Town of Palm Beach,
Florida

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

TOWN OF PALM BEACH, FLORIDA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by the Finance Department

Robert Miracle, CPA
Deputy Town Manager, Finance and Administration

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TOWN OF PALM BEACH, FLORIDA

CONTENTS

TOWN OF PALM BEACH, FLORIDA

CONTENTS

Financial Section (continued)

Required Supplementary Information (continued)

Supplementary Information

TOWN OF PALM BEACH, FLORIDA

CONTENTS

Financial Section (continued)

Supplementary Information (continued)

TOWN OF PALM BEACH, FLORIDA

CONTENTS

Statistical Section (Unaudited) (continued)

INTRODUCTORY SECTION

TOWN OF PALM BEACH

Finance Department

April 23, 2026

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, 2025, 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, 2025. 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, 2025. 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 9,191 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 384 employees, including 76 sworn police officers and 74 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 fiscal year 2013 when the Town's taxable values began to increase and continued to increase through fiscal year 2025 with a single year increase of 11.3% for a total taxable value of $32,149,560,525. The Town kept the millage rate at 2.6110 resulting in an increase in tax revenue of $7,614,990. In fiscal year 2026, taxable value increased by 7.5% to $34,571,954,529.

Per capita personal income for the Town of Palm Beach is $211,607, 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 2025 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 fifth straight year for this supplemental contribution.
- During the year of operations of the Marina, actual revenues were about $15 million, exceeding budget estimates.
- The Townwide Underground Utility Program is well underway. Phases 1 through 3 are complete, while Phases 4 and 5 are close to completion. Phase 6 construction is 86% complete. Phase 7 North is 74% complete and Phase 7 South is 35% complete. Phase 8 is 15% complete and the full project is scheduled to be completed in 2027.
- The Par 3 Golf course had another record year and exceeded budget estimates, adding $1.6 million to net position.
- The Comprehensive Plan was approved on February 12, 2025.
- The Town won the coveted Top Workplaces of South Florida award for the second year in a row. This year, the Town was the only municipality to earn this prestigious award.
- Staff is working on the process of streamlining the Town's building code.
- The historic North Fire Station had its rededication in Spring 2025.
- A partnership between the Preservation Foundation of Palm Beach and the Town began to enhance Phipps Ocean Park. The Foundation is contributing over $30 million from private donors for this project. The improvements are scheduled to be completed in Fall 2026.

For the Future

The Palm Beach County economy continued to improve and property values in Palm Beach increased by 7.5% for fiscal year 2026. The Town increased property tax revenue by $7,614,990 and kept the millage rate at 2.6110.

The fiscal year 2026 budget reflected an increase of 6.84% from the fiscal year 2025 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 $39,710,429 as of September 30, 2025, represents 32.6% of fiscal year 2026 budgeted general fund operating expenditures including transfers.

Long Term Financial Planning

Since fiscal year 2004, 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 2025. 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, 2024. This was the 38th 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, 2025, and the Popular Annual Financial Reporting Award for the fiscal year ending September 30, 2024. By the Town earning all three awards, the Town is one of only 47 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, 2024

Christopher P. Morrill

Executive Director/CEO

TOWN OF PALM BEACH
ORGANIZATIONAL STRUCTURE

CITIZENS OF PALM BEACH

ELECT

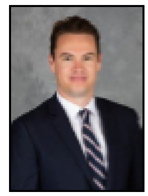
MAYOR
Danielle H. Moore

TOWN COUNCIL

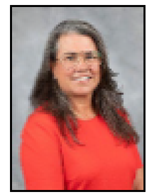
PRESIDENT
Bobbie Lindsay

PRESIDENT PRO-TEM
Lew Crampton

Julie Araskog



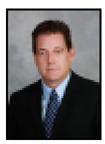
Ted Cooney



Bridget Moran

APPOINTS

TOWN ATTORNEY
Joanne O'Connor



TOWN MANAGER
Kirk Blouin

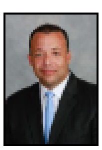
ADVISORY BOARD AND COMMISSIONS

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.

2255 Glades Road
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Boca Raton, FL 33431

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Independent Auditors' Report

To the Honorable Mayor, Members of 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, 2025, 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, 2025, 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, as listed in the table of contents, and the schedule of expenditures of state financial assistance, as required by 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 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 23, 2026 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.

Boca Raton, Florida
April 23, 2026

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, 2025. 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 $267 million (net position).
2. At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $121.6 million, a decrease of $11 million in comparison with the prior year. The decrease is due mainly to increase expenditures in the Town-wide Undergrounding Fund and Coastal Fund. Approximately 32.4% 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 $39,358,728.
4. The Town's total government-wide revenue was $181,250,579, while total expenses were $149,198,018.
5. Governmental Activities generated $165,356,248 in revenue (including transfers in) with $135,625,206 in expenses.
6. Business-type Activities generated $15,894,331 in revenues net of $18,606,089 in transfers out with $13,572,812 in expenses.
7. The Town's long-term debt decreased by $6,210,322 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 162-169 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 2025 Statement of Net Position found on page 16 and comparative information for fiscal year 2024.

Summary of Net Position
September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 266,577,696	$ 274,586,137	$ 52,665,093	$ 50,345,166	$ 319,242,789	$ 324,931,303
Capital assets, net	226,524,942	193,935,914	40,435,142	42,222,934	266,960,084	236,158,848
Total Assets	493,102,638	468,522,051	93,100,235	92,568,100	586,202,873	561,090,151
Deferred Outflows of Resources	22,847,372	23,959,746	1,104,854	1,619,817	23,952,226	25,579,563
Liabilities						
Current liabilities	27,503,159	23,117,261	3,378,896	2,835,410	30,882,055	25,952,671
Long-term liabilities	252,016,135	272,328,469	30,152,039	33,310,099	282,168,174	305,638,568
Total Liabilities	279,519,294	295,445,730	33,530,935	36,145,509	313,050,229	331,591,239
Deferred Inflows of Resources	28,502,394	18,838,787	2,035,899	1,725,672	30,538,293	20,564,459
Net Position						
Net investment in capital assets	69,336,775	31,828,183	13,983,778	14,411,651	83,320,553	46,239,834
Restricted	12,807,433	24,862,905	460,693	389,878	13,268,126	25,252,783
Unrestricted	125,784,114	121,506,192	44,193,784	41,515,207	169,977,898	163,021,399
Total Net Position	$ 207,928,322	$ 178,197,280	$ 58,638,255	$ 56,316,736	$ 266,566,577	$ 234,514,016

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, 2025, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $266.6 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 $83,320,553 and represents 31.3% 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, $13.3 million, or 5.0% 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 $170 million, or 63.8% 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, 2025, as compared to September 30, 2024.

Summary of Changes in Net Position
For the Fiscal Years Ended September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue						
Program revenue:						
Changes for services	$ 22,546,985	$ 23,122,198	$ 32,552,785	$ 32,680,252	$ 55,099,770	$ 55,802,450
Operating grants and contributions	10,922,407	9,632,028	--	--	10,922,407	9,632,028
Capital grants and contributions	8,080,976	786,086	--	1,390	8,080,976	787,476
General revenue:						
Property taxes	80,804,094	72,878,561	--	--	80,804,094	72,878,561
Local option gas tax	341,318	340,762	--	--	341,318	340,762
Franchise fees	2,769,640	2,719,997	--	--	2,769,640	2,719,997
Utility service taxes	7,288,184	7,129,442	--	--	7,288,184	7,129,442
Business tax receipts	922,008	940,767	--	--	922,008	940,767
Intergovernmental	2,322,157	2,296,140	--	--	2,322,157	2,296,140
Investment earnings	8,691,469	11,945,456	1,947,635	2,361,220	10,639,104	14,306,676
Miscellaneous	2,060,921	1,280,995	--	--	2,060,921	1,280,995
Total Revenue	146,750,159	133,072,432	34,500,420	35,042,862	181,250,579	168,115,294
Expenses						
General government	35,117,354	33,163,866	--	--	35,117,354	33,163,866
Public safety	40,930,969	41,878,920	--	--	40,930,969	41,878,920
Physical environment	45,893,539	51,993,667	--	--	45,893,539	51,993,667
Transportation	2,304,788	1,998,141	--	--	2,304,788	1,998,141
Economic environment	550,416	367,757	--	--	550,416	367,757
Culture and recreation	5,721,918	5,621,335	--	--	5,721,918	5,621,335
Interest on long-term debt	5,106,222	5,278,356	--	--	5,106,222	5,278,356
Town Docks, Golf Course, and Building Enterprise	--	--	13,572,812	14,323,485	13,572,812	14,323,485
Total Expenses	135,625,206	140,302,042	13,572,812	14,323,485	149,198,018	154,625,527
Change in Net Position Before Transfers	11,124,953	(7,229,610)	20,927,608	20,719,377	32,052,561	13,489,767
Transfers	18,606,089	12,037,204	(18,606,089)	(12,037,204)	--	--
Change in Net Position	29,731,042	4,807,594	2,321,519	8,682,173	32,052,561	13,489,767
Net Position - Beginning of Year	178,197,280	173,389,686	56,316,736	47,634,563	234,514,016	221,024,249
Net Position - End of Year	$ 207,928,322	$ 178,197,280	$ 58,638,255	$ 56,316,736	$ 266,566,577	$ 234,514,016

Net position for governmental activities increased in fiscal 2025 by $29.7 million, a considerable improvement from 2024, when net position increased by $4.8 million. Revenues from governmental activities increased by $13.7 million in 2025 while expenses decreased by $4.7 million. The primary increases in revenues were capital grants and contributions, $7.3 and property taxes, $7.9 million, due to an increase in taxable values.

The net position for business type activities increased by $2.3 million as revenues exceeded expenses by $20.9 million. The primary business type revenues are charges for services, which decreased slightly from the previous year. Expenses for business-type activities remained fairly consistent with a 5% decrease.

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 $121,569,000, which decreased by $11,226,542 from the fiscal year 2024. 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 along with work being done for Beach Restoration through the Coastal Fund.

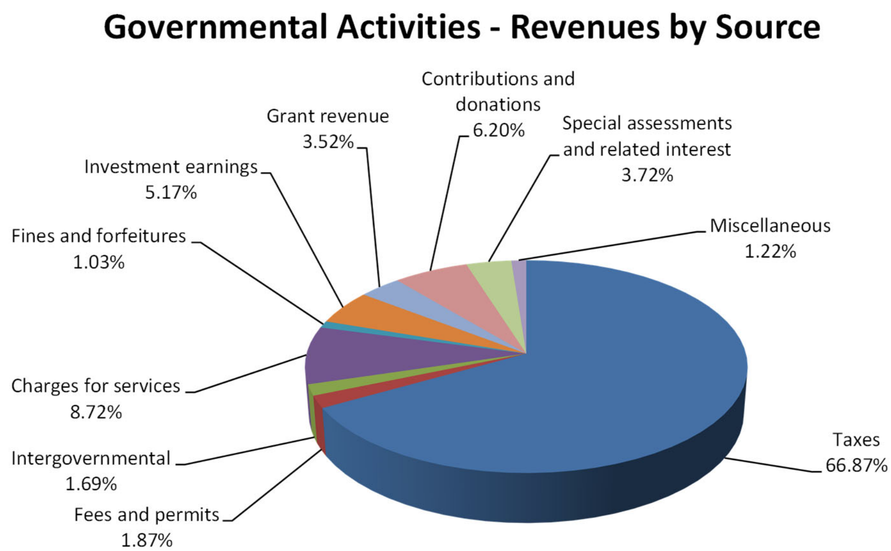
The following schedule presents a summary of all governmental fund revenues for the fiscal years 2025 and 2024, and the amount and percentage of increases and decreases in relation to prior year revenues:

Governmental Funds Revenues
For the Fiscal Years Ended September 30, 2025 and 2024

	2025	Percent of Total	2024	Percent of Total	Increase (Decrease)	Percent Increase (Decrease)
Revenue						
Taxes	$ 92,125,244	66.87 %	$ 84,009,529	69.57 %	$ 8,115,715	9.66 %
Fees and permits	2,573,735	1.87	2,672,602	2.21	(98,867)	(3.70)
Intergovernmental	2,322,157	1.69	2,296,140	1.90	26,017	1.13
Charges for services	12,013,811	8.72	9,553,305	7.91	2,460,506	25.76
Fines and forfeitures	1,415,973	1.03	1,338,269	1.11	77,704	5.81
Investment earnings	7,127,260	5.17	9,832,195	8.14	(2,704,935)	(27.51)
Grant revenue	4,847,986	3.52	3,450,372	2.86	1,397,614	40.51
Contributions and donations	8,539,466	6.20	1,855,758	1.54	6,683,708	360.16
Special assessments and related interest	5,120,962	3.72	4,902,600	4.06	218,362	4.45
Miscellaneous	1,683,255	1.21	836,018	0.69	847,237	101.34
Total Revenue	$ 137,769,849	100.00 %	$ 120,746,788	100.00 %	$ 17,023,061	14.10 %

