,903 | 805,710 | 832,757 | 916,897 | 940,767 |
| Intergovernmental, unrestricted | 945,915 | 980,977 | 958,373 | 987,807 | 1,023,012 | 1,580,805 | 1,778,259 | 2,126,261 | 2,370,467 | 2,296,140 |
| Investment earnings (loss) | 1,460,232 | 1,952,317 | 2,062,752 | 5,383,592 | 8,444,652 | 6,841,308 | 2,875,063 | (3,156,272) | 7,773,645 | 11,945,456 |
| Miscellaneous | 1,007,465 | 191,090 | 376,602 | 788,898 | 1,124,079 | 713,748 | 1,303,163 | 670,610 | 1,268,432 | 1,280,995 |
| Insurance Recoveries | -- | 320,105 | 354,723 | 270,358 | 538,042 | -- | -- | -- | -- | -- |
| Gain on disposal of assets | -- | -- | -- | -- | -- | -- | 92,045 | -- | -- | -- |
| Transfers | 1,087,200 | 989,100 | 870,967 | (3,816,737) | 14,564,120 | 224,813 | 3,388,338 | 7,780,849 | 9,640,396 | 12,037,204 |
| **Total governmental activities** | 57,109,440 | 61,100,783 | 64,237,641 | 65,636,727 | 90,500,169 | 75,536,128 | 76,979,648 | 78,086,820 | 98,274,436 | 111,569,324 |
| Business-type activities | | | | | | | | | | |
| Investment earnings (loss) | 17,024 | 65,492 | 40,651 | 63,516 | 473,895 | 268,115 | 37,658 | (184,401) | 1,435,603 | 2,361,220 |
| Miscellaneous | 4,168 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Gain (Loss) on disposal of assets | -- | -- | -- | -- | -- | 2,305 | -- | 8,985 | (71,893) | -- |
| Transfers | (1,087,200) | (989,100) | (870,967) | 3,816,737 | (14,564,120) | (224,813) | (3,388,338) | (7,780,849) | (9,640,396) | (12,037,204) |
| **Total business-type activities** | (1,066,008) | (923,608) | (830,316) | 3,880,253 | (14,090,225) | 45,607 | (3,350,680) | (7,956,265) | (8,276,686) | (9,675,984) |
| **Total primary government** | $ 56,043,432 | $ 60,177,175 | $ 63,407,325 | $ 69,516,980 | $ 76,409,944 | $ 75,581,735 | $ 73,628,968 | $ 70,130,555 | $ 89,997,750 | $ 101,893,340 |
| **Changes in Net Position** | | | | | | | | | | |
| Governmental activities | $ 1,548,105 | $ (1,119,156) | $ (9,039,865) | $ 90,259,134 | $ 16,674,977 | $ (7,647,250) | $ 21,480,594 | $ (27,190,484) | $ (5,680,185) | $ 4,807,594 |
| Business-type activities | 336,057 | 254,979 | 745,012 | 7,363,248 | (11,061,483) | 4,125,700 | 3,606,683 | (7,956,265) | 13,175,423 | 8,682,173 |
| **Total primary government** | $ 1,884,162 | $ (864,177) | $ (8,294,853) | $ 97,622,382 | $ 5,613,494 | $ (3,521,550) | $ 25,087,277 | $ (35,146,749) | $ 7,495,238 | $ 13,489,767 |

## Town of Palm Beach, Florida

*Fund Balances of Governmental Funds*
*Last Ten Fiscal Years*
*Modified Accrual Basis of Accounting*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Fund** | | | | | | | | | | |
| **Non Spendable:** | | | | | | | | | | |
| Non Spendable | $ 510,044 | $ 487,341 | $ 385,786 | $ 425,502 | $ 396,466 | $ 365,478 | $ 425,020 | $ 525,084 | $ 597,941 | $ 571,589 |
| **Spendable:** | | | | | | | | | | |
| Restricted | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Committed | 3,168,789 | 3,061,180 | 3,210,518 | 3,129,714 | 3,094,888 | 2,784,655 | 2,791,672 | 2,476,077 | 2,995,677 | 2,335,678 |
| Assigned | 2,621,024 | 5,480,500 | 6,536,676 | 2,335,827 | 2,158,458 | 2,379,755 | 2,128,338 | 4,289,488 | 7,612,078 | 8,379,755 |
| Unassigned | 22,267,051 | 21,615,082 | 17,716,419 | 23,063,128 | 26,540,203 | 29,628,725 | 32,134,296 | 30,702,132 | 33,048,585 | 35,697,740 |
| **Total General Fund** | $ 28,566,908 | $ 30,644,103 | $ 27,849,399 | $ 28,954,171 | $ 32,190,015 | $ 35,158,613 | $ 37,479,326 | $ 37,992,781 | $ 44,254,281 | $ 46,984,762 |
| **All other governmental funds** | | | | | | | | | | |
| **Non Spendable:** | | | | | | | | | | |
| Non Spendable | $ -- | $ -- | $ -- | $ -- | $ -- | $ 483,144 | $ 6,501 | $ 29,177 | $ 292,682 | $ 249,576 |
| **Spendable:** | | | | | | | | | | |
| Restricted | 37,587,735 | 24,703,210 | 17,535,776 | 17,722,369 | 68,934,046 | 61,396,892 | 67,691,812 | 53,835,802 | 35,322,446 | 21,283,306 |
| Committed | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Assigned | 30,085,768 | 19,316,913 | 25,987,032 | 35,293,163 | 54,324,328 | 48,705,923 | 49,996,413 | 51,711,650 | 60,557,429 | 64,718,982 |
| Unassigned | (1,558,223) | (1,864,970) | (3,578,081) | (2,515,068) | (2,236,544) | (1,907,418) | (1,031,376) | (813,747) | (603,409) | (441,084) |
| **Total All Other Governmental Funds** | $ 66,115,280 | $ 42,155,153 | $ 39,944,727 | $ 50,500,464 | $ 121,021,830 | $ 108,678,541 | $ 116,663,350 | $ 104,762,882 | $ 95,569,148 | $ 85,810,780 |

## Town of Palm Beach, Florida

*Tax Revenues by Source, Governmental Funds*

*Last Ten Fiscal Years*

| Fiscal Year | Property Taxes | Local Option Gas Tax | Franchise Fees | Utility Service Taxes | Business Tax Receipts | Total |
|---|---|---|---|---|---|---|
| **2015** | $ 43,869,888 | $ 329,481 | $ 2,168,171 | $ 5,558,660 | $ 682,428 | $ 52,608,628 |
| **2016** | 47,882,187 | 338,120 | 2,132,019 | 5,591,219 | 723,649 | 56,667,194 |
| **2017** | 50,195,981 | 352,282 | 2,035,715 | 5,695,690 | 713,710 | 58,993,378 |
| **2018** | 52,282,254 | 347,820 | 2,217,998 | 5,795,377 | 771,499 | 61,414,948 |
| **2019** | 54,883,747 | 353,375 | 2,226,941 | 5,945,986 | 773,039 | 64,183,088 |
| **2020** | 56,817,697 | 315,146 | 2,176,528 | 6,052,180 | 813,903 | 66,175,454 |
| **2021** | 58,016,221 | 326,858 | 2,267,996 | 6,125,995 | 805,710 | 67,542,780 |
| **2022** | 60,530,819 | 342,808 | 2,600,808 | 6,358,180 | 832,757 | 70,665,372 |
| **2023** | 66,331,261 | 356,093 | 2,901,197 | 6,716,048 | 916,897 | 77,221,496 |
| **2024** | 72,878,561 | 340,762 | 2,719,997 | 7,129,442 | 940,767 | 84,009,529 |
| Change: | | | | | | |
| 2015-2024 | 66.1% | 3.4% | 25.5% | 28.3% | 37.9% | 59.7% |

## Town of Palm Beach, Florida

*Changes in Fund Balances of Governmental Funds*
*Last Ten Fiscal Years*
*Modified Accrual Basis of Accounting*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| Taxes | $ 52,608,628 | $ 56,667,194 | $ 59,263,377 | $ 61,446,017 | $ 64,183,088 | $ 66,175,454 | $ 67,542,780 | $ 70,665,372 | $ 77,221,496 | $ 84,009,529 |
| Fees and permits | 10,020,118 | 9,422,858 | 7,024,524 | 9,339,708 | 11,126,361 | 9,010,686 | 1,693,234 | 2,544,896 | 2,331,092 | 2,672,602 |
| Intergovernmental | 1,074,234 | 1,106,768 | 1,352,991 | 1,603,835 | 1,709,861 | 1,580,805 | 1,778,259 | 2,126,261 | 2,370,467 | 2,296,140 |
| Charges for services | 3,957,603 | 4,131,754 | 3,681,925 | 3,763,590 | 5,152,779 | 5,648,639 | 7,176,166 | 7,803,802 | 9,166,079 | 9,553,305 |
| Fines and forfeitures | 1,115,240 | 1,185,547 | 799,768 | 1,068,792 | 916,035 | 780,975 | 940,000 | 1,247,451 | 3,214,593 | 1,338,269 |
| Contributions and donations | 736,770 | 1,946,658 | 3,294,902 | 565,675 | 4,339,616 | 3,539,029 | 2,423,353 | 2,276,014 | 6,693,394 | 1,855,758 |
| Investment earnings (loss) | 1,184,939 | 857,219 | 738,997 | 4,296,845 | 6,969,546 | 5,786,543 | 2,884,175 | (2,018,029) | 4,804,709 | 9,832,195 |
| Grant revenue | 490,367 | 3,120,771 | 69,735 | 7,491,989 | 6,295,845 | 2,021,348 | 10,358,077 | 1,416,950 | 873,509 | 3,450,372 |
| Special Assessments and related interest | 1,538,098 | 1,257,358 | 1,227,990 | 14,368,109 | 2,784,534 | 3,102,131 | 9,448,989 | 5,156,602 | 4,837,583 | 4,902,600 |
| Miscellaneous | 177,606 | 291,461 | 506,948 | 783,431 | 1,263,621 | 713,748 | 1,303,163 | 670,610 | 1,268,432 | 836,018 |
| **Total revenues** | 72,903,603 | 79,987,588 | 77,961,157 | 104,727,991 | 104,741,286 | 98,359,358 | 105,548,196 | 91,889,929 | 112,781,354 | 120,746,788 |
| **Expenditures** | | | | | | | | | | |
| General government | 10,349,294 | 10,672,235 | 11,144,220 | 10,979,679 | 10,029,283 | 9,910,235 | 8,776,140 | 10,207,201 | 12,443,969 | 13,753,998 |
| Public safety | 26,328,383 | 28,298,011 | 29,168,148 | 29,049,008 | 30,058,951 | 32,575,116 | 32,608,073 | 32,586,006 | 35,483,219 | 39,692,380 |
| Physical environment | 16,836,864 | 14,953,923 | 18,042,161 | 24,718,387 | 22,244,428 | 23,242,395 | 25,561,935 | 37,995,165 | 42,854,502 | 42,122,329 |
| Transportation | 1,084,764 | 1,081,675 | 1,128,328 | 1,192,357 | 1,070,521 | 1,272,189 | 1,027,931 | 1,340,620 | 1,443,864 | 1,485,719 |
| Economic Environment | 232,490 | 248,223 | 307,619 | 287,730 | 296,528 | 327,464 | 329,765 | 390,376 | 352,934 | 367,757 |
| Culture and recreation | 1,931,194 | 1,938,661 | 2,186,244 | 2,251,619 | 3,073,134 | 3,573,250 | 3,915,810 | 4,206,460 | 4,735,869 | 5,584,128 |
| Non-departmental | 1,925,555 | 1,967,485 | 4,708,491 | 6,609,398 | 11,434,745 | 7,324,441 | 7,434,622 | 7,606,161 | 7,695,545 | 7,791,127 |
| Capital outlay | 34,409,565 | 35,114,632 | 10,032,899 | 10,897,086 | 16,579,026 | 19,173,640 | 17,449,796 | 5,715,621 | 9,431,443 | 15,636,508 |
| Debt service | | | | | | | | | | |
| Principal | 2,260,000 | 2,340,000 | 2,445,000 | 2,550,000 | 3,360,000 | 3,775,000 | 4,420,000 | 4,841,595 | 5,179,373 | 5,405,043 |
| Interest and other fiscal charges | 5,727,107 | 5,642,453 | 4,674,144 | 5,315,481 | 6,745,700 | 7,482,108 | 6,337,311 | 6,303,166 | 6,087,602 | 5,869,473 |
| Bond issue costs | -- | 403,895 | -- | -- | -- | -- | -- | -- | -- | -- |
| Payment to refunded bond escrow | -- | 622,861 | -- | -- | -- | -- | -- | -- | -- | -- |
| **Total expenditures** | 101,085,216 | 103,284,054 | 83,837,254 | 93,850,745 | 104,892,316 | 108,655,838 | 107,861,383 | 111,192,371 | 125,708,320 | 137,708,462 |
| Revenues over (under) expenditures | (28,181,613) | (23,296,466) | (5,876,097) | 10,877,246 | (151,030) | (10,296,480) | (2,313,187) | (19,302,442) | (12,926,966) | (16,961,674) |
| **Other financing sources (uses)** | | | | | | | | | | |
| Initiation of leases | -- | -- | -- | -- | -- | -- | -- | 63,063 | -- | 117,062 |
| Subscriptions acquired | -- | -- | -- | -- | -- | -- | -- | -- | 354,336 | -- |
| Transfers in | 23,861,850 | 19,884,368 | 18,484,704 | 20,779,956 | 31,148,637 | 17,337,494 | 19,690,846 | 28,063,103 | 31,728,739 | 36,824,007 |
| Transfers out | (22,774,650) | (18,895,268) | (17,613,737) | (19,996,693) | (17,740,294) | (17,112,681) | (16,271,033) | (20,210,737) | (22,088,343) | (27,007,282) |
| Bonds/Notes proceeds | -- | 58,432,064 | -- | -- | 60,499,897 | 53,499,266 | 9,198,896 | -- | -- | -- |
| Payment to refunded bond escrow | -- | (58,007,630) | -- | -- | -- | (52,802,290) | -- | -- | -- | -- |
| **Total other financing sources (uses)** | 1,087,200 | 1,413,534 | 870,967 | 783,263 | 73,908,240 | 921,789 | 12,618,709 | 7,915,429 | 9,994,732 | 9,933,787 |
| Net change in fund balance | $ (27,094,413) | $ (21,882,932) | $ (5,005,130) | $ 11,660,509 | $ 73,757,210 | $ (9,374,691) | $ 10,305,522 | $ (11,387,013) | $ (2,932,234) | $ (7,027,887) |
| Debt service as a percentage of non-capital expenditures | 11.94% | 12.24% | 9.57% | 9.40% | 11.42% | 12.56% | 11.76% | 10.57% | 9.69% | 9.24% |