The most significant changes in revenues are described below:

- Property tax revenue increased as a result of higher property values.
- Charges for services increased $2,460,506, mainly due to the expansion of paid parking.
- Investment income decreased by $2.7 million due to a lower interest rate environment.
- Grant revenues increased by $1.4 million primarily from a Beach Management Grant.
- Contributions and donations increased by $6,683,708 primarily from the donation from the Preservation Foundation of Palm Beach for the Phipps Ocean Park Improvements.
-



The following schedule presents a summary of all governmental fund expenditures for the fiscal years 2025 and 2024, and the percentage of increases and decreases in relation to prior year amounts:

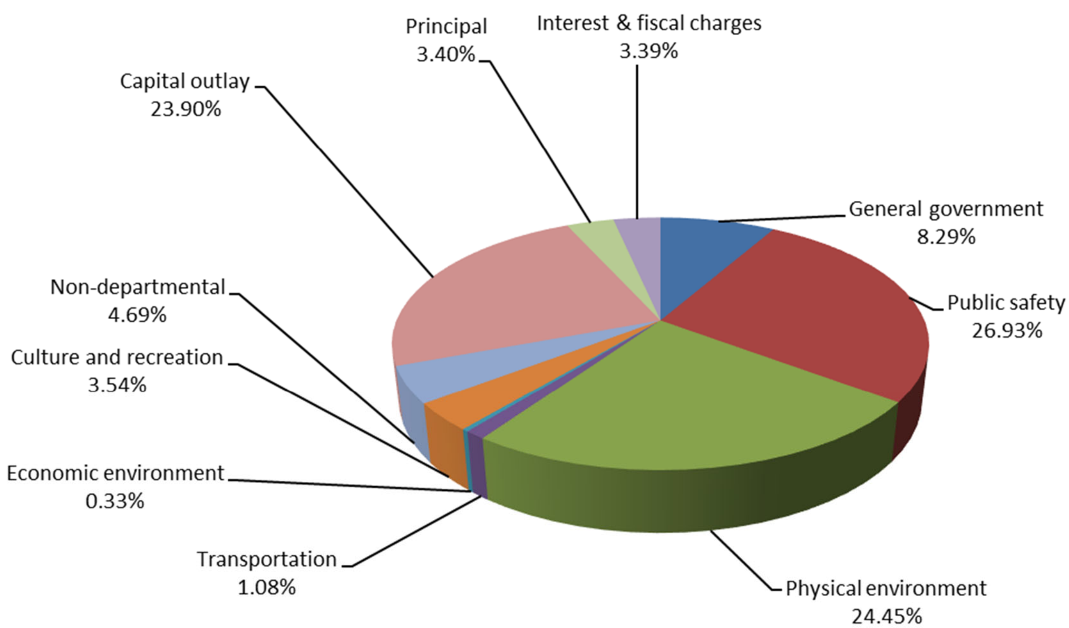
Governmental Funds Expenditures
For the Fiscal Years Ended September 30, 2025 and 2024

	2025	Percent of Total	2024	Percent of Total	Increase (Decrease)	Percent Increase (Decrease)
Expenditures						
Current						
General government	$ 13,725,480	8.29 %	$ 13,753,998	9.99 %	$ (28,518)	(0.21) %
Public safety	44,600,724	26.93	39,692,380	28.82	4,908,344	12.37
Physical environment	40,494,065	24.45	42,122,329	30.59	(1,628,264)	(3.87)
Transportation	1,789,380	1.08	1,485,719	1.08	303,661	20.44
Economic environment	550,416	0.33	367,757	0.27	182,659	49.67
Culture and recreation	5,859,094	3.54	5,584,128	4.06	274,966	4.92
Non-departmental	7,760,776	4.69	7,791,127	5.66	(30,351)	(0.39)
Capital Outlay	39,594,260	23.90	15,636,508	11.35	23,957,752	153.22
Debt Service						
Principal	5,633,840	3.40	5,405,043	3.92	228,797	4.23
Interest & fiscal charges	5,628,901	3.39	5,869,473	4.26	(240,572)	(4.10)
Total Expenditures	$ 165,636,936	100.00 %	$ 137,708,462	100.00 %	$ 27,928,474	20.28 %

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

- Public Safety costs increased primarily for wage and benefit increases due to staffing, merit and cost of living increases ($3.5 million), and another large increase was in expenses from donated funds for the Public Safety departments ($800,000).
- Transportation costs increased primarily due to increased sidewalk and curb repairs ($200,000).
- Economic environment expenses increased due to more projects being completed in the Worth Avenue Assessment area ($200,000).
- Capital outlay increased primarily due to the Phipps Beach renourishment project ($17.3 million), Midtown beach renourishment project ($3.1 million), Town-wide paving projects ($3.7 million) and Phipps Ocean Park improvements ($7.5 million) offset by decreases for capital projects that were completed in the previous fiscal year.

Governmental Activities - Expenditures by Function



General Fund. The General Fund is the chief operating fund of the Town. At the end of fiscal year 2025, unassigned fund balance of the General Fund was $39,710,429, an increase of $4 million from the prior year, while the total fund balance was $52,675,158. The total General Fund increased by $5,690,396 due mainly to larger than anticipated investment returns and new parking revenues, including Townwide residential parking permits and new paid parking areas. Expenditures were 95.8% of the budgeted expenditures for fiscal year 2025. The General Fund transferred more than $27 million to other funds for capital projects, health insurance and retiree benefits while transfers in from Enterprise Funds increased by $600,000 in 2025 to $8.3 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 33.9% of total General Fund expenditures including transfers out.

The Townwide Undergrounding Assessment Fund has restricted fund balances of $4.5 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 $2.0 million resulting from revenues whose use is restricted. The fund also has assigned fund balance in the amount of $27.1 million that has been accumulated for non-coastal capital projects. Fund balance increased in fiscal year 2025 due to the timing of large projects and the annual accumulation of funds to pay for upcoming projects. The fiscal year 2025 capital expenditures were primarily for the Phipps Ocean Park Improvements, paving following underground construction and the North Fire Station Renovation.

The Beach Restoration Fund Balance is $33,405,122, of which $33,389,342 is assigned for beach restoration. Fund balance decreased due to large renourishment projects being completed after years of accumulating funds.

Total fund balances in other non-major governmental funds, which include debt service, special revenue, and capital projects funds, decreased by $507,227. In total these funds have fund balances of $1.7 million restricted for debt service, capital projects and from other restricted revenue sources. The negative unassigned fund balance of $351,701 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, 2025, was $20,889,463 for the Town Docks Enterprise Fund, $7,024,539 for the Par 3 Golf Course Enterprise Fund, and $16,711,902 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 governmental activities internal service funds totaled $29,942,077. The Town Docks Fund had increased revenues in 2025, due to increases in annual and transient slip rentals. The Par 3 Golf Course Fund had a record number of rounds which led to the increase in revenue. The Building 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 fiscal year 2025 budget was increased by the amount of commitments (unpaid purchase orders) from the prior year.

Actual revenues, excluding transfers, were $6.6 million more than budgeted with the excess driven mostly by special assignment overtime fees ($1 million), interest income on investments ($1.3 million), and property taxes, including back taxes, utility taxes and franchise fees ($2.1 million), recreation fees ($300 thousand), offset by some revenues that did not meet expectations. Actual expenditures were $3.9 million less than budgeted primarily due to the sewage treatment and disposal cost being $800,000 less than budgeted, $2.3 million in expenditures encumbered in fiscal year 2025 that will be spent in fiscal year 2026 and personnel vacancies.

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, 2025, net capital assets of governmental activities totaled $226.5 million, and the net capital assets of the business-type activities totaled $40.4 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. Increases from 2024 to 2025 in Buildings is primary due to the completion of the North Fire Station. The increases in Construction in Progress are due to the multiple ongoing capital projects Townwide.

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

Capital Assets
September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital Assets						
Land	$ 10,566,323	$ 10,566,323	$ 5,051,527	$ 5,051,527	$ 15,617,850	$ 15,617,850
Construction in Progress	50,866,924	32,900,579	--	--	50,866,924	32,900,579
Buildings	67,668,300	53,974,333	3,602,616	3,720,794	71,270,916	57,695,127
Improvements Other Than Buildings	8,259,572	8,591,377	30,265,641	32,117,091	38,525,213	40,708,468
Equipment	13,815,237	10,283,303	797,885	635,683	14,613,122	10,918,986
Infrastructure	74,453,012	77,403,850	--	--	74,453,012	77,403,850
Lease (Right-of-use asset)	881,229	95,520	717,473	697,839	1,598,702	793,359
Subscription arrangements	14,345	120,629	--	--	14,345	120,629
Total Capital Assets, Net	$ 226,524,942	$ 193,935,914	$ 40,435,142	$ 42,222,934	$ 266,960,084	$ 236,158,848

Major capital projects completed during the fiscal year included the following:

- North Fire Station Renovation
- D-16 and D-18 Stormwater Pump Improvements

Debt Administration

As of September 30, 2025, the Town had $116,860,000 par value in revenue bonds outstanding representing a decrease of $5,460,000 due to debt service payments made on the Bonds. Outstanding General Obligation Bonds totaled $56,290,000 at par value, a decrease of $1,495,000 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 74.

Outstanding Debt
September 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Debt						
Revenue Bonds Payable - Par Value	$ 91,285,000	$ 95,280,000	$ 25,575,000	$ 26,980,000	$ 116,860,000	$ 122,260,000
General Obligation Bonds Payable - Par Value	56,290,000	57,785,000	--	--	56,290,000	57,785,000
Lease (Right-of-use asset)	854,930	88,723	704,370	681,172	1,559,300	769,895
Subscription Arrangements	--	104,727	--	--	--	104,727
Total Debt	$ 148,429,930	$ 153,258,450	$ 26,279,370	$ 27,661,172	$ 174,709,300	$ 180,919,622

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 2024.

Economic Factors and Next Year’s Budgets and Rates

For fiscal year 2026, the Town Council adopted a General Fund budget, including transfers out, of $127,331,904 representing a 6.84% increase from fiscal year 2025. The fiscal year 2026 budget includes a 7.53% increase in property tax revenue of $6,008,636. 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 $800,000 to improve funding levels. The taxable value of property increased by 7.53% for fiscal year 2026 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 2020 and the real estate market and property values have been increasing 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, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 42,293	$ 2,000	$ 44,293
Investments	35,534,671	15,826,951	51,361,622
Equity in pooled cash and investments	130,672,657	36,253,678	166,926,335
Accounts receivable, net	1,304,234	61,333	1,365,567
Assessments receivable	56,871,686	--	56,871,686
Lease Receivable	584,384	--	584,384
Interest receivable	1,064,228	284,606	1,348,834
Due from other governments	5,824,320	--	5,824,320
Internal balances	432,120	(432,120)	--
Inventory	729,408	--	729,408
Prepaid items	814,427	67,952	882,379
Net OPEB asset	4,769,050	460,693	5,229,743
Investment in joint venture	20,054,742	--	20,054,742
Equity in pooled cash and investments - restricted	7,879,476	140,000	8,019,476
Capital assets:			
Land	10,566,323	5,051,527	15,617,850
Construction in progress	50,866,924	--	50,866,924
Capital assets being depreciated and amortized, net	165,091,695	35,383,615	200,475,310
Total Assets	493,102,638	93,100,235	586,202,873
Deferred Outflows of Resources			
Unamortized loss on refunding	2,309,146	--	2,309,146
Pension related items	14,857,428	556,084	15,413,512
OPEB related items	5,680,798	548,770	6,229,568
Total Deferred Outflows of Resources	22,847,372	1,104,854	23,952,226
Liabilities			
Accounts payable and contracts payable	15,935,056	846,373	16,781,429
Accrued liabilities	4,066,878	311,829	4,378,707
Payable from restricted assets:			
Accounts and contracts payable	5,437,059	--	5,437,059
Accrued interest payable	1,373,483	--	1,373,483
Customer deposits	--	140,000	140,000
Unearned revenue	690,683	2,080,694	2,771,377
Long-term liabilities:			
Due within one year	7,337,973	1,659,109	8,997,082
Due in more than one year	244,678,162	28,492,930	273,171,092
Total Liabilities	279,519,294	33,530,935	313,050,229
Deferred Inflows of Resources			
Business tax receipts	652,202	--	652,202
Lease related items	578,509	--	578,509
Pension related items	20,967,477	1,426,907	22,394,384
OPEB related items	6,304,206	608,992	6,913,198
Total Deferred Inflows of Resources	28,502,394	2,035,899	30,538,293
Net Position			
Net investment in capital assets	69,336,775	13,983,778	83,320,553
Restricted for:			
One-cent surtax	1,754,776	--	1,754,776
Water project	256,683	--	256,683
Debt service	349,378	--	349,378
Crime prevention	66,843	--	66,843
Worth avenue	175,290	--	175,290
Townwide undergrounding	4,458,984	--	4,458,984
Net OPEB asset	4,769,050	460,693	5,229,743
Special projects	976,429	--	976,429
Unrestricted	125,784,114	44,193,784	169,977,898
Total Net Position	$ 207,928,322	$ 58,638,255	$ 266,566,577

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, 2025

		Program Revenues			Net Revenue (Expense) and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	$ 35,117,354	$ 14,035,014	$ 4,565,458	$ 495,230	$ (16,021,652)	$ --	$ (16,021,652)
Public safety	40,930,969	4,969,897	794,284	--	(35,166,788)	--	(35,166,788)
Physical environment	45,893,539	1,387,736	4,238,692	7,579,739	(32,687,372)	--	(32,687,372)
Transportation	2,304,788	398,877	763,198	--	(1,142,713)	--	(1,142,713)
Economic environment	550,416	--	97,843	6,007	(446,566)	--	(446,566)
Culture and recreation	5,721,918	1,755,461	462,932	--	(3,503,525)	--	(3,503,525)
Interest on long-term debt	5,106,222	--	--	--	(5,106,222)	--	(5,106,222)
Total Governmental Activities	135,625,206	22,546,985	10,922,407	8,080,976	(94,074,838)	--	(94,074,838)
Business-type Activities							
Town Docks	5,528,632	14,910,079	--	--	--	9,381,447	9,381,447
Golf Course	3,922,924	5,306,453	--	--	--	1,383,529	1,383,529
Building Enterprise	4,121,256	12,336,253	--	--	--	8,214,997	8,214,997
Total Business-type Activities	13,572,812	32,552,785	--	--	--	18,979,973	18,979,973
Total	$ 149,198,018	$ 55,099,770	$ 10,922,407	$ 8,080,976	(94,074,838)	18,979,973	(75,094,865)
		General Revenues					
		Property taxes			80,804,094	--	80,804,094
		Local option gas tax			341,318	--	341,318
		Franchise taxes based on gross receipts			2,769,640	--	2,769,640
		Utility service taxes			7,288,184	--	7,288,184
		Business tax receipts			922,008	--	922,008
		Intergovernmental revenue - unrestricted			2,322,157	--	2,322,157
		Investment earnings			8,691,469	1,947,635	10,639,104
		Miscellaneous			2,060,921	--	2,060,921
		Transfers			18,606,089	(18,606,089)	--
		Total General Revenue and Transfers			123,805,880	(16,658,454)	107,147,426
		Change in Net Position			29,731,042	2,321,519	32,052,561
		Net Position - Beginning			178,197,280	56,316,736	234,514,016
		Net Position - Ending			$ 207,928,322	$ 58,638,255	$ 266,566,577

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

TOWN OF PALM BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	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	$ 1,394	$ --	$ --	$ --	$ 8,846	$ 10,240
Equity in pooled cash and investments	18,817,804	10,602,795	33,511,390	32,997,549	2,128,337	98,057,875
Investments	35,534,671	--	--	--	--	35,534,671
Accounts receivable, net	1,240,172	--	39,112	--	--	1,279,284
Lease receivable	584,384	--	--	--	--	584,384
Assessments receivable	--	56,871,686	--	--	--	56,871,686
Interest receivable	391,565	114,102	180,826	219,978	4,618	911,089
Due from other governments	338,864	2,690,611	323,337	2,471,508	--	5,824,320
Inventory	562,046	--	151,687	15,675	--	729,408
Prepaid items	56,092	--	--	--	--	56,092
Equity in pooled cash and investments - restricted	5,098,392	--	2,781,084	--	--	7,879,476
Total Assets	$ 62,625,384	$ 70,279,194	$ 36,987,436	$ 35,704,710	$ 2,141,801	$ 207,738,525
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts and contracts payable	$ 1,617,729	$ 6,257,913	$ 6,913,668	$ 497,500	$ 64,774	$ 15,351,584
Accrued liabilities	1,699,712	--	--	6,212	--	1,705,924
Due to other funds	--	--	--	--	351,329	351,329
Payable from restricted assets	5,098,392	--	338,667	--	--	5,437,059
Unearned revenue	259,725	--	430,958	--	--	690,683
Total Liabilities	8,675,558	6,257,913	7,683,293	503,712	416,103	23,536,579
Deferred Inflows of Resources						
Business tax receipts	652,202	--	--	--	--	652,202
Unavailable revenue	43,957	2,690,611	--	1,795,981	--	4,530,549
Leases	578,509	--	--	--	--	578,509
Special assessments	--	56,871,686	--	--	--	56,871,686
Total Deferred Inflows of Resources	1,274,668	59,562,297	--	1,795,981	--	62,632,946
Fund Balances						
Non-spendable:						
Inventory	562,046	--	151,687	15,675	--	729,408
Prepaid items	56,092	--	--	--	--	56,092
Restricted for:						
Crime prevention	--	--	--	--	66,843	66,843
Special projects	--	--	--	--	976,429	976,429
Townwide undergrounding	--	4,458,984	--		--	4,458,984
Debt service	--	--	--	--	349,378	349,378
Worth avenue	--	--	--	--	175,290	175,290
One-cent surtax	--	--	1,754,776	--	--	1,754,776
Water project	--	--	256,683	--	--	256,683
Committed to:						
Compensated absences	3,429,274	--	--	--	--	3,429,274
Tennis	80,962	--	--	--	--	80,962
MPSCC Replacement	262,467	--	--	--	--	262,467
Assigned to:						
Subsequent year's expenditures	2,573,888	--	27,140,997	4,863,682	509,459	35,088,026
Group Insurance	1,000,000	--	--	--	--	1,000,000
Capital projects	4,000,000	--	--	--	--	4,000,000
Beach restoration	1,000,000	--	--	28,525,660	--	29,525,660
Unassigned	39,710,429	--	--	--	(351,701)	39,358,728
Total Fund Balances	52,675,158	4,458,984	29,304,143	33,405,017	1,725,698	121,569,000
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 62,625,384	$ 70,279,194	$ 36,987,436	$ 35,704,710	$ 2,141,801	$ 207,738,525

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, 2025

Total Governmental Fund Balances	$ 121,569,000
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.	211,455,408
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	61,402,235
Net OPEB asset created through funding of the employer contribution to the defined benefit OPEB plan is not recognized in the funds.	4,769,050
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	5,680,798
OPEB related deferred inflows	(6,304,206)
Investment in joint venture is not a financial resource and, therefore, is not reported in the funds.	20,054,742
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.	45,011,611
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.	432,120
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	(147,575,000)
Bond premiums	(7,180,734)
Deferred loss on refunding	2,309,146
Accrued interest payable	(1,373,483)
Compensated absences	(4,113,457)
Net pension liability	(76,790,845)
Preservation of benefits pension liability	(1,986,109)
Lease (Right-of-use asset) liability	(84,066)
Accrued landfill closure and post-closure care costs	(13,290,088)
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	14,824,063
Pension related deferred inflows	(20,881,863)
Net Position of Governmental Activities	$ 207,928,322

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, 2025

	Major Governmental Funds					
	General Fund	Townwide Undergrounding Assessment Fund	Capital Improvement Fund	Beach Restoration Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 92,125,244	$ --	$ --	$ --	$ --	$ 92,125,244
Fees and permits	2,573,735	--	--	--	--	2,573,735
Intergovernmental	1,378,729	--	943,428	--	--	2,322,157
Charges for services	12,013,811	--	--	--	--	12,013,811
Fines and forfeitures	1,407,127	--	--	--	8,846	1,415,973
Investment earnings	3,198,825	731,229	1,492,510	1,682,328	22,368	7,127,260
Grant revenue	28,633	--	370,466	4,448,887	--	4,847,986
Contributions and donations	--	--	7,575,000	--	964,466	8,539,466
Special assessments and related interest	--	3,866,759	--	--	1,254,203	5,120,962
Miscellaneous	1,470,217	213,038	--	--	--	1,683,255
Total Revenues	114,196,321	4,811,026	10,381,404	6,131,215	2,249,883	137,769,849
Expenditures						
Current:						
General government	13,492,971	--	--	--	232,509	13,725,480
Public safety	43,182,174	--	207,780	--	1,210,770	44,600,724
Physical environment	16,960,266	20,159,873	1,711,964	1,655,704	6,258	40,494,065
Transportation	1,517,030	--	272,350	--	--	1,789,380
Economic environment	--	--	--	--	550,416	550,416
Culture and recreation	5,599,412	--	229,775	--	29,907	5,859,094
Non-departmental	7,760,776	--	--	--	--	7,760,776
Capital outlay	352,388	--	18,750,050	20,491,822	--	39,594,260
Debt service:						
Principal	143,840	1,495,000	--	--	3,995,000	5,633,840
Interest and fiscal charges	5,269	2,352,105	--	--	3,271,527	5,628,901
Total Expenditures	89,014,126	24,006,978	21,171,919	22,147,526	9,296,387	165,636,936
Excess (Deficiency) of Revenues over Expenditures	25,182,195	(19,195,952)	(10,790,515)	(16,016,311)	(7,046,504)	(27,867,087)
Other Financing Sources (Uses)						
Issuance of leases	34,456	--	--	--	--	34,456
Transfers in	8,362,090	6,500,000	18,310,622	5,791,205	6,539,277	45,503,194
Transfers out	(27,888,345)	--	(500,000)	(508,760)	--	(28,897,105)
Total Other Financing Sources (Uses)	(19,491,799)	6,500,000	17,810,622	5,282,445	6,539,277	16,640,545
Net Change in Fund Balances	5,690,396	(12,695,952)	7,020,107	(10,733,866)	(507,227)	(11,226,542)
Fund Balances - Beginning	46,984,762	17,154,936	22,284,036	44,138,883	2,232,925	132,795,542
Fund Balances - Ending	$ 52,675,158	$ 4,458,984	$ 29,304,143	$ 33,405,017	$ 1,725,698	$ 121,569,000

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, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (11,226,542)
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	38,779,431
Less current year depreciation and amortization	(8,561,659)
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	2,093,916
Governmental funds report revenue when earned and available. However, the government-wide statements recognize revenue when earned, regardless of availability	
Grant revenues and special assessments	(4,837,864)
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	104,727
Lease (Right-of-use asset) acquired	(34,456)
Repayment of lease (Right-of-use asset) principal	39,113
Repayment of debt principal	5,490,000
Transfer of capital assets from governmental activities to internal service funds therefore is not reported in the governmental funds.	
Transfer of capital assets	(317,930)
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	(302,995)
Amortization of bond premiums	790,730
Change in accrued interest payable	34,944
Change in compensated absences	(455,824)
Change in net pension liability and related deferred amounts	6,676,890
Change in preservation of benefits pension liability and related deferred amounts	129,886
Change in net OPEB asset and related deferred amounts	563,373
Change in accrued landfill closure and post-closure care costs	(517,387)
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.	1,282,689
Change in Net Position of Governmental Activities	$ 29,731,042