## Town of Palm Beach, Florida

*Historic and Projected General Fund Non-Ad Valorem Revenues*

*Last Ten Fiscal Years Actual and Next Year Budgeted*

| | Actual FY2015 | Actual FY2016 | Actual FY2017 | Actual FY2018 | Actual FY2019 | Actual FY2020 | Actual FY2021 | Actual FY2022 | Actual FY2023 | Actual FY2024 | Budget FY2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Franchise Fees | $ 2,168,171 | $ 2,132,019 | $ 2,305,715 | $ 2,249,067 | $ 2,226,940 | $ 2,176,527 | $ 2,267,996 | $ 2,600,809 | $ 2,901,197 | $ 2,719,998 | $ 2,525,000 |
| Utility Service Tax | 5,558,660 | 5,591,219 | 5,695,690 | 5,795,377 | 5,945,986 | 6,052,179 | 6,125,995 | 6,358,178 | 6,716,048 | 7,129,442 | 6,435,000 |
| Business Tax Receipts | 682,429 | 723,649 | 713,710 | 771,499 | 773,039 | 813,903 | 805,710 | 832,756 | 916,897 | 940,767 | 915,000 |
| Building Permits (2) | 9,508,851 | 8,791,344 | 6,490,797 | 8,739,628 | 9,892,112 | 7,826,548 | 11,084,334 | 12,972,784 | 15,304,251 | 13,918,963 | 10,290,000 |
| Other License Fees & Permits | 511,268 | 631,514 | 533,727 | 600,080 | 1,234,249 | 1,184,138 | 1,277,412 | 1,795,779 | 1,793,674 | 2,304,689 | 1,525,000 |
| State Shared Revenue (1) | 1,040,960 | 1,053,691 | 957,861 | 1,002,841 | 1,041,631 | 965,512 | 1,065,880 | 1,292,729 | 1,415,603 | 1,352,986 | 1,200,000 |
| Local Shared Revenue | 15,040 | 24,199 | 19,598 | 24,202 | 23,485 | 18,895 | 22,743 | 21,246 | 27,248 | 21,560 | 17,500 |
| General Government | 39,052 | 37,228 | 38,618 | 42,094 | 79,001 | 76,466 | 149,653 | 106,006 | 93,761 | 85,921 | 76,000 |
| Public Safety | 1,711,089 | 1,837,295 | 1,324,118 | 1,416,643 | 2,301,067 | 2,807,939 | 3,064,236 | 2,346,787 | 3,212,295 | 3,262,685 | 2,532,500 |
| Physical Environment | 1,192,087 | 1,179,500 | 1,277,199 | 1,177,602 | 1,175,710 | 1,101,088 | 1,099,683 | 1,251,706 | 1,260,353 | 1,312,799 | 1,189,000 |
| Transportation | 1,015,373 | 1,077,731 | 1,041,990 | 1,127,251 | 1,219,460 | 1,194,084 | 2,004,501 | 2,935,033 | 3,292,127 | 3,373,605 | 4,737,915 |
| Fines & Forfeitures | 1,099,526 | 1,174,837 | 799,768 | 1,068,444 | 904,076 | 780,976 | 750,060 | 1,316,140 | 3,283,417 | 1,373,672 | 1,173,000 |
| Culture and Recreation | -- | -- | -- | -- | 377,523 | 469,059 | 879,079 | 1,190,148 | 1,332,653 | 1,524,551 | 1,463,360 |
| Investment Earnings (loss) | 597,586 | 490,102 | 421,514 | 702,261 | 969,180 | 696,608 | 111,540 | (336,084) | 3,360,519 | 4,486,052 | 1,964,494 |
| Rents & Royalties | 57,599 | 37,919 | 34,892 | 34,840 | 38,290 | 47,139 | 66,504 | 74,416 | 93,891 | 80,601 | 909,700 |
| Miscellaneous Other | 110,637 | 245,143 | 435,258 | 349,337 | 376,212 | 432,016 | 433,584 | 384,925 | 892,091 | 568,785 | 539,000 |
| Marina Fund Revenue (3) | -- | -- | -- | -- | -- | 3,210,696 | 44,565 | 10,234,080 | 15,941,623 | 14,759,777 | 14,693,000 |
| **Total Non-Ad Valorem Revenues** | **$ 25,308,328** | **$ 25,027,390** | **$ 22,090,455** | **$ 25,101,164** | **$ 28,577,961** | **$ 29,853,773** | **$ 31,253,474** | **$ 45,377,437** | **$ 61,837,648** | **$ 59,216,853** | **$ 52,185,469** |

(1) Excludes 8th cent motor fuel tax and fuel tax refund.

(2) Includes Building Permit Revenues that are accounted for in a separate Building Fund beginning in 2021. These funds are restricted and can only be used for building permit related expenses as set forth in Chapter 553, Florida Statutes.

(3) Marina Fund Revenues are not restricted; however, the Town plans to apply such revenues directly to pay debt service on the 2020 Revenue Note. The marina was closed for construction in FY21 and reopened in November 2022.

## DESCRIPTION OF CERTAIN MAJOR SOURCES OF NON-AD VALOREM REVENUES AS DEFINED IN BOND DOCUMENT (UNAUDITED)

***Franchise Fees***
Public utilities operating within the Town must pay the Town a franchise fee in return for the right to do business within the Town and for the right to use public rights-of-way. Franchise agreements currently in effect include: Florida Public Utilities, Florida Power & Light, BellSouth Telecommunications, and Comcast Cable.

***Utility Service Tax***
The Town levies a utility tax on the purchase of electricity, metered or bottled gas, water service and telecommunication services. The Town levies this tax at the state allowed maximum of 10% for all services.

***Business Tax Receipts***
Any person engaging in or managing any business, occupation, or profession within the limits of the Town of Palm Beach must obtain a business license. All licenses must be secured at the time the business begins operation and are renewed thereafter each October 1. The fee for each license is based on the business in which the entity is engaged.

***Building Permits***
Building permit fees include all building, electrical, mechanical, and plumbing permits as well as architectural fees, variance application fees, and landmark application fees. Building permit fees were reduced in FY2017 and FY2020. Building permit fees and all related expenses were moved to the Building Fund in FY2021. These fees are restricted for building permit related expenses per F.S. 553.

***Other License Fees and Permits***
These revenues include, right of way permits, parking permits and registrations.

***State Shared Revenue***
Revenues that are distributed from the State of Florida to the Town are included in this line item. A portion of this revenue is State Revenue Sharing. The current structure of the revenue sharing program has three revenue sources for municipalities: Sales & Use Tax, one-cent Municipal Gas Tax and the State Alternative Fuel Decal Users Fee. Of these sources, the one-cent Municipal Gas Tax (Local Option Gas Tax) is restricted to expenditures for roads and has not been included in the Historic and Projected Non Ad Valorem Revenue Chart. Also included in the State Shared Revenue sections are the following distributions from the State of Florida: Alcoholic Beverage License and Sales Tax.

***Local Shared Revenue***
Local shared revenue includes a portion of the Palm Beach County Occupational License fees and a 911 equipment reimbursement.

***General Government Revenues***
These revenues include charges for copies, meeting tapes, lien search fees, microfiche, certification of copies and sales of maps and code books.

***Public Safety Revenue***
Public Safety Revenue includes special detail pay for police and fire officers, EMS transport fees, burglar alarm registration and false alarm fees, police ID cards, Direct Connect Alarm fees, and fire inspection fees.

***Physical Environment Revenue***
Physical Environment Revenue includes solid waste collection fees, (collected through a non-ad valorem assessment), and recycling fees.

***Transportation***
Revenues include parking meter and permit collections.

***Fines and Forfeitures***
Fines and penalties received from traffic violations, parking meter violations, right-of-way violations, and code compliance fines.

***Culture and Recreation***
In FY19, the Recreation Activities, which include adult and youth program fees and tennis fees, were transferred into the General Fund. These programs were previously included in the Recreation Enterprise Fund, which has been dissolved to separate out the Marina and Par 3 Golf Course into separate enterprise funds.

***Contributions***
Contributions represent donations by citizens and businesses for various Town projects.

***Investment Earnings***
Represents interest earnings on cash, cash equivalents, and investments.

***Rents and Royalties***
Represents revenue from the rental of public property, pay phone and vending machine commissions.