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

TOWN OF PALM BEACH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds				
	Major Funds				Governmental Activities - Internal Service Funds
	Town Docks Fund	Golf Course Fund	Building Enterprise Fund	Total	
Assets					
Current Assets					
Cash and cash equivalents	$ --	$ 2,000	$ --	$ 2,000	$ 32,053
Equity in pooled cash and investments	23,821,257	8,483,779	3,948,642	36,253,678	32,614,782
Investments	--	--	15,826,951	15,826,951	--
Accounts receivable	60,265	1,068	--	61,333	24,950
Interest receivable	155,198	94,469	34,939	284,606	153,139
Prepaid items	50,325	17,627	--	67,952	758,335
Equity in pooled cash and investments - restricted	140,000	--	--	140,000	--
Total Current Assets	24,227,045	8,598,943	19,810,532	52,636,520	33,583,259
Noncurrent Assets					
Capital assets:					
Land	--	5,051,527	--	5,051,527	--
Construction in progress	--	--	--	--	459,939
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	123,696	10,767	1,086,313	970,425
Equipment	261,850	1,028,330	282,967	1,573,147	30,793,704
Total Capital assets	37,561,921	14,945,127	293,734	52,800,782	32,224,068
Less: accumulated depreciation and amortization	(7,435,042)	(4,813,656)	(116,942)	(12,365,640)	(17,154,534)
Total Capital Assets, Net	30,126,879	10,131,471	176,792	40,435,142	15,069,534
Due from other funds	--	--	--	--	351,329
Net OPEB asset	63,042	118,464	279,187	460,693	--
Total Noncurrent Assets	30,189,921	10,249,935	455,979	40,895,835	15,420,863
Total Assets	54,416,966	18,848,878	20,266,511	93,532,355	49,004,122
Deferred Outflows of Resources					
Pension related items	76,096	142,993	336,995	556,084	33,365
OPEB related items	75,095	141,112	332,563	548,770	--
Total Deferred Outflows of Resources	151,191	284,105	669,558	1,104,854	33,365
Liabilities					
Current Liabilities					
Accounts payable and contracts payable	424,345	322,704	99,324	846,373	583,472
Accrued liabilities	195,896	29,108	86,825	311,829	2,360,954
Current portion of lease liability	92,954	73,578	2,756	169,288	181,831
Current portion of compensated absences	2,536	17,174	30,111	49,821	3,226
Current portion of bonds payable	1,440,000	--	--	1,440,000	--
Payable from restricted - customer deposits	140,000	--	--	140,000	--
Total Current Liabilities	2,295,731	442,564	219,016	2,957,311	3,129,483
Noncurrent Liabilities					
Bonds payable	24,135,000	--	--	24,135,000	--
Compensated absences	39,160	90,316	202,810	332,286	12,312
Lease liability	487,500	43,806	3,776	535,082	589,033
Net pension liability	477,656	897,573	2,115,333	3,490,562	209,434
Unearned revenue	2,080,694	--	--	2,080,694	--
Total Noncurrent Liabilities	27,220,010	1,031,695	2,321,919	30,573,624	810,779
Total Liabilities	29,515,741	1,474,259	2,540,935	33,530,935	3,940,262
Deferred Inflows of Resources					
Pension related items	195,261	366,919	864,727	1,426,907	85,614
OPEB related items	83,336	156,598	369,058	608,992	--
Total Deferred Inflows of Resources	278,597	523,517	1,233,785	2,035,899	85,614
Net Position					
Net investment in capital assets	3,821,314	9,992,204	170,260	13,983,778	14,298,670
Restricted for net OPEB asset	63,042	118,464	279,187	460,693	--
Unrestricted	20,889,463	7,024,539	16,711,902	44,625,904	30,712,941
Total Net Position	$ 24,773,819	$ 17,135,207	$ 17,161,349	$ 59,070,375	$ 45,011,611

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

SEPTEMBER 30, 2025

Amounts Reported for the Enterprise Funds	$	59,070,375
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		(320,373)
Cumulative prior year adjustments		(111,747)
Amounts Reported for the Business-type Activities	$	58,638,255

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, 2025

	Business-type Activities - Enterprise Funds				Governmental
	Major Funds				
	Town Docks Fund	Golf Course Fund	Building Enterprise Fund	Total	Activities Internal Services Fund
Operating Revenues					
Golf fees and related revenue	$ --	$ 5,476,661	$ --	$ 5,476,661	$ --
Marina fees and related revenue	14,980,701	--	--	14,980,701	--
Building fees and related revenue	--	--	12,257,136	12,257,136	--
Charges for services	--	--	--	--	11,381,330
Fines and Forfeitures	--	--	26,394	26,394	--
Other operating revenue	572	7,777	123,917	132,266	377,666
Total Operating Revenues	14,981,273	5,484,438	12,407,447	32,873,158	11,758,996
Operating Expenses					
Personal services	670,426	958,536	2,194,171	3,823,133	208,119
Contractual services	636,178	810,883	924,563	2,371,624	600,382
Repairs and maintenance	104,670	643,561	361,400	1,109,631	--
Equipment rental	--	11,252	--	11,252	--
Materials and supplies	17,123	888,490	34,337	939,950	--
Utilities	685,012	120,701	--	805,713	--
Insurance	--	--	--	--	3,677,317
Claims	--	--	--	--	7,290,532
Claims adjustment	--	--	--	--	163,739
Depreciation and amortization	1,908,894	309,956	113,718	2,332,568	2,494,108
Other	905,473	178,084	489,640	1,573,197	884,506
Total Operating Expenses	4,927,776	3,921,463	4,117,829	12,967,068	15,318,703
Operating Income (Loss)	10,053,497	1,562,975	8,289,618	19,906,090	(3,559,707)
Nonoperating Revenues (Expenses)					
Investment earnings	971,102	308,823	667,710	1,947,635	1,564,209
Insurance recoveries	--	--	--	--	183,480
Interest and fiscal charges	(600,856)	(1,736)	(186)	(602,778)	(261)
Gain (Loss) on disposal of assets	--	275	(3,241)	(2,966)	(38,565)
Total Nonoperating Revenues (Expenses)	370,246	307,362	664,283	1,341,891	1,708,863
Income Before Capital Contributions from other funds and Transfers	10,423,743	1,870,337	8,953,901	21,247,981	(1,850,844)
Capital contributions from other funds	--	--	--	--	813,160
Transfers in	--	--	--	--	2,000,000
Transfers out	(11,109,000)	(208,999)	(7,288,090)	(18,606,089)	--
Change in Net Position	(685,257)	1,661,338	1,665,811	2,641,892	962,316
Net Position - Beginning	25,459,076	15,473,869	15,495,538	56,428,483	44,049,295
Net Position - Ending	$ 24,773,819	$ 17,135,207	$ 17,161,349	$ 59,070,375	$ 45,011,611

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, 2025

Amounts Reported for the Enterprise Funds	$	2,641,892
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		(320,373)
Change in Net Position of Business-Type Activities	$	2,321,519

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, 2025

	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	$ 15,331,719	$ 5,476,892	$ 12,283,530	$ 33,092,141	$ --
Receipts from interfund services provided	--	--	--	--	11,426,176
Payments to employees	(762,654)	(1,137,289)	(2,945,073)	(4,845,016)	(287,844)
Payments to insurers or suppliers	(2,259,884)	(2,563,609)	(1,860,738)	(6,684,231)	(12,617,029)
Insurance recoveries	--	--	--	--	183,480
Other receipts	572	7,777	123,917	132,266	377,666
Net Cash Provided by Operating Activities	12,309,753	1,783,771	7,601,636	21,695,160	(917,551)
Cash Flows from Noncapital Financing Activities					
Due from other funds	--	--	--	--	88,498
Due to other funds	--	--	--	--	(19,000)
Transfers from other funds	--	--	--	--	2,000,000
Transfers to other funds	(11,109,000)	(208,999)	(7,288,090)	(18,606,089)	--
Net Cash Provided by (Used in) Noncapital Financing Activities	(11,109,000)	(208,999)	(7,288,090)	(18,606,089)	2,069,498
Cash Flows from Capital and Related Financing Activities					
Acquisition of capital assets	(20,189)	(255,386)	(88,970)	(364,545)	(3,451,572)
Proceeds from sale of assets	--	--	--	--	13,298
Repayment of bonds	(1,405,000)	--	--	(1,405,000)	--
Lease (right-of-use assets) principal paid	(91,493)	(43,930)	(2,693)	(138,116)	(199,561)
Interest paid on lease (right-of-use assets)	(9,706)	(1,736)	(186)	(11,628)	(261)
Interest paid on bonds	(592,168)	--	--	(592,168)	--
Net Cash Used in Capital and Related Financing Activities	(2,118,556)	(301,052)	(91,849)	(2,511,457)	(3,638,096)
Cash Flows from Investing Activities					
Purchase of investments	--	--	(15,826,951)	(15,826,951)	--
Investment income received	941,191	256,917	771,993	1,970,101	1,541,184
Net Cash Provided by Investing Activities	941,191	256,917	(15,054,958)	(13,856,850)	1,541,184
Net Increase (Decrease) in Cash	23,388	1,530,637	(14,833,261)	(13,279,236)	(944,965)
Cash - Beginning	23,937,869	6,955,142	18,781,903	49,674,914	33,591,800
Cash - Ending	$ 23,961,257	$ 8,485,779	$ 3,948,642	$ 36,395,678	$ 32,646,835
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	$ 10,053,497	$ 1,562,975	$ 8,289,618	$ 19,906,090	$ (3,559,707)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	1,908,894	309,956	113,718	2,332,568	2,494,108
Insurance recoveries	--	--	--	--	183,480
Changes in net pension liability and related deferred amounts	(95,530)	(179,511)	(758,583)	(1,033,624)	(35,039)
Changes in net OPEB asset and related deferred amounts	(4,736)	(8,902)	3,336	(10,302)	--
Changes in operating assets and liabilities:					
(Increase) in accounts receivable	(38,988)	231	--	(38,757)	44,846
(Increase) in prepaid expenses	(4,427)	(1,052)	--	(5,479)	(539,151)
Increase (decrease) in accounts payable	88,844	89,633	(59,723)	118,754	368,560
Increase (decrease) in accrued liabilities	4,155	781	8,925	13,861	170,038
Increase (decrease) in customer deposits	20,000	--	--	20,000	--
Increase (decrease) in unearned revenue	370,006	--	--	370,006	--
Increase (decrease) in compensated absences payable	8,038	9,660	4,345	22,043	(44,686)
Net Cash Provided by Operating Activities	$ 12,309,753	$ 1,783,771	$ 7,601,636	$ 21,695,160	$ (917,551)
Noncash Activities					
Contributions of capital assets by other funds	$ --	$ --	$ --	$ --	$ 813,160
Initiation of lease liability	$ --	$ 161,314	$ --	$ 161,314	$ 970,425
Insurance claims adjustment	$ --	$ --	$ --	$ --	$ 163,739
Gain (Loss) on disposal of assets	$ --	$ 275	$ (3,241)	$ (2,966)	$ (38,565)

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, 2025

	Trust Funds
Assets	
Cash and cash equivalents	$ 5,167,685
Interest and dividends receivable	208,197
Prepaid items	14,536
Investments:	
Short-term investment fund	34,307,891
Fixed income securities	63,133,317
Domestic equity funds	160,437,586
International and emerging market equity funds	72,278,146
Hedge funds	11,560,352
Private equity funds	17,999,468
Real estate funds	12,322,946
Total Assets	377,430,124
Liabilities	
Accounts payable and accrued liabilities	220,574
Due to brokers	11,193
Total Liabilities	231,767
Net Position	
Restricted for pension benefits	330,041,546
Restricted for OPEB	47,156,811
Total Net Position	$ 377,198,357

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, 2025

Additions	
Contributions	
Employer	$ 20,908,837
Employee	4,099,322
Other	486,021
Total Contributions	25,494,180
Investment Income	
Net appreciation in fair value of investments	27,977,689
Interest and dividends	9,197,785
Total investment income	37,175,474
Less investment expenses	(520,544)
Net Investment Income	36,654,930
Total Additions	62,149,110
Deductions	
Benefit payments	24,168,364
Share distributions	27,231
DROP distributions	804,592
Refunds of participants' contributions	151,667
Administrative expenses	612,535
Total Deductions	25,764,389
Change in Net Position	36,384,721
Net Position Restricted for Pension Benefits and OPEB - Beginning of Year	340,813,636
Net Position Restricted for Pension Benefits and OPEB - Ending of Year	$ 377,198,357

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.

Fiduciary funds are used to account for assets held by the Town in a trustee or agency capacity for others and therefore cannot be used to support the Town's programs. The fiduciary funds of the government include OPEB Trust Fund, and the Town of Palm Beach Retirement Fund which includes the General Employees' Pension Trust, the Police Officers' Pension Trust, and the Firefighters' Pension Trust assets held in a trustee capacity to participating employees of the retirement system.

Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, all assets and liabilities (whether current or noncurrent) associated with the operation of these funds are included on the statement of fiduciary net position. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. This approach is consistent with the accounting principles generally accepted in the United States of America as applied to governmental units

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025, 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 (2023/2024) property tax revenue.

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, 2025, the Town adopted a millage rate of 2.6110. This millage rate results in a total tax levy of $79,745,500 for 2025, representing an increase of 10.56%, from the property tax levy of 2024. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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*.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION (CONTINUED)

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. This Statement was implemented by the Town for the fiscal year ended September 30, 2025; however, there was no material impact to the Town's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months on the date the financial statements are issued. This Statement was implemented by the Town for the fiscal year ended September 30, 2025; however, there was no material impact to the Town's financial statements.

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, 2025, the carrying amount of the Town's deposits with financial institutions was approximately $53,518,000 and the bank balance was approximately $53,760,000, excluding pension trust funds. Deposits include approximately $51,362,000 in certificates of deposit. The Town also had approximately $3,400 in petty cash.

NOTE 2 – DEPOSITS AND INVESTMENTS

DEPOSITS (CONTINUED)

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, 2025, the Town's pooled cash and investments consisted of the following:

Description	Reported Value	Weighted Average Maturity
Demand deposits with financial institutions	$ 51,668,467	N/A
FL PALM Portfolio	42,258	43 days
FL PALM Term Portfolio	34,302,023	43 days
Money market fund (Goldman Sachs)	247,278	49 days
Municipal bonds	428,124	1.01 years
Federal Agencies	7,737,445	11.49 years
Corporate notes	12,522,131	3.03 years
U.S. Treasuries	16,436,058	3.09 years
Asset backed securities	8,771,329	3.75 years
Florida Municipal Investment Trust		
0-2 Year High Quality Bond Fund	12,663,636	0.90 years
1-3 Year High Quality Bond Fund	30,107,060	1.90 years
Intermediate High Quality Bond Fund	20,002	4.80 years
Total Equity in Pooled Cash and Investments	**$ 174,945,811**	

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, 2025, 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, 2025 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, 2025, are as follows:

Fund	Fair Value
General Employees' Pension Trust Fund	$ 25,438,408
Police Officers' Pension Trust Fund	22,266,042
Firefighters' Pension Trust Fund	22,643,305
OPEB Trust Fund	1,930,391
Total International Equity Mutual Funds	**$ 72,278,146**

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, 2025:

		Investment Maturities in Years			
Investment Type	Reported Value	Less than 1	1 to 5	6 to 10	Greater than 10
U.S. Treasuries	$ 16,436,058	$ --	$ 16,436,058	$ --	$ --
Federal Agencies	7,737,445	390,345	6,825,037	477,852	44,211
Corporate notes	12,522,131	253,110	12,269,021	--	--
Municipal bonds	428,124	326,251	101,873	--	--
Asset backed securities	8,771,329	3,752	8,767,577	--	--
FL PALM Portfolio	42,258	42,258	--	--	--
FL PALM Term Portfolio	34,302,023	34,302,023	--	--	--
Money market fund (Goldman Sachs)	247,278	247,278	--	--	--
Certificates of deposit	51,361,622	51,361,622	--	--	--
Florida Municipal Investment Trust					
0-2 Year High Quality Bond Fund	12,663,636	3,877,962	8,267,329	160,964	357,381
1-3 Year High Quality Bond Fund	30,107,060	623,216	25,398,316	1,923,841	2,161,687
Intermediate High Quality Bond Fund	20,002	--	8,783	6,547	4,672
Total Town Investments (excludes Cash)	$ 174,638,966	$ 91,427,817	$ 78,073,994	$ 2,569,204	$ 2,567,951

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, 2025 are summarized below:

Investment Type	S&P Rating	Moody's Rating	Reported Value
U.S. Treasuries	AA+	Aa1	$ 16,436,058
Federal Agencies	AA+	Aa1	7,737,445
Asset backed securities	AAA	Aaa	2,759,555
Asset backed securities	AAA	Not Rated	3,942,971
Asset backed securities	Not Rated	Aaa	2,068,803
Corporate notes	AAA	Aaa	66,287
Corporate notes	AA+	Aa3	637,435
Corporate notes	AA+	Aa2	236,036
Corporate notes	AA+	Aa1	362,714
Corporate notes	AA-	A1	756,016
Corporate notes	AA	Aa2	127,051
Corporate notes	AA-	Aa2	268,699
Corporate notes	AA-	Aa3	1,235,874
Corporate notes	AA-	A3	200,006
Corporate notes	A+	A1	1,596,589
Corporate notes	A+	A2	80,125
Corporate notes	A+	Aa1	253,110
Corporate notes	A+	Aa3	1,414,470
Corporate notes	A	A1	771,751
Corporate notes	A	A2	1,842,420
Corporate notes	A	A3	251,068
Corporate notes	A	Aa3	780,596
Corporate notes	A-	A1	553,664
Corporate notes	A-	A2	575,771
Corporate notes	A-	A3	111,939
Corporate notes	BBB+	A1	279,105
Corporate notes	BBB+	A2	121,405
Municipal bonds	AA+	Not Rated	237,874
Municipal bonds	AA-	Aa2	190,250
FL PALM Portfolio	AAAm	Not Rated	42,258
FL PALM Term Portfolio	(1)	(1)	34,302,023
Money market funds (Goldman Sachs)	AAAm	Aaa-mf	247,278
Certificates of deposit	Not Rated	Not Rated	51,361,622
Florida Municipal Investment Trust			
0-2 Year High Quality Bond Fund	(2)	(2)	12,663,636
1-3 Year High Quality Bond Fund	(3)	(3)	30,107,060
Intermediate High Quality Bond Fund	(4)	(4)	20,002
Total Town Investments (excludes Cash)			$ 174,638,966

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, 2025, 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.

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 following table presents a summary of the fair value hierarchy for the Town's fixed income investments as of September 30, 2025:

Investment by Level	Fair Value	Level 1	Level 2	Level 3
U.S. Treasuries	$ 16,436,058	$ --	$ 16,436,058	$ --
Federal Agencies	7,737,445	--	7,737,445	--
Corporate notes	12,522,131	--	12,522,131	--
Municipal bonds	428,124	--	428,124	--
Asset backed securities	8,771,329	--	8,771,329	--
FMIT 0-2 Year High Quality Bond Fund	12,663,636	--	12,663,636	--
FMIT 1-3 Year High Quality Bond Fund	30,107,060	--	30,107,060	--
FMIT Intermediate High Quality Bond Fund	20,002	--	20,002	--
Total Town Fixed Income Investments	$ 88,685,785	$ --	$ 88,685,785	$ --

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, 2025, the Town held certificates of deposit in the amount of $51,361,622 that are reported at cost.

Investments Reported at Amortized Cost

Investment	Amortized Cost
FL PALM Portfolio	$ 42,258
Goldman Sachs Financial Square Treasury Solutions Fund	247,278
Total Town Investments Reported at Amortized Cost	$ 289,536

Investment Reported at NAV
At September 30, 2025, the Town's investment in the FL PALM Term Portfolio in the amount of $34,302,023 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, 2025:

Investment by Level	Fair Value	Level 1	Level 2	Level 3
Mutual Funds				
Domestic equity funds	$ 24,022,010	$ 24,022,010	$ --	$ --
International equity funds	1,930,391	1,930,391	--	--
Short-term investment funds	686,955	686,955	--	--
Fixed income securities	16,437,757	2,522,387	--	13,915,370
Total	$ 43,077,113	$ 29,161,743	$ --	$ 13,915,370

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, 2025:

Investments Measured at NAV	NAV
Alternative investments	
Crescent Direct Lending - private equity	$ 229,329
Principal Enhanced Property Fund	1,348,751
U.S. Real Estate Investment Fund	2,375,583
Total Investments Measured at NAV	$ 3,953,663

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

OPEB TRUST FUND INVESTMENTS (CONTINUED)

Investments Reported at NAV (continued)

At September 30, 2025, approximately 8% 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. 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. Redemptions are allowed quarterly with 90 days' notice. As of September 30, 2025, 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, 2025, 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. 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. Redemptions are allowed monthly with 5 days' notice. As of September 30, 2025, 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, 2025:

		Investment Maturities in Years		
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10
Domestic fixed income funds	$ 2,522,387	$ --	$ --	$ 2,522,387
Galliard Fixed Income Fund L	13,915,370	--	13,915,370	--
Total Fixed Income Investments	$ 16,437,757	$ --	$ 13,915,370	$ 2,522,387

As of September 30, 2025, 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, 2025 is as follows:

Authorized Investments	Target Allocation
Domestic equity funds	38.0%
International equity	15.0
Fixed income securities	29.0
Alternative assets	3.0
Real estate funds	8.0
Private equity funds	3.0
Cash	4.0
	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, 2025:

		Remaining Maturity			
Investment Type	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
U.S. Treasuries	$ 22,737,201	$ --	$ 5,799,717	$ 16,937,484	$ --
U.S. Government agency obligations	21,780,716	--	--	--	21,780,716
Corporate bonds	2,177,643	--	857,100	1,320,543	--
Total Fixed Income Investments	$ 46,695,560	$ --	$ 6,656,817	$ 18,258,027	$ 21,780,716

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 2025, as applicable:

Credit Rating by Standard & Poor's	Fair Value
AA+	$ 22,737,201
A+	664,620
A	655,923
A-	857,100
Not rated	21,780,716
Total Fixed Income Securities	$ 46,695,560

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, 2025.

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, 2025, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expenses was 10.97%. 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, 2025 is as follows:

Investment by Fair Value Level	Balance	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury	$ 22,737,201	$ --	$ 22,737,201	$ --
U.S. Government agency obligations	21,780,716	--	21,780,716	--
Corporate bonds	2,177,643	--	2,177,643	--
Total Debt Securities	46,695,560	--	46,695,560	--
Mutual Funds				
Domestic equity	136,415,576	136,415,576	--	--
International	58,722,972	58,722,972	--	--
Emerging markets	11,624,783	11,624,783	--	--
Total Mutual Funds	206,763,331	206,763,331	--	--
Total Investments by Fair Value Level	253,458,891	$ 206,763,331	$ 46,695,560	$ --
Investments Measured at Net Asset Value (NAV)				
Commingled funds - real estate	7,191,276			
Private equity - secondary markets	547,973			
Private equity - real estate	3,180,180			
Private equity - senior debt	3,344,004			
Non-traditional fixed income	12,105,318			
Hedge funds:				
Venture capital	6,859,367			
Hybrid	4,700,985			
Total Investments Measured at NAV	37,929,103			
Money market funds (exempt)	33,620,936			
Total Investments	$ 325,008,930			

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]	$ 7,191,276	$ --	Quarterly	45 days
Private equity - secondary markets [2]	547,973	1,265,019	N/A	N/A
Private equity - real estate [3]	3,180,180	37,319	N/A	N/A
Private equity - senior debt [4]	3,344,004	18,846,340	N/A	N/A
Non-traditional fixed income [5]	12,105,318	--	Quarterly	90 days
Hedge funds:				
Venture capital[6]	6,859,367	6,946	N/A	N/A
Hybrid[7]	4,700,985	950,000	Quarterly	90 days
Total Investments Measured at NAV	$ 37,929,103	$ 21,105,624		

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, 2025 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	$ 2,605,665	$ 39,112	$ 60,265	$ 1,068	$ 2,225	$ 22,725	$ 2,731,060
Taxes receivable	580,151	--	--	--	--	--	580,151
Total	3,185,816	39,112	60,265	1,068	2,225	22,725	3,311,211
Less: allowance for doubtful accounts	(1,945,644)	--	--	--	--	--	(1,945,644)
Net Receivables	$ 1,240,172	$ 39,112	$ 60,265	$ 1,068	$ 2,225	$ 22,725	$ 1,365,567

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NOTE 4 – CAPITAL ASSETS

The capital assets activity for the Governmental Activities for the fiscal year ended September 30, 2025 was as follows:

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
Capital Assets Not Being Depreciated or Amortized				
Land	$ 10,566,323	$ --	$ --	$ 10,566,323
Construction in progress	32,900,579	39,768,616	(21,802,271)	50,866,924
Total Capital Assets Not Being Depreciated or Amortized	43,466,902	39,768,616	(21,802,271)	61,433,247
Capital Assets Being Depreciated or Amortized				
Buildings	84,984,624	16,575,100	--	101,559,724
Improvements other than buildings	14,571,299	135,448	--	14,706,747
Equipment	26,546,567	5,966,020	(1,718,883)	30,793,704
Infrastructure	174,614,794	2,113,046	--	176,727,840
Lease (Right-of-use asset):				
Equipment	119,108	1,004,881	--	1,123,989
Vehicles	44,109	--	--	44,109
SBITA's	354,336	--	(266,192)	88,144
Intangible assets	1,186,607	--	--	1,186,607
Total Capital Assets Being Depreciated or Amortized	302,421,444	25,794,495	(1,985,075)	326,230,864
Less: Accumulated Depreciation or Amortization				
Buildings	(31,010,291)	(2,881,133)	--	(33,891,424)
Improvements other than buildings	(5,979,922)	(467,253)	--	(6,447,175)
Equipment	(16,263,264)	(2,318,041)	1,602,838	(16,978,467)
Infrastructure	(97,210,944)	(5,063,884)	--	(102,274,828)
Lease (Right-of-use asset):				
Equipment	(60,223)	(204,469)	--	(264,692)
Vehicles	(7,474)	(14,703)	--	(22,177)
SBITA's	(233,707)	(106,284)	266,192	(73,799)
Intangible assets	(1,186,607)	--	--	(1,186,607)
Total Accumulated Depreciation or Amortization	(151,952,432)	(11,055,767)	1,869,030	(161,139,169)
Net Capital Assets Being Depreciated or Amortized	150,469,012	14,738,728	(116,045)	165,091,695
Net Capital Assets	$ 193,935,914	$ 54,507,344	$ (21,918,316)	$ 226,524,942

NOTE 4 – CAPITAL ASSETS (CONTINUED)

For the fiscal year ended September 30, 2025, depreciation and amortization expense was charged to functions of the Governmental Activities as follows:

Governmental Activities	
General government	$ 493,123
Public safety	1,373,961
Physical environment	8,619,582
Transportation	569,101
Total Depreciation and Amortization Expense – Governmental Activities	$ 11,055,767

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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, 2025 was as follows:

Business-type Activities	Beginning Balances	Additions	Deletions	Ending Balances
Capital Assets Not Being Depreciated or Amortized				
Land	$ 5,051,527	$ --	$ --	$ 5,051,527
Total Capital Assets Not Being Depreciated or Amortized	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):				
Land	951,850	--	--	951,850
Equipment	10,767	161,314	(37,618)	134,463
Equipment	1,340,918	302,704	(70,474)	1,573,148
Total Capital Assets Being Depreciated or Amortized	47,393,330	464,018	(108,092)	47,749,256
Less: Accumulated Depreciation or Amortization				
Buildings	(1,181,829)	(118,178)	--	(1,300,007)
Improvements other than buildings	(8,070,081)	(1,851,450)	--	(9,921,531)
Lease (Right-of-use asset):				
Land	(263,081)	(95,185)	--	(358,266)
Equipment	(1,697)	(46,495)	37,618	(10,574)
Equipment	(705,235)	(136,261)	66,233	(775,263)
Total Accumulated Depreciation or Amortization	(10,221,923)	(2,247,569)	103,851	(12,365,641)
Total Net Capital Assets Being Depreciated or Amortized, Net	37,171,407	(1,783,551)	(4,241)	35,383,615
Business-Type Activities Capital Assets, Net	$ 42,222,934	$ (1,783,551)	$ (4,241)	$ 40,435,142

NOTE 4 – CAPITAL ASSETS (CONTINUED)

For the fiscal year ended September 30, 2025, depreciation and amortization expense was charged to functions of the Business-type Activities as follows:

Business-type Activities	
Town Docks	$ 1,908,894
Golf Course	309,957
Building Enterprise	28,718
Total Depreciation and Amortization Expense – Business-type Activities	$ 2,247,569

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, 2025, the Town had an 8.57% 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, 2025, the Town's 8.57% equity interest in the ECR totaled $20,054,742. 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, 2025. 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, 2025. 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, 2025 is as follows:

Net Position
September 30, 2025

Current and other assets	$ 141,661,126
Capital assets, net	256,737,296
Total Assets	398,398,422
Deferred Outflows of Resources	1,404,330
Current liabilities	31,835,938
Non-current liabilities	123,005,634
Total Liabilities	154,841,572
Net Position	$ 244,961,180

Change in Net Position
For the Year Ended September 30, 2025

Charges for services	$ 33,472,954
Other operating revenue	3,437,294
Total Operating Revenue	36,910,248
Operating expenses	34,778,780
Operating income	2,131,468
Non-operating revenue (expense), net	1,838,921
Income (Loss) Before Capital Contributions	3,970,389
Capital contributions	18,204,035
Change in Net Position	22,174,424
Net Position - Beginning of Year	222,786,756
Net Position - End of Year	$ 244,961,180

NOTE 5 – INVESTMENT IN JOINT VENTURE (CONTINUED)

At September 30, 2025, 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 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, 2025 are summarized as follows:

Due to/Due from Other Funds

Receivable Fund	Payable Fund	Amount
Equipment Replacement Fund	Special Assessment Maintenance Fund	$ 351,329
Total		$ 351,329

Interfund Transfers

Transfers In	Transfers Out	Amount
General Fund	Town Docks Fund	$ 1,109,000
General Fund	Golf Course Enterprise Fund	25,000
General Fund	Building Enterprise Fund	7,228,090
Townwide Underground Assessment Fund	Capital Improvement Fund	500,000
Townwide Underground Assessment Fund	Town Docks Fund	6,000,000
Capital Improvement Fund	General Fund	14,250,622
Capital Improvement Fund	Building Enterprise Fund	60,000
Capital Improvement Fund	Town Docks Fund	4,000,000
Nonmajor Governmental Funds	Golf Course Enterprise Fund	183,999
Nonmajor Governmental Funds	General Fund	5,846,518
Nonmajor Governmental Funds	Beach Restoration Project Fund	508,760
Beach Restoration Project Fund	General Fund	5,791,205
Equipment Replacement Fund	General Fund	2,000,000
Total		$ 47,503,194

NOTE 7 – LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities for the fiscal year ended September 30, 2025 are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds					
Series 2018 Bonds	$ 49,870,000	$ --	$ (1,265,000)	$ 48,605,000	$ 1,330,000
Series 2021 Bonds	7,915,000	--	(230,000)	7,685,000	240,000
Unamortized premiums	3,511,264	--	(272,164)	3,239,100	263,092
Total General Obligation Bonds	$ 61,296,264	$ --	$ (1,767,164)	$ 59,529,100	$ 1,833,092
Revenue bonds					
Series 2013 Bonds	$ 1,470,000	$ --	$ (1,470,000)	$ --	$ --
Series 2016A Bonds	34,165,000	--	(1,460,000)	32,705,000	1,535,000
Series 2016B Bonds	8,770,000	--	(400,000)	8,370,000	410,000
Series 2019 Bonds	3,895,000	--	(205,000)	3,690,000	205,000
Series 2019 Taxable Bonds	46,980,000	--	(460,000)	46,520,000	2,015,000
Unamortized premiums	4,460,200	--	(518,566)	3,941,634	484,082
Total Revenue Bonds	99,740,200	--	(4,513,566)	95,226,634	4,649,082
Compensated absences	3,717,857	1,100,662	(689,525)	4,128,994	637,120
Landfill closure and post-closure	12,772,701	517,387	--	13,290,088	--
Lease (Right-of-use asset)	88,723	1,004,881	(238,674)	854,930	218,679
Subscription arrangements	104,727	--	(104,727)	--	--
Net pension liability	92,492,002	39,299,889	(54,791,611)	77,000,280	--
Total pension liability	2,115,995	--	(129,886)	1,986,109	--
Total Long-Term Liabilities	$ 272,328,469	$ 41,922,819	$ (62,235,153)	$ 252,016,135	$ 7,337,973
Business-type Activities					
Series 2020 bonds	$ 26,980,000	$ --	$ (1,405,000)	$ 25,575,000	$ 1,440,000
Lease (Right-of-use asset)	681,172	161,314	(138,116)	704,370	169,288
Net pension liability	5,288,863	1,240,610	(3,038,911)	3,490,562	--
Compensated absences	360,064	64,182	(42,139)	382,107	49,821
Total Long-Term Liabilities	$ 33,310,099	$ 1,466,106	$ (4,624,166)	$ 30,152,039	$ 1,659,109

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, 2025 totaled $6,210,313 and $6,231,679, respectively.

PLEDGED REVENUES

The Town has pledged future non-ad valorem revenues to pay principal and interest on the Series 2016A, Series 2016B, Series 2019, and Series 2020 Bonds. A summary of the pledged non-ad valorem revenues is presented on page 177 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, 2025, principal and interest to maturity on March 30, 2043 to be paid from pledged future revenues totaled $149,583,295. Principal and interest paid for the current fiscal year on these Bonds totaled $9,258,208 and pledged non-ad valorem revenue totaled $61,898,288 for the year. It is estimated that based on the total fiscal year 2025 pledged non-ad valorem revenue, that annual principal and interest payments will require approximately 15% of pledged revenues.

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. As of September 30, 2025, the Series 2013 revenue bond was paid in full and no further balance outstanding.

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
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	1,875,000	1,055,875	2,930,875
2031-2035	10,845,000	3,838,450	14,683,450
2036-2040	13,370,000	1,380,200	14,750,200
Total	$ 32,705,000	$ 11,367,400	$ 44,072,400

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
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	495,000	225,513	720,513
2031-2035	2,825,000	788,450	3,613,450
2036-2040	3,310,000	309,156	3,619,156
Total	$ 8,370,000	$ 2,449,319	$ 10,819,319

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
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	1,615,000	1,784,600	3,399,600
2031-2035	9,350,000	7,647,650	16,997,650
2036-2040	11,505,000	5,497,600	17,002,600
2041-2045	13,990,000	3,005,400	16,995,400
2046-2047	6,415,000	387,400	6,802,400
Total	$ 48,605,000	$ 26,194,800	$ 74,799,800

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
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	2,225,000	1,104,639	3,329,639
2031-2035	12,150,000	4,542,782	16,692,782
2036-2040	14,145,000	2,592,848	16,737,848
2041-2043	9,615,000	453,298	10,068,298
Total	$ 46,520,000	$ 13,654,401	$ 60,174,401

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
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	230,000	63,376	293,376
2031-2035	1,230,000	233,233	1,463,233
2036-2040	1,375,000	81,725	1,456,725
Total	$ 3,690,000	$ 683,156	$ 4,373,156

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
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	1,580,000	423,563	2,003,563
2031-2035	8,485,000	1,560,656	10,045,656
2036-2040	9,550,000	547,313	10,097,313
Total	$ 25,575,000	$ 4,569,019	$ 30,144,019

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
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	295,000	154,255	449,255
2031-2035	1,645,000	596,125	2,241,125
2036-2040	1,820,000	415,225	2,235,225
2041-2045	2,015,000	221,500	2,236,500
2046-2047	870,000	27,838	897,838
Total	$ 7,685,000	$ 2,165,213	$ 9,850,213

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 24 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 $241,194. Required monthly fixed payments range from approximately $68 to $508, and annual fixed payments ranging approximately from $47,121 to $143,451. The value of the leases (right-to-use assets) as of September 30, 2025 is $1,168,098 with accumulated amortization of $286,689.

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

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

Business-type activities: The Town entered into 4 lease agreements as a Lessee which range in duration from 12 months to 75 months. Principal and interest payments made during the fiscal year totaled $150,762. The Town is required to make annual fixed payments of $102,218 for the Marina lease, monthly fixed payments range from approximately $2,260 to $6,312 for the Golf Fund leases, and monthly fixed payments of approximately $240 for the Building Fund leases. The value of the leases (right-to-use assets) as of September 30, 2025, is $1,086,313 with accumulated amortization of $368,840.

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
2026	$ 218,679	$ 19,434	$ 238,113	$ 169,288	$ 11,553	$ 180,841
2027	202,984	14,394	217,378	141,064	8,217	149,281
2028	196,604	9,865	206,469	96,900	6,278	103,178
2029	190,461	5,440	195,901	97,476	4,742	102,218
2030	46,202	1,074	47,276	99,031	3,186	102,217
2031	--	--	--	100,611	1,605	102,216
Total	$ 854,930	$ 50,207	$ 905,137	$ 704,370	$ 35,581	$ 739,951

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 arrangements related to governmental activities and business-type activities is summarized below:

Governmental activities: The Town maintained 3 subscription arrangements as of the beginning of the current fiscal year. As of September 30, 2025 the Town maintained one active arrangement with a remaining duration of 6 months. Principal and interest payments made during the fiscal year totaled $107,734. Required annual fixed payments ranged from approximately $28,400 to $79,500. The value of the subscription arrangements as of September 30, 2025 is $88,144 with accumulated amortization of $73,799.