***Sale of Capital Assets***
Revenue represents proceeds from the sale of capital assets. Revenue represents proceeds from the sale of Town owned property, except where required to be applied in connection with related outstanding bonds.

***Miscellaneous Other Revenue***
Revenues include fees associated with charitable solicitations, a rebate for Town towing, State highway lighting maintenance, insurance proceeds for hurricane damage and other miscellaneous revenues.

***Marina Fund Revenue***
Marina Fund Revenues are included in Non-Ad Valorem Revenues beginning in FY20. The Town issued a Revenue Bond in FY20 for the reconstruction of the Town Marina. The Marina was closed from May of 2020 through November 2021 for construction. The Marina reopened in FY22.

***Outstanding Town Indebtedness***

On August 25, 2016, the Town issued bonds to refund the 2010A & 2010B bonds. This transaction produced gross savings of $8,900,539 over 23 years. The net present value savings is $6,895,965 or 13.35%. The all-in true interest cost (TIC) for the 2016 issue was 2.75%. On October 17, 2019, the Town refunded the remaining $4,660,000 of the 2010A bonds. The refunding achieved $1,157,902 of net present value debt service savings or 25.39% of the refunded bonds par amount. The all-in true interest cost (TIC) was 2.46%.

In 2013, the Town issued Public Improvement Revenue Bonds in a par amount of $55,590,000. The proceeds of the bond were used for the second phase of the Town's Accelerated Capital Improvement Program ($44,997,957) groin rehabilitation and seawall replacement ($11,900,000) and the Town's portion of the Par 3 Clubhouse project ($1,250,000). The all-in TIC for the 2013 issue was 4.49%. In 2019, the Town issued bonds to refund most of the 2013 bonds. The transaction produced savings of $4,385,248 or 10.24%. The all-in TIC for the 2019 refunding was 3.036%.

In 2020, the Town issued $31,000,000 in Revenue Bonds through CenterState Bank for the Marina Construction project. This bond is secured by non-ad valorem revenues. The rate on the bonds is 2.25%.

The voters approved a referendum on March 15, 2016, for the issuance of $90,000,000 in General Obligation Bonds for the Underground Utility Project. The Town issued $56,040,000 of the General Obligation Bonds in September 2018. The all-in TIC for the 2018 series was 3.64%.

In 2021, the Town issued $8,575,000 in General Obligation Bonds through Robert W. Baird & Co. Inc. for the Underground Utility Project. The all-in TIC for the 2021 series was 2.02%.

The General Obligation Bonds shall be payable first from the Underground Utility Project Special Assessments and, to the extent the Underground Utility Project Special Assessments are insufficient to pay debt service or not assessed, ad valorem taxes levied and collected in the Town on all taxable property in the Town sufficient to pay principal and interest on the bonds as they become due and payable. The Town may apply other legally available sources of revenues to the payment of the Bonds.

## Town of Palm Beach, Florida

*Assessed Value and Actual Value of Taxable Property*

*Last Ten Fiscal Years*

| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Other Property | Less: Tax-exempt Property | Total Taxable Value | Total Direct Tax Rate | Total Assessed Value | Assessed Value as a % of Actual Value |
|---|---|---|---|---|---|---|---|---|---|
| **2015** | $ 15,403,086,966 | $ 1,160,442,899 | $ 1,885,275 | $ 326,783,978 | $ (3,631,110,871) | $ 13,261,088,247 | 3.4058 | $ 13,728,091,553 | 97% |
| **2016** | 17,428,504,556 | 1,270,937,024 | 1,885,275 | 341,777,143 | (4,533,683,531) | 14,509,420,467 | 3.3779 | 14,987,210,512 | 97% |
| **2017** | 19,293,989,329 | 1,389,277,926 | 1,108,283 | 360,821,288 | (5,286,783,579) | 15,758,413,247 | 3.2706 | 16,253,191,394 | 97% |
| **2018** | 19,863,333,751 | 1,559,628,992 | -- | 385,867,603 | (5,019,966,708) | 16,788,863,638 | 3.2037 | 17,291,500,785 | 97% |
| **2019** | 21,355,255,337 | 1,652,651,648 | -- | 421,729,767 | (5,397,143,225) | 18,032,493,527 | 3.1350 | 18,562,636,660 | 97% |
| **2020** | 21,910,296,539 | 1,734,693,448 | -- | 431,596,527 | (5,021,617,077) | 19,054,969,437 | 3.0681 | 19,567,684,515 | 97% |
| **2021** | 22,466,173,359 | 1,767,335,280 | -- | 453,694,015 | (4,778,778,966) | 19,908,423,688 | 2.9962 | 20,442,618,497 | 97% |
| **2022** | 25,798,185,017 | 1,758,608,691 | -- | 459,635,521 | (6,487,338,053) | 21,529,091,176 | 2.8966 | 22,077,727,793 | 98% |
| **2023** | 37,892,322,245 | 2,321,399,124 | -- | 539,510,599 | (15,390,981,238) | 25,362,250,730 | 2.6932 | 25,970,396,584 | 98% |
| **2024** | 46,300,446,517 | 2,596,115,315 | -- | 593,031,945 | (20,705,171,678) | 28,784,422,099 | 2.6110 | 29,433,507,044 | 98% |

Assessed value is an annual determination of the just or fair market value of the property, or the value of the homestead property as limited pursuant to State law.
Taxable value is the assessed value of property minus the amount of any applicable exemption provided under State law.
Property in Palm Beach County is reassessed every three years on average by the Palm Beach County Property Appraiser

# Town of Palm Beach, Florida

*Direct and Overlapping Property Tax Rates*
*Last Ten Fiscal Years*

| | Town Direct Rates | | | Overlapping Rates | | | |
|---|---|---|---|---|---|---|---|
| Fiscal Year | General Fund | Debt Service | Total Direct | School District | Palm Beach County | Special Taxing Districts | Total All |
| 2015 | 3.4058 | 0.0000 | 3.4058 | 7.5940 | 4.9729 | 2.1732 | 18.1459 |
| 2016 | 3.3779 | 0.0000 | 3.3779 | 7.5120 | 4.9277 | 2.0974 | 17.9150 |
| 2017 | 3.2706 | 0.0000 | 3.2706 | 7.0700 | 4.9142 | 1.9453 | 17.2001 |
| 2018 | 3.2037 | 0.0000 | 3.2037 | 6.7690 | 4.9023 | 1.7818 | 16.6568 |
| 2019 | 3.1350 | 0.0000 | 3.1350 | 6.5720 | 4.8980 | 1.6920 | 16.2970 |
| 2020 | 3.0681 | 0.0000 | 3.0681 | 7.1640 | 4.8580 | 1.6873 | 16.7774 |
| 2021 | 2.9962 | 0.0000 | 2.9962 | 7.0100 | 4.8124 | 1.6753 | 16.4939 |
| 2022 | 2.8966 | 0.0000 | 2.8966 | 6.8750 | 4.8149 | 1.6386 | 16.2251 |
| 2023 | 2.6932 | 0.0000 | 2.6932 | 6.5190 | 4.7439 | 1.5390 | 15.4951 |
| 2024 | 2.6110 | 0.0000 | 2.6110 | 6.4570 | 4.5188 | 1.4258 | 15.0126 |

Tax rate limits - Ten mills per Florida Statute 200.81 (one mill equals $1 per $1,000 of assessed valuation).

Scope of tax rate limit - No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.

Taxes assessed - January 1

Taxes due - March 31

Taxes delinquent - April 1

Discount allowed - 4% November; 3% December, 2% January; 1% February

Penalties for delinquent - 2.5% after April 1, increase .5% each ten days; maximum 5%

Tax collector - Palm Beach County

Tax collector's commission - None

## Town of Palm Beach, Florida

*Principal Property Tax Payers*

*September 30, 2024 and Nine Years Ago*

| | 2024 | | | | 2015 | | | |
|---|---|---|---|---|---|---|---|---|
| | Taxable Assessed Value | Taxes Paid | Rank | Percentage of Town Taxable Assessed Value | Taxable Assessed Value | Taxes Paid | Rank | Percentage of Town Taxable Assessed Value |
| The Breaker's | $ 427,662,535 | $ 1,116,627 | 1 | 1.45% | $ 283,297,644 | $ 964,855 | 1 | 2.06% |
| Blossom Way Holdings LLC | 247,082,881 | 645,133 | 2 | 0.84% | | | | |
| Providencia Partners LLC | 196,811,517 | 513,875 | 3 | 0.67% | | | | |
| Alice Sanders | 153,199,741 | 400,005 | 4 | 0.52% | | | | |
| Nelson Peltz | 147,802,654 | 385,913 | 5 | 0.50% | 106,766,826 | 363,626 | 2 | 0.78% |
| Brooke Schonfeld | 119,602,757 | 312,283 | 6 | 0.41% | | | | |
| John Paulson | 113,636,494 | 296,705 | 7 | 0.39% | | | | |
| WEMIO LLC | 113,492,871 | 296,330 | 8 | 0.39% | | | | |
| Wilson 150 Worth LLC | 108,109,071 | 282,273 | 9 | 0.37% | 73,919,484 | 251,755 | 5 | 0.54% |
| JV Associates PB LLC | 108,109,071 | 282,273 | 10 | 0.37% | 63,355,098 | 215,775 | 6 | 0.46% |
| County Road Property LLC | | | | | 81,782,172 | 278,534 | 3 | 0.60% |
| PBH LLC | | | | | 72,958,850 | 248,483 | 4 | 0.53% |
| Sydell Miller | | | | | 65,119,853 | 221,785 | 7 | 0.47% |
| 700 North Lake LLC | | | | | 63,188,190 | 215,206 | 8 | 0.46% |
| White Sea Holdings LLC | | | | | 59,635,058 | 203,105 | 9 | 0.43% |
| Dwight Schar | | | | | 54,631,851 | 186,065 | 10 | 0.40% |
| Totals | $ 1,735,509,592 | $ 4,531,417 | | 5.90% | $ 924,655,026 | $ 3,149,189 | | 6.74% |

Source: Palm Beach County Property Appraiser

## Town of Palm Beach, Florida

*Property Tax Levies and Collections*
*Last Ten Fiscal Years*

| Fiscal Year | Net Tax Levy* | Current Tax Collections | Percent of Levy Collected | Delinquent Tax Collections | Total Property Tax Collections | Collections as a Percent of Current Levy |
|---|---|---|---|---|---|---|
| 2015 | $ 45,709,498 | $ 43,979,362 | 96.21% | $ 9,128 | $ 43,988,490 | 96.23% |
| 2016 | 49,611,524 | 47,733,340 | 96.21% | 193,117 | 47,926,457 | 96.60% |
| 2017 | 52,099,146 | 50,080,658 | 96.13% | 115,323 | 50,195,981 | 96.35% |
| 2018 | 54,179,433 | 52,135,566 | 96.23% | 146,687 | 52,282,253 | 96.50% |
| 2019 | 57,064,172 | 54,847,083 | 96.11% | 36,664 | 54,883,747 | 96.18% |
| 2020 | 58,925,725 | 56,740,735 | 96.29% | 76,962 | 56,817,697 | 96.42% |
| 2021 | 60,141,114 | 57,966,306 | 96.38% | 49,914 | 58,016,220 | 96.47% |
| 2022 | 62,803,828 | 60,529,492 | 96.38% | 1,327 | 60,530,819 | 96.38% |
| 2023 | 68,721,316 | 66,085,830 | 96.16% | 245,431 | 66,331,261 | 96.52% |
| 2024 | 75,926,845 | 72,845,265 | 95.94% | 33,296 | 72,878,561 | 95.99% |

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

* Tax levy, net of allowance for discounts.

## Town of Palm Beach, Florida

*Ratios of Outstanding Debt by Type*

*Last Ten Fiscal Years*

| | Governmental Activities | | | | | | Business-type Activities | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year | General Obligation Bonds | Revenue Refunding Bonds | Revenue Bonds/Notes | Lease (Right-of-use asset) | Subscription arrangements | Capital Leases | Revenue Bonds/Notes | Lease (Right-of-use asset) | Subscription arrangements | Total Primary Government | Percentage of Personal Income | Per Capita |
| **2015** | $ -- | $ -- | $ 123,042,406 | $ -- | $ -- | $ -- | $ -- | $ -- | $ -- | $ 123,042,406 | 12.19% | $ 15,302 |
| **2016** | -- | -- | 125,798,878 | -- | -- | -- | -- | -- | -- | 125,798,878 | 14.83% | 15,647 |
| **2017** | -- | -- | 122,721,163 | -- | -- | -- | -- | -- | -- | 122,721,163 | 14.55% | 14,802 |
| **2018** | -- | -- | 119,397,705 | -- | -- | 184,492 | -- | -- | -- | 119,582,197 | 12.99% | 14,416 |
| **2019** | 59,620,815 | -- | 115,958,418 | -- | -- | 139,939 | -- | -- | -- | 175,719,172 | 19.03% | 21,118 |
| **2020** | 58,372,706 | -- | 116,574,304 | -- | -- | 105,915 | 31,000,000 | -- | -- | 206,052,925 | 17.34% | 24,504 |
| **2021** | 66,265,622 | -- | 112,517,667 | -- | -- | 47,718 | 31,000,000 | -- | -- | 209,831,007 | 16.06% | 22,697 |
| **2022** | 64,662,339 | -- | 108,377,680 | 31,468 | -- | -- | 29,690,000 | 856,239 | -- | 203,617,726 | 13.09% | 22,089 |
| **2023** | 63,005,782 | - | 104,121,216 | 7,557 | 223,874 | -- | 28,350,000 | 763,406 | 51,388 | 196,523,223 | 9.92% | 21,345 |
| **2024** | 61,296,264 | - | 99,740,200 | 88,723 | 104,727 | -- | 26,980,000 | 681,172 | -- | 188,891,086 | 9.68% | 20,505 |

**Note:** Details about the Town's outstanding debt can be found in the notes to the financial statements.

## Town of Palm Beach, Florida

*Ratios of General Bonded Debt Outstanding*

*Last Ten Fiscal Years*

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Total | Percentage of Assessed Value of Taxable Property | Per Capita |
|---|---|---|---|---|---|
| **2015** | $ -- | $ -- | $ -- | N/A | $ -- |
| **2016** | -- | -- | -- | N/A | -- |
| **2017** | -- | -- | -- | N/A | -- |
| **2018** | -- | -- | -- | N/A | -- |
| **2019** | 59,620,815 | -- | 59,620,815 | 0.33% | 7,165 |
| **2020** | 58,372,706 | -- | 58,372,706 | 0.30% | 6,942 |
| **2021** | 66,265,622 | -- | 66,265,622 | 0.32% | 7,168 |
| **2022** | 64,662,339 | -- | 64,662,339 | 0.29% | 7,015 |
| **2023** | 63,005,782 | -- | 63,005,782 | 0.29% | 6,843 |
| **2024** | 61,296,264 | -- | 61,296,264 | 0.21% | 6,654 |

**Note:** For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

## Town of Palm Beach, Florida

*Direct and Overlapping Governmental Activities Debt*
*September 30, 2024*

| | | Total Outstanding | Percentage Applicable to Town of Palm Beach[1] | | Amount Applicable to Town of Palm Beach |
|---|---|---|---|---|---|
| Direct: | | | | | |
| Town of Palm Beach | $ | 161,911,086 | 100.00% | $ | 161,911,086 |
| Overlapping: | | | | | |
| Palm Beach County | $ | 898,781,237 | 10.66% | $ | 95,802,164 |
| Palm Beach County School District | | 1,554,067 | 10.66% | | 165,650 |
| Total overlapping debt | | 900,335,304 | | | 95,967,814 |
| **Total direct and overlapping debt payable from ad valorem taxes** | **$** | **1,062,246,390** | | **$** | **257,878,900** |
| Estimated population | | | | | 9,212 |
| Total direct and overlapping debt per capita | | | | $ | 27,994 |

[1] Based on 2024 ratio of assessed taxable values.