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

TOWN OF PALM BEACH, FLORIDA, PUBLIC IMPROVEMENT REVENUE BONDS, 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.

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, 2025, 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, 2025, 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, 2025, the plan membership consisted of the following:

	General	Police Officers	Firefighters	Total
Inactive plan members and beneficiaries currently receiving benefits	230	109	103	442
Inactive plan members entitled but not yet receiving benefits	47	17	22	86
Active plan members	192	69	67	328
Total Members	469	195	192	856

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 February 9, 1993 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, 2025, $602,193 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, 2025, the amount of self-directed investments held outside the Plan was $2,599,742. 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 below. 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, 2025, as a percentage of the employees' annual compensation, were as follows:

	Member Contributions	Town Contributions
General employees	3.50%	32.43%
Lifeguards	3.50%	281.01%
Police officers	8.50%	81.44%
Firefighters - Non-Union	8.50%	78.00%
Firefighters - Union	8.50%	78.00%

For the fiscal year ended September 30, 2025, the Town and its employees made the following contributions to the Plan:

Employee Classification	Town Contributions	Employee Contributions	Total Contributions
General employees and lifeguards	$ 6,667,532	$ 542,502	$ 7,210,034
Police officers	6,080,134	879,346	6,959,480
Firefighters	7,332,587	1,716,770	9,049,357
Total	$ 20,080,253	$ 3,138,618	$ 23,218,871

PAYABLE TO THE RETIREMENT PLAN

At September 30, 2025, the Town had no payables for outstanding contributions to the Plan required for the fiscal year ended September 30, 2025.

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, 2025, the annual money-weighted rate of return on Plan investments, net of investment expenses was 10.97%.

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, 2025, are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity funds	38.0%	7.50%
International equity funds	15.0%	8.50%
Domestic bonds	18.0%	2.50%
International bonds	0.0%	3.50%
Real estate funds	8.0%	4.50%
Alternative assets	21.0%	6.25%
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, 2025 were as follows:

Description	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance - September 30, 2024	$ 141,943,739	$ (109,130,708)	$ 32,813,031
Changes due to:			
Service cost	2,281,462	--	2,281,462
Interest on total pension liability	8,321,494	--	8,321,494
Benefit changes	--	--	--
Difference between expected and actual experience	1,322,987	--	1,322,987
Assumption changes	(1,650,787)	--	(1,650,787)
Benefit payments	(8,726,893)	8,726,893	--
Refunds	(58,906)	58,906	--
Employer contributions	--	(6,667,532)	(6,667,532)
Employee contributions	--	(542,502)	(542,502)
Investment income	--	(12,109,235)	(12,109,235)
Investment expense	--	144,348	144,348
Administrative expense	--	173,973	173,973
Total changes	1,489,357	(10,215,149)	(8,725,792)
Prior Year Adjustment	--	(261)	(261)
Balance - September 30, 2025	$ 143,433,096	$ (119,346,118)	$ 24,086,978

As of September 30, 2025, the investment return assumption is 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, 2025 were as follows:

Description	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance - September 30, 2024	$ 122,210,792	$ (94,233,750)	$ 27,977,042
Changes due to:			
Service cost	2,025,269	--	2,025,269
Interest on total pension liability	7,186,042	--	7,186,042
Benefit changes	--	--	--
Difference between expected and actual experience	1,946,471	--	1,946,471
Assumption changes	3,448,777	--	3,448,777
Benefit payments	(6,821,519)	6,821,519	--
Refunds	(90,589)	90,589	--
Employer contributions	--	(6,080,134)	(6,080,134)
Employee contributions	--	(879,346)	(879,346)
Investment income	--	(10,456,256)	(10,456,256)
Investment expense	--	124,644	124,644
Administrative expense	--	150,224	150,224
Total changes	7,694,451	(10,228,760)	(2,534,309)
Prior Year Adjustment	--	(225)	(225)
Balance - September 30, 2025	$ 129,905,243	$ (104,462,735)	$ 25,442,508

As of September 30, 2025, the investment return assumption is 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, 2025 were as follows:

Description	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance - September 30, 2024	$ 130,673,499	$ (93,682,707)	$ 36,990,792
Changes due to:			
Service cost	2,062,116	--	2,062,116
Interest on total pension liability	7,703,630	--	7,703,630
Benefit changes	--	--	--
Difference between expected and actual experience	239,413	--	239,413
Assumption changes	3,136,838	--	3,136,838
Benefit payments	(6,619,278)	6,619,278	--
Refunds	(2,173)	2,173	--
Employer contributions	--	(7,332,587)	(7,332,587)
Employee contributions	--	(1,716,770)	(1,716,770)
Investment income	--	(10,395,112)	(10,395,112)
Investment expense	--	123,915	123,915
Administrative expense	--	149,346	149,346
Total changes	6,520,546	(12,549,757)	(6,029,211)
Prior Year Adjustment	--	(225)	(225)
Balance - September 30, 2025	$ 137,194,045	$ (106,232,689)	$ 30,961,356

As of September 30, 2025, the investment return assumption is 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	$ 41,057,448	$ 24,086,978	$ 9,956,699
Police Officers	41,756,165	25,442,508	12,033,170
Firefighters	49,473,752	30,961,356	15,892,200
Net Pension Liability of the Town	$ 132,287,365	$ 80,490,842	$ 37,882,069

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

General Employees and Lifeguards

At September 30, 2025, the Town reported a net pension liability of $24,086,978 for the general employees and lifeguards. The liability was measured as of September 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2024.

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, 2025, the Town recognized pension expense of $3,239,133 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	$ 1,041,500	$ (923,941)
Changes of assumptions or other inputs	2,795,809	(1,299,556)
Net difference between projected and actual earnings on pension plan investment	--	(7,623,015)
Total	$ 3,837,309	$ (9,846,512)

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

Fiscal Year Ending September 30	Amount
2026	$ 1,722,356
2027	(3,393,814)
2028	(3,235,022)
2029	(1,102,723)
Total	$ (6,009,203)

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, 2025, the Town reported a net pension liability of $25,442,508 for the police officers. The liability was measured as of September 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2024.

For the fiscal year ended September 30, 2025, the Town recognized pension expense of $5,122,602 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	$ 2,044,021	$ --
Changes of assumptions or other inputs	4,476,605	--
Net difference between projected and actual earnings on pension plan investment	--	(6,464,051)
Total	$ 6,520,626	$ (6,464,051)

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

Fiscal Year Ending September 30	Amount
2026	$ 3,981,433
2027	(1,259,918)
2028	(1,765,286)
2029	(899,654)
Total	$ 56,575

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, 2025, the Town reported a net pension liability of $30,961,356 for the firefighters. The liability was measured as of September 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2024.

For the fiscal year ended September 30, 2025 the Town recognized pension expense of $3,919,966 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	$ 178,025	$ (26,598)
Changes of assumptions or other inputs	4,877,552	--
Net difference between projected and actual earnings on pension plan investment	--	(6,057,223)
Total	$ 5,055,577	$ (6,083,821)

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

Fiscal Year Ending September 30	Amount
2026	$ 3,270,434
2027	(1,416,327)
2028	(2,009,974)
2029	(872,377)
Total	$ (1,028,244)

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, 2024
Measurement date:	September 30, 2025
Actuarial cost method:	Entry Age Normal
Single discount rate:	6.00%
Investment rate of return:	6.00%
General inflation:	2.50%
Salary increases – General:	3.75 – 6.25%
Salary increases – Police:	4.50 – 8.50%
Salary increases – Firefighters:	4.50 – 9.25%
Mortality:	The mortality tables used are the same as those used for the July 1, 2024 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-2021.
Other Information:	The following assumption changes are reflected in the Total Pension Liability as of September 30, 2025: Incompliance with Florida Statutes, the mortality assumption was updated to match the mortality tables and improvement scales first implemented by the Florida Retirement System in their July 1, 2024 actuarial valuation. The rates of salary increase, retirement, employment separation, and disability were updated in accordance with there commended changes in the Experience Study Report dated November 7, 2025, based on experience during the seven years ended September 30, 2024.

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, 2025, 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, 2025, the Town reported a total pension liability of $1,986,109 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, 2025, based on a September 30, 2024 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, 2025, the Town recognized pension income of $129,886. As of September 30, 2025, 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, 2025 are as follows:

Preservation of Benefits Retirement Plan	Total Pension Liability
Balance - September 30, 2024	$ 2,115,995
Changes due to:	
Service cost	--
Interest on total pension liability	80,619
Benefit changes	--
Difference between expected and actual experience	(68,334)
Assumption changes	(142,171)
Benefit payments	--
Total changes	(129,886)
Balance - September 30, 2025	$ 1,986,109

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 4.90% 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 3.90%	Current Discount Rate 4.90%	1% Increase 5.90%
Total Pension Liability	$ 2,208,305	$ 1,986,109	$ 1,797,533

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

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

Valuation date:	September 30, 2024
Measurement date:	September 30, 2025
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:	4.90%
Retirement rate:	N/A
Mortality:	The mortality tables used are the same as those used in the July 1, 2024 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-2021.

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 25, 2025. 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 3.81% as of September 30, 2024 to 4.90% as of September 30, 2025 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, 2025.

	General Employees & Lifeguards	Police Officers	Firefighters	Preservation of Benefits Plan	Totals
Plan fiduciary net position	$ 119,346,118	$ 104,462,735	$ 106,232,689	$ --	$ 330,041,542
Total pension liability	143,433,096	129,905,243	137,194,045	1,986,109	412,518,493
Net pension liability	24,086,978	25,442,508	30,961,356	1,986,109	82,476,951
Deferred outflows of resources	3,837,309	6,520,626	5,055,577	--	15,413,512
Deferred inflows of resources	9,846,512	6,464,051	6,083,821	--	22,394,384
Pension expense (income)	3,239,133	5,122,602	3,919,966	(129,886)	12,151,815
Plan of fiduciary net position as a percentage of the total pension liability	83.21%	80.41%	77.43%	0.00%	80.01%
Covered payroll	$ 14,691,412	$ 6,745,385	$ 6,854,224	N/A	$ 28,291,021
Net pension liability as a percentage of covered payroll	163.95%	377.18%	451.71%	N/A	291.53%

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, 2025, the Town recognized pension expense of $677,221 for the defined contribution plan, which included forfeitures of $60,258. At September 30, 2025, the Town reported a payable in the amount of $194,044 for outstanding contributions to the Plan for the fiscal year ended September 30, 2025.

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, 2025 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 $828,584 from the Town for the fiscal year ended September 30, 2025.

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, 2025 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%	5.54%
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, 2025 the annual money-weighted rate of return on Plan investments, net of investment expenses was 10.81%.

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, 2025
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, 2025 were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balance - September 30, 2024	$ 39,804,598	$ (43,774,075)	$ (3,969,477)
Changes due to:			
Service cost	1,675,964	--	1,675,964
Interest on total OPEB liability	2,034,332	--	2,034,332
Benefit changes	--	--	--
Difference between expected and actual experience	--	--	--
Assumption changes	--	--	--
Benefit payments	(1,587,826)	1,587,826	--
Employer contributions	--	(828,584)	(828,584)
Net investment income	--	(4,338,037)	(4,338,037)
Administrative expense	--	196,059	196,059
Total changes	2,122,470	(3,382,736)	(1,260,266)
Balance - September 30, 2025	$ 41,927,068	$ (47,156,811)	$ (5,229,743)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)			112.47%

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)	$ 988,852	$ (5,229,743)	$ (10,310,849)

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)	$ (10,923,104)	$ (5,229,743)	$ 1,945,732

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

At September 30, 2025, the Town reported a net OPEB asset of $5,229,743. The asset was measured as of September 30, 2025 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, 2025, the Town recognized OPEB expense of $254,909. 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	$ --	$ (1,959,909)
Assumption changes	6,229,568	(4,135,835)
Net difference between projected and actual earnings on OPEB plan investments	--	(817,454)
Total	$ 6,229,568	$ (6,913,198)

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
2026	$ 92,533
2027	(623,674)
2028	(689,770)
2029	259,587
2030	277,694
Total	$ (683,630)

PAYABLE TO THE OPEB PLAN

At September 30, 2025, the Town had no payables for outstanding contributions to the Plan required for the fiscal year ended September 30, 2025.