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

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Town's taxable assessed value that is within the County's boundaries and multiplying it by the County and School Board General Obligation Debt outstanding.

## Town of Palm Beach, Florida

*Legal Debt Margin Information*
*Last Ten Fiscal Years*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt limit | $ 686,404,578 | $ 749,360,526 | $ 812,659,570 | $ 864,575,039 | $ 928,131,833 | $ 978,384,226 | $ 1,022,130,925 | $ 1,103,886,390 | $ 1,298,519,829 | $ 1,471,675,352 |
| Total net debt applicable to limit | -- | -- | -- | -- | 59,620,815 | 58,372,706 | 66,265,622 | 64,662,339 | 63,005,782 | 61,296,264 |
| Legal debt margin | $ 686,404,578 | $ 749,360,526 | $ 812,659,570 | $ 864,575,039 | $ 868,511,018 | $ 920,011,520 | $ 955,865,303 | $ 1,039,224,051 | $ 1,235,514,047 | $ 1,410,379,088 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 6.42% | 5.97% | 6.48% | 5.86% | 4.85% | 4.17% |

The Town of Palm Beach has a 5% general obligation debt limit as a percent of taxable value per Section 7.02 of the Town Charter.

# Town of Palm Beach, Florida

*Pledged Revenue Coverage*

*Last Ten Fiscal Years*

| Fiscal Year | Non-Ad Valorem Revenue Available for Debt Coverage | Current Debt Service | | | Current Coverage |
|---|---|---|---|---|---|
| | | Principal | Interest | Total | |
| **2015** | $ 25,308,328 | $ 2,260,000 | $ 5,722,457 | $ 7,982,457 | 3.17 |
| **2016** | 25,027,390 | 2,340,000 | 5,636,404 | 7,976,404 | 3.14 |
| **2017** | 22,090,455 | 2,445,000 | 4,664,860 | 7,109,860 | 3.11 |
| **2018** | 25,101,164 | 2,550,000 | 5,074,845 | 7,624,845 | 3.29 |
| **2019** | 28,577,961 | 2,670,000 | 4,962,945 | 7,632,945 | 3.74 |
| **2020** | 29,853,773 | 2,785,000 | 4,382,997 | 7,167,997 | 4.16 |
| **2021** | 31,253,474 | 3,380,000 | 4,602,797 | 7,982,797 | 3.92 |
| **2022** | 45,377,437 | 4,810,000 | 4,439,153 | 9,249,153 | 4.91 |
| **2023** | 61,837,648 | 6,365,000 | 6,732,444 | 13,097,444 | 4.72 |
| **2024** | 69,474,716 | 6,895,000 | 6,210,313 | 13,105,313 | 5.30 |

The Town's revenue bonds and note are special obligations of the Town payable solely from and secured solely by non-ad valorem revenue and any unused debt proceeds and related investment income. Note 7 describes the Town's current bond status.

## Town of Palm Beach, Florida

*Demographic and Economic Statistics*

*Last Ten Fiscal Years*

| Fiscal Year | Population[1] | Estimated Total Personal Income | Per Capita Personal Income[2] | Median Age[2] | Education Level in Years of Schooling | School Enrollment[3] | Unemployment Rate[4] |
|---|---|---|---|---|---|---|---|
| **2015** | 8,409 | $ 1,055,640,633 | $ 125,537 | 68.7 | N/A | 406 | 5.0% |
| **2016** | 8,040 | 848,437,080 | 105,527 | 67.6 | N/A | 406 | 5.1% |
| **2017** | 8,291 | 843,609,250 | 101,750 | 67.9 | N/A | 399 | 4.1% |
| **2018** | 8,295 | 920,421,495 | 110,961 | 68.5 | N/A | 365 | 3.1% |
| **2019** | 8,321 | 923,306,481 | 110,961 | 68.5 | N/A | 383 | 3.2% |
| **2020** | 8,409 | 1,188,595,332 | 141,348 | 70.6 | N/A | 362 | 7.0% |
| **2021** | 9,245 | 1,306,762,260 | 141,348 | 70.6 | N/A | 420 | 4.1% |
| **2022** | 9,218 | 1,555,878,566 | 168,787 | 70.6 | N/A | 388 | 2.7% |
| **2023** | 9,207 | 1,980,803,187 | 215,141 | 70.7 | N/A | 373 | 3.0% |
| **2024** | 9,212 | 1,951,212,144 | 211,812 | 69.4 | N/A | 361 | 3.3% |

**Data Sources:**

(1) The population for 2020 was obtained from the U.S. Census Bureau. All remaining populations were obtained from the University of Florida, Bureau of Economic Business Administration.
(2) U.S. Census Bureau
(3) Palm Beach County School District
(4) Business Development Board of Palm Beach County. Data is for the West Palm Beach to Boca Raton metropolitan area.

## Town of Palm Beach, Florida

*Principal Employers*

*September 30, 2024 and Nine Years Ago*

| | 2024 | | | 2015 | | |
|---|---|---|---|---|---|---|
| **Employer** | **Employees[(1)]** | **Rank** | **Percentage of Total Town Employment** | **Employees[(1)]** | **Rank** | **Percentage of Total Town Employment** |
| Breakers Palm Beach Inc | 2,204 | 1 | 18.78% | 4,681 | 1 | 32.91% |
| Four Seasons | 397 | 2 | 3.38% | 440 | 2 | 3.09% |
| Town of Palm Beach | 371 | 3 | 3.16% | 360 | 3 | 2.53% |
| Everglades Club | 321 | 4 | 2.74% | 360 | 4 | 2.53% |
| John Hopkins University | 266 | 5 | 2.27% | | | |
| Colony Palm Beach | 262 | 6 | 2.23% | 120 | 8 | 0.84% |
| Mar-a-Lago Club | 235 | 7 | 2.00% | | | |
| Bath and Tennis | 149 | 8 | 1.27% | 150 | 7 | 1.05% |
| Palm Beach Country Club | 140 | 9 | 1.19% | | | |
| Faber Coe & Gregg | 137 | 10 | 1.17% | | | |
| Testa's | | | | 221 | 5 | 1.55% |
| Bradley Van Hoek | | | | 200 | 6 | 1.41% |
| Saks Fifth Avenue | | | | 120 | 9 | 0.84% |
| NRT Corcoran | | | | 120 | 10 | 0.84% |
| Totals | 4,482 | | 38.19% | 6,772 | | 47.61% |

Source: (1) Florida Department of Economic Opportunity (DEO), Bureau of Labor Market Statistics

## Town of Palm Beach, Florida

*Full-time Equivalent Town Government Employees by Function / Program*

*Last Ten Fiscal Years*

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government | 78.87 | 82.23 | 82.33 | 83.46 | 76.18 | 73.86 | 74.55 | 75.74 | 78.06 | 82.57 |
| Public Safety | | | | | | | | | | |
| Building Official | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Land Development | 10.85 | 13.15 | 13.15 | 13.15 | 13.75 | 13.25 | 14.25 | 15.88 | 17.88 | 17.88 |
| Police Officers | 70.00 | 70.00 | 69.00 | 69.00 | 67.00 | 67.00 | 67.00 | 67.00 | 71.00 | 73.00 |
| Firefighters | 66.00 | 64.00 | 64.00 | 70.00 | 67.00 | 70.00 | 70.00 | 70.00 | 70.00 | 70.00 |
| Civilian Police/Fire | 45.25 | 45.25 | 46.25 | 45.75 | 45.75 | 46.60 | 42.60 | 41.25 | 43.25 | 44.25 |
| Physical Environment | | | | | | | | | | |
| Sanitation | 38.23 | 38.23 | 38.22 | 38.18 | 37.01 | 37.00 | 36.02 | 35.80 | 35.80 | 35.80 |
| Storm Sewer Maintenance | 17.77 | 17.76 | 17.86 | 17.96 | 17.93 | 18.03 | 15.64 | 14.50 | 15.00 | 15.00 |
| Transportation | | | | | | | | | | |
| Roads and Streets | 5.67 | 5.92 | 5.76 | 6.14 | 5.03 | 3.46 | 4.17 | 6.33 | 6.00 | 6.00 |
| Culture and Recreation | | | | | | | | | | |
| Recreation | 26.04 | 27.55 | 25.30 | 25.23 | 25.59 | 32.03 | 20.34 | 22.93 | 24.59 | 25.42 |
| **Total** | **359.68** | **365.09** | **362.87** | **369.87** | **356.23** | **362.23** | **345.57** | **350.43** | **362.58** | **370.92** |

# Town of Palm Beach, Florida

*Operating Indicators by Function / Program*
*Last Ten Fiscal Years*

| Function | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Public Safety** | | | | | | | | | | |
| **Police** | | | | | | | | | | |
| Physical arrests | 1,828 | 1,919 | 1,784 | 2,114 | 1,940 | 1,106 | 861 | 1,005 | 915 | 1,110 |
| Parking violations | 16,258 | 17,221 | 10,901 | 12,158 | 10,832 | 11,736 | 11,976 | 14,777 | 16,740 | 21,406 |
| Traffic violations | 2,874 | 3,028 | 2,671 | 2,636 | 2,590 | 1,952 | 1,246 | 1,647 | 1,808 | 1,630 |
| **Fire** | | | | | | | | | | |
| Number of fire calls | 900 | 867 | 1,157 | 957 | 990 | 1,014 | 1,202 | 1,249 | 1,160 | 1,199 |
| Number of EMS Calls | 1,717 | 1,577 | 1,593 | 1,675 | 1,633 | 1,619 | 1,524 | 1,645 | 1,776 | 1,678 |
| **Physical Environment** | | | | | | | | | | |
| **Sanitation** | | | | | | | | | | |
| Refuse collected (tons) | 8,904 | 8,869 | 8,857 | 9,126 | 8,570 | 9,008 | 9,857 | 10,000 | 9,856 | 9,957 |
| Recyclables collected (tons) | 1,655 | 1,623 | 1,471 | 1,502 | 1,334 | 1,435 | 1,503 | 1,600 | 1,417 | 1,351 |
| **Transportation** | | | | | | | | | | |
| **Roads and Streets** | | | | | | | | | | |
| Street resurfacing (miles) | 0 | 3 | 0 | 0 | 2 | 2 | 2 | 5 | 2 | 6.7 |
| Pot holes repaired | 30 | 31 | 40 | 29 | 28 | 99 | 45 | 42 | 52 | 68 |
| **Culture and Recreation** | | | | | | | | | | |
| **Recreation Department** | | | | | | | | | | |
| Youth athletic participants | 2,365 | 1,967 | 2,133 | 1,516 | 838 | 178 | 4,446 | 4,666 | 5,116 | 5,941 |
| Camp program participants | 10,192 | 10,064 | 10,405 | 9,628 | 3,680 | 213 | 5,670 | 4,884 | 4,176 | 4,185 |
| Youth enrichment participants | 1,144 | 1,331 | 2,075 | 1,411 | 16 | 354 | 296 | 504 | 631 | 974 |
| Adult Enrichment/Fitness participants | 1,599 | 1,575 | 1,760 | 1,599 | 993 | 354 | 7,856 | 8,064 | 11,844 | 14,577 |
| Special Events Offered | 3 | 3 | 2 | 2 | 1 | - | 2 | 5 | 4 | 8 |
| Special Events participants | 1,190 | 1,200 | 1,240 | 1,300 | 250 | 631 | 529 | 860 | 943 | 1,406 |
| Tennis Participants | 26,712 | 26,618 | 26,525 | 26,824 | 20,752 | 18,624 | 21,397 | 21,920 | 22,436 | 20,593 |
| Rounds of Golf | 35,379 | 36,861 | 36,757 | 38,089 | 39,114 | 38,160 | 52,459 | 54,896 | 55,483 | 52,654 |
| Range buckets sold | 17,139 | 15,450 | 11,678 | 18,552 | 18,950 | 17,150 | NA | 17,899 | N/A | N/A |
| Annual Marina Leases | 72 | 75 | 77 | 78 | 73 | - | - | 66 | 76 | 66 |
| Seasonal Marina Leases | 11 | 8 | 5 | - | - | 65 | - | 21 | - | - |
| Total transient vessels | 356 | 367 | 288 | 285 | 347 | 219 | - | 639 | 572 | 595 |

Sources: Town departments

# Town of Palm Beach, Florida

*Capital Asset Statistics by Function / Program*

*Last Ten Fiscal Years*

| Function | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Public Safety** | | | | | | | | | | |
| **Police** | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 21 | 21 | 21 | 21 | 21 | 19 | 19 | 19 | 19 | 19 |
| **Fire** | | | | | | | | | | |
| Fire Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fire Trucks | 6 | 6 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 5 |
| ALS Rescue Vehicles | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| **Physical Environment** | | | | | | | | | | |
| **Sanitation** | | | | | | | | | | |
| Garbage Trucks | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Trash Trucks | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| **Transportation** | | | | | | | | | | |
| **Roads and Streets** | | | | | | | | | | |
| Street lights | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 |
| Lane miles | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 | 103 |
| **Culture and Recreation** | | | | | | | | | | |
| **Recreation Department** | | | | | | | | | | |
| Basketball courts | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Multi-purpose fields | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Tennis courts | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Dock slips | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 85 | 85 |
| Golf courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Playgrounds | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation centers | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 |
| Tennis pro-shops | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Parks | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |

Sources: Town departments

Note: Data is not available for general government.

# REPORTING SECTION

CBIZ CPAs P.C.

525 Okeechobee Boulevard
Suite 750
West Palm Beach, FL 33401

P: 561.653.7300

# Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor, Members of the Town Council, and Town Manager
**Town of Palm Beach, Florida**

We have audited, in accordance with the 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*"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Palm Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 29, 2025.

## Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 the 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 Town'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 Town's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

West Palm Beach, FL
April 29, 2025

CBIZ CPAs P.C.

525 Okeechobee Boulevard
Suite 750
West Palm Beach, FL 33401

P: 561.653.7300

# Independent Auditors' Report on Compliance for the Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

To the Honorable Mayor, Members of the Town Council, and Town Manager
**Town of Palm Beach, Florida**

## Report on Compliance for the Major Federal Program and State Project

### *Opinion on the Major Federal Program and State Project*

We have audited the Town of Palm Beach, Florida's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services'* State Projects Compliance Supplement, that could have a direct and material effect on the Town's major federal program and state project for the fiscal year ended September 30, 2024. The Town's major federal program and state project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program and state project for the fiscal year ended September 30, 2024.

### *Basis for Opinion on the Major Federal Program and State Project*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 , *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General (Chapter 10.550). Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

CBIZ CPAs P.C.

West Palm Beach, FL
April 29, 2025

# TOWN OF PALM BEACH, FLORIDA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| Federal/State Agency, Pass-through Entity, Federal Program/State Project | ALN/CSFA No. | Contract/ Grant No. | Total Expenditures |
|---|---|---|---|
| **United States Department of Homeland Security** | | | |
| Direct Programs: | | | |
| Disaster Grants - Public Assistance (Presenditally Declared Disasters) | 97.036 | 4680-71 | $ 7,325 |
| Disaster Grants - Public Assistance (Presenditally Declared Disasters) | 97.036 | 4680-73 | 1,250 |
| Disaster Grants - Public Assistance (Presenditally Declared Disasters) | 97.036 | 4680-108 | 5,830 |
| **Total Disaster Grants - Public Assistance (Presenditally Declared Disasters)** | | | 14,405 |
| Indirect Programs: | | | |
| (Passed through Florida Division of Emergency Management) | | | |
| Homeland Security Grant Program | 97.067 | #R0563 | 7,854 |
| Homeland Security Grant Program | 97.067 | #R0926 | 2,666 |
| **Total Homeland Security Grant Program** | | | 10,520 |
| (Passed through Florida, Division of Emergency Management) | | | |
| Hazard Mitigation Grant | 97.039 | H0374 | 1,062,927 |
| **Total Hazard Mitigation Grant** | | | 1,062,927 |
| **Total United States Department of Homeland Security** | | | **1,087,852** |
| **United States Department of Justice** | | | |
| Direct Programs: | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 574 |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 11,926 |
| **Total Bulletproof Vest Partnership Program** | | | 12,500 |
| **Total United States Department of Justice** | | | **12,500** |
| **United States Department of the Treasury** | | | |
| Indirect Programs: | | | |
| (Passed through Florida Division of Emergency Management) | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | Y5252 | 2,042,496 |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | 23FRP43 | 54,467 |
| **Total Coronavirus State and Local Fiscal Recovery Funds** | | | 2,096,963 |
| **Total United States Department of the Treasury** | | | **2,096,963** |
| **Total Expenditures of Federal Awards** | | | **$ 3,197,315** |

Note: No amounts were provided to subrecipients

***See notes to schedule of expenditures of federal awards and state financial assistance.***

# TOWN OF PALM BEACH, FLORIDA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

| Federal/State Agency, Pass-through Entity, Federal Program/State Project | ALN/CSFA No. | State Grant Number | Total Expenditures |
|---|---|---|---|
| **State of Florida Department of Environmental Protection** | | | |
| Direct Project: | | | |
| Beach Management Funding Assistance Program | 37.003 | 20PB3 | $ 61,429 |
| Beach Management Funding Assistance Program | 37.003 | 20PB8 | 4,013 |
| Beach Management Funding Assistance Program | 37.003 | 22PB12 | 521,015 |
| Beach Management Funding Assistance Program | 37.003 | 23PB3 | 29,540 |
| Beach Management Funding Assistance Program | 37.003 | 23PB4 | 23,775 |
| Beach Management Funding Assistance Program | 37.003 | 24PB5 | 110,785 |
| **Total Beach Management Funding Assistance Program** | | | 750,557 |
| Direct Project: | | | |
| Resilient Florida Program | 37.098 | 22SRP66 | 90,000 |
| Resilient Florida Program | 37.098 | 22SRP68 | 80,000 |
| Resilient Florida Program | 37.098 | 22SRP67 | 7,000 |
| Resilient Florida Program | 37.098 | 22PLN70 | 100,101 |
| **Total Resilient Florida Program** | | | 277,101 |
| **Total State of Florida Department of Environmental Protection** | | | **1,027,658** |
| **State of Florida Department of Law Enforcement** | | | |
| Direct Project: | | | |
| Identity Theft and Fraud Grant Program | 71.042 | L6012 | 7,500 |
| Identity Theft and Fraud Grant Program | 71.042 | ZF008 | 935 |
| **Total Identity Theft and Fraud Grant Program** | | | 8,435 |
| **Total State of Florida Department of Law Enforcement** | | | **8,435** |
| **State of Florida Department of Health** | | | |
| Indirect Project: | | | |
| (Passed through Palm Beach County) | | | |
| Emergency Medical Services (EMS) Matching Awards | 64.003 | N/A | 11,548 |
| **Total Emergency Medical Services (EMS) Matching Awards** | | | 11,548 |
| **Total State of Florida Department of Health** | | | **11,548** |
| **Total Expenditures of State Financial Assistance** | | | **$ 1,047,641** |
| **Total Expenditures of Federal Awards and State Financial Assistance** | | | **$ 4,244,956** |

Note: No amounts were provided to subrecipients

***See notes to schedule of expenditures of federal awards and state financial assistance.***

# TOWN OF PALM BEACH, FLORIDA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") presents the expenditure activity of all federal awards and state awards of the Town of Palm Beach, Florida (the "Town") for the fiscal year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Chapter 10.550, Rules of the Auditor General. Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Town.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### NOTE 3 – INDIRECT COST RATE

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

# TOWN OF PALM BEACH, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### SECTION I – SUMMARY OF AUDITORS' RESULTS

***Financial Statements***

| | | |
|---|---|---|
| Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: | *Unmodified Opinion* | |
| Internal control over financial reporting: | | |
| Material weakness(es) identified? | ____ Yes | X No |
| Significant deficiency(ies) identified? | ____ Yes | X None reported |
| Non-compliance material to financial statements noted? | ____ Yes | X No |

***Federal Awards and State Financial Assistance***

| | | |
|---|---|---|
| Internal control over major program and state project: | | |
| Material weakness(es) identified? | ____ Yes | X No |
| Significant deficiency(ies) identified? | ____ Yes | X None reported |
| Type of auditors' report issued on compliance for the major program and state project: | *Unmodified Opinion* | |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General? | ____ Yes | X No |

**Identification of the Major Federal Program and State Project:**

| ALN | Federal Program |
|---|---|
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |

| CFSA No. | State Project |
|---|---|
| 37.003 | Beach Management Funding Assistance Program |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B federal programs: | $750,000 |
| Dollar threshold used to distinguish between Type A and Type B state projects: | $314,292 |
| Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? | X Yes ____ No |

# TOWN OF PALM BEACH, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### SECTION II – FINANCIAL STATEMENT FINDINGS

None.

### SECTION III – FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

# TOWN OF PALM BEACH, FLORIDA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

### II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CBIZ CPAs P.C.

525 Okeechobee Boulevard
Suite 750
West Palm Beach, FL 33401

P: 561.653.7300

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

To the Honorable Mayor, Members of the Town Council, and Town Manager
**Town of Palm Beach, Florida**

***Report on the Financial Statements***

We have audited the financial statements of the Town of Palm Beach, Florida (the "Town"), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated April 29, 2025.

***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for the Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated April 29, 2025, should be considered in conjunction with this management letter.

***Prior Audit Findings***

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

***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements. The Town included the following blended component units: Town of Palm Beach Retirement System and Other Postemployment Benefit Plan.

***Financial Condition and Management***

Section 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 Town 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 Town 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 Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

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

***Property Assessed Clean Energy (PACE) Program***

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Town's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2024, the PACE Program did not operate with the Town's geographical boundaries.

***Special District Component Units***

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

***Additional Matters***

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

***Purpose of this Letter***

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

CBIZ CPAs P.C.

West Palm Beach, FL
April 29, 2025

CBIZ CPAs P.C.

525 Okeechobee Boulevard
Suite 750
West Palm Beach, FL 33401

P: 561.653.7300

## Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes

To the Honorable Mayor, Members of the Town Council, and Town Manager
**Town of Palm Beach, Florida**

We have examined the Town of Palm Beach, Florida (the "Town") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2024. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town 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 Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with Section 218.415, Florida Statutes for the fiscal year ended September 30, 2024.

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

CBIZ CPAs P.C.

West Palm Beach, FL
April 29, 2025