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, 2025

Assets	
Cash and cash equivalents	$ 170,588
Investments	
Short-term investment fund	686,955
Fixed income securities	16,437,757
Domestic equity funds	24,022,010
International and emerging market equity funds	1,930,391
Private equity funds	229,329
Real estate funds	3,724,334
Total Assets	47,201,364
Liabilities	
Accounts payable and accrued liabilities	33,360
Due to brokers	11,193
Total Liabilities	44,553
Net Position Restricted for Retiree Health Benefits	$ 47,156,811

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2025

Additions	
Contributions	
Employer	$ 828,584
Employee	960,700
Other	486,021
Total contributions	2,275,305
Investment income	
Net appreciation in fair value of investments	3,564,455
Interest and dividends	650,416
Total investment income	4,214,871
Less investment expense	(127,637)
Net investment income	4,087,234
Total Additions	6,362,539
Deductions	
Benefit payments	2,832,496
Administrative expenses	138,992
Total Deductions	2,971,488
Change in Net Position	3,391,051
Net Position Restricted for Retiree Health Benefits -	
Beginning of Year	43,765,760
Net Position Restricted for Retiree Health Benefits -	
End of Year	$ 47,156,811

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 $2,348,000 is included in accrued liabilities of the Internal Service Funds at September 30, 2025. 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, 2025 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, 2025 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, 2025, these benefits covered 328 active employees, 121 retirees, 0 COBRA, and 451 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, 2025	Year Ended September 30, 2024
Accrued claims liability at beginning of fiscal year	$ 2,184,351	$ 2,017,192
Current year claims and changes in estimates	7,327,067	6,578,260
Claim payments	(7,163,328)	(6,411,101)
Accrued Claims Liability at End of Fiscal Year	$ 2,348,090	$ 2,184,351

The accrued claims liability at September 30, 2025 consisted of $533,882 for group health and accident claims and $1,814,208 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 $64,090,809 at September 30, 2025.

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, 2025, the following amounts were encumbered in the governmental funds:

Major Funds	
General Fund	$ 1,213,888
Townwide Undergrounding Assessment Fund	24,784,139
Capital Improvement Fund	31,883,721
Beach Restoration Project Fund	4,863,685
Total Major Funds	62,745,433
Non-Major Governmental Funds	509,459
Total Encumbrances	$ 63,254,892

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, 2025, the estimated liability for landfill closure and post-closure care costs were $5,621,143 for the Skees Road site and $7,668,945 for the Okeechobee Boulevard site for a total of $13,290,088. This represents the cumulative amounts reported to date based on the use of 68.25% of the estimated capacity of the Skees Road site and 98.40% 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 $2,614,964 for the Skees Road Site and $124,698 for the Okeechobee Boulevard site as the remaining estimated capacity is filled. The landfills have remaining estimated lives of 35 years and 9 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 $8,236,106 for the Skees Road site and $7,793,643 for the Okeechobee Boulevard site for a total of $16,029,750. 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, 2025. 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, 2025, the Special Assessment Maintenance Fund had an unassigned fund balance deficit in the amount of $351,701. 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 year-end.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PALM BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Taxes:				
Ad valorem	$ 79,745,500	$ 79,745,500	$ 80,804,094	$ 1,058,594
Local option gas tax	345,000	345,000	341,318	(3,682)
Franchise fees	2,525,000	2,525,000	2,769,640	244,640
Utility service	6,435,000	6,435,000	7,288,184	853,184
Business tax receipts	915,000	915,000	922,008	7,008
Total taxes	89,965,500	89,965,500	92,125,244	2,159,744
Fees and permits:				
Building permits	1,028,500	1,028,500	1,227,253	198,753
Fees and other permits	995,000	995,000	1,346,482	351,482
Total fees and permits	2,023,500	2,023,500	2,573,735	550,235
Intergovernmental:				
State shared revenue	1,200,000	1,200,000	1,352,316	152,316
Shared revenue - local	17,500	17,500	26,413	8,913
Total intergovernmental	1,217,500	1,217,500	1,378,729	161,229
Charges for services:				
General government	76,000	76,000	79,949	3,949
Public safety	2,529,500	2,529,500	3,553,924	1,024,424
Physical environment	1,189,000	1,189,000	1,387,736	198,736
Transportation	4,737,915	4,737,915	5,236,741	498,826
Culture and recreation	1,463,360	1,463,360	1,755,461	292,101
Total charges for services	9,995,775	9,995,775	12,013,811	2,018,036
Fines and forfeiture	1,128,000	1,128,000	1,407,127	279,127
Investment earnings	1,864,484	1,864,494	3,198,825	1,334,331
Grant revenue	35,000	35,000	28,633	(6,367)
Miscellaneous:				
Rents and royalties	909,700	909,700	819,980	(89,720)
Other miscellaneous	419,000	419,000	650,237	231,237
Total miscellaneous	1,328,700	1,328,700	1,470,217	141,517
Total Revenues	$ 107,558,459	$ 107,558,469	$ 114,196,321	$ 6,637,852

(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, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget - Positive (Negative)
Expenditures				
General government:				
Town manager	$ 3,174,901	$ 3,187,298	$ 3,117,577	$ 69,721
Human resources	1,160,516	1,173,641	1,000,366	173,275
Information systems	4,673,237	4,821,983	3,975,083	846,900
Town clerk	397,770	397,770	377,877	19,893
Finance	2,152,522	2,153,313	2,204,453	(51,140)
Planning, zoning and building	1,360,620	2,053,550	2,003,331	50,219
Permit issuance	--	--	4,486	(4,486)
Employee benefits	828,584	828,584	828,584	--
Total general government	13,748,150	14,616,139	13,511,757	1,104,382
Public safety:				
Inspection and compliance	402,283	402,283	403,791	(1,508)
Fire-rescue	19,687,879	19,693,165	19,464,802	228,363
Police	23,719,212	23,736,658	23,456,228	280,430
Emergency/disaster response	--	--	6,972	(6,972)
Total public safety	43,809,374	43,832,106	43,331,793	500,313
Physical environment:				
Administration	1,077,537	1,077,537	1,037,458	40,079
Sewer and sanitation	12,965,675	13,190,957	11,790,409	1,400,548
Public works	4,279,090	4,495,994	4,273,520	222,474
Total physical environment	18,322,302	18,764,488	17,101,387	1,663,101
Transportation:				
Streets and repairs	603,798	626,117	572,010	54,107
Traffic control	902,659	958,996	945,020	13,976
Total transportation	1,506,457	1,585,113	1,517,030	68,083
Culture and recreation:				
Recreation	2,797,014	3,003,997	2,743,783	260,214
Library	396,912	396,912	396,912	--
Parks and beaches	2,862,178	2,862,394	2,501,579	360,815
Total culture and recreation	6,056,104	6,263,303	5,642,274	621,029
Non-departmental	7,849,817	7,849,817	7,760,776	89,041
Debt service:				
Principal	--	--	143,840	(143,840)
Interest	--	--	5,269	(5,269)
Total debt service	--	--	149,109	(149,109)
Total Expenditures	$ 91,292,204	$ 92,910,966	$ 89,014,126	$ 3,896,840

(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, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Other Financing Sources (Uses)				
Initiation of leases	$ --	$ --	$ 34,456	$ 34,456
Transfers in	8,362,090	8,362,090	8,362,090	--
Transfers out	(27,888,345)	(27,888,345)	(27,888,345)	--
Appropriation of prior year's fund balance	3,260,000	4,878,752	--	(4,878,752)
Total Other Financing Sources (Uses)	(16,266,255)	(14,647,503)	(19,491,799)	(4,844,296)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	$ --	$ --	5,690,396	$ 5,690,396
Fund Balance - Beginning of Year			46,984,762	
Fund Balance - End of Year			$ 52,675,158	

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, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues				
Investment earnings	$ 500,000	$ 500,000	$ 731,229	$ 231,229
Special assessments and related interest	3,856,110	3,856,110	3,866,759	10,649
Miscellaneous	224,900	224,900	213,038	(11,862)
Total Revenues	4,581,010	4,581,010	4,811,026	230,016
Expenditures				
Current:				
Physical environment	14,089,540	38,342,555	20,159,873	18,182,682
Total current	14,089,540	38,342,555	20,159,873	18,182,682
Debt service:				
Principal	1,495,000	1,495,000	1,495,000	--
Interest and fiscal charges	2,352,605	2,352,605	2,352,105	500
Total debt service	3,847,605	3,847,605	3,847,105	500
Total Expenditures	17,937,145	42,190,160	24,006,978	18,183,182
Other Financing Sources (Uses)				
Transfers in	6,500,000	6,500,000	6,500,000	--
Appropriation of prior year's fund balance	6,856,135	31,109,150	--	(31,109,150)
Total Other Financing Sources (Uses)	13,356,135	37,609,150	6,500,000	(31,109,150)
Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	$ --	$ --	(12,695,952)	$ (12,695,952)
Fund Balance - Beginning of Year			17,154,936	
Fund Balance - End of Year			$ 4,458,984	

See notes to budgetary comparison schedule.

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 $1,618,752 for the fiscal year 2025.

All budget amounts presented in the accompanying required 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, 2024, the Town had commitments related to unperformed contracts, which have been re-appropriated in the 2024-2025 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, 2025, includes $1,618,752 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 fiscal year ended September 30, 2025, 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 GENERAL EMPLOYEES AND LIFEGUARDS RETIREMENT PLAN

Measurement Date, September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 2,281,462	$ 1,710,590	$ 1,453,713	$ 1,213,920	$ 1,133,679	$ 1,080,087	$ 913,152	$ 977,761	$ 750,112	$ 636,740
Interest on the total pension liability	8,321,494	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
Benefit changes	--	1,655,326	--	--	--	--	--	--	1,932,700	--
Difference between expected and actual experience	1,322,987	(638,399)	(1,676,295)	(500,495)	(4,553)	(1,066,898)	842,186	(222,903)	529,542	961,731
Assumption changes	(1,650,787)	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
Benefit payments	(8,726,893)	(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)
Refunds	(58,906)	(30,864)	(42,290)	(33,384)	(49,981)	(71,470)	(54,245)	(73,812)	(20,235)	(37,241)
Net Change in Total Pension Liability	1,489,357	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
Total Pension Liability - Beginning	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
Total Pension Liability - Ending (a)	$ 143,433,096	$ 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
Plan Fiduciary Net Position										
Employer contributions	$ 6,667,532	$ 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
Employee contributions	542,502	505,277	451,792	402,072	367,687	359,848	362,987	391,275	332,457	289,317
Pension plan investment income (loss)	12,109,235	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
Investment expense	(144,348)	(218,763)	(235,580)	(240,827)	(264,572)	(217,734)	(247,244)	(232,883)	(198,929)	(223,064)
Benefit payments	(8,726,893)	(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)
Refunds	(58,906)	(30,864)	(42,290)	(33,384)	(49,981)	(71,470)	(54,244)	(73,812)	(20,235)	(37,241)
Pension plan administrative expense	(173,973)	(178,739)	(145,351)	(129,788)	(125,205)	(145,095)	(174,965)	(159,813)	(166,261)	(175,570)
Net Change in Plan Fiduciary Net Position	10,215,149	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
Plan Fiduciary Net Position - Beginning	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
Prior Year Adjustment	261	--	--	--	--	--	--	--	--	--
Plan Fiduciary Net Position - Ending (b)	$ 119,346,118	$ 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
Net Pension Liability - Ending (a) - (b)	$ 24,086,978	$ 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
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.21%	76.88%	68.19%	65.61%	82.40%	71.66%	70.74%	71.23%	70.29%	68.72%
Covered Payroll	$ 14,691,412	$ 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
Net Pension Liability as a Percentage of Covered Payroll	163.95%	249.66%	366.09%	439.86%	225.60%	353.10%	342.84%	305.02%	322.57%	349.60%

Changes in Assumptions

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. The following assumption changes are reflected in the Total Pension Liability as of September 30, 2025: Incompliance with Florida Statutes, the mortality assumption was updated to match the mortality tables and improvement scales first implemented by the Florida Retirement System in their July 1, 2024 actuarial valuation. The rates of salary increase, retirement, employment separation, and disability were updated in accordance with there commended changes in the Experience Study Report dated November 7, 2025, based on experience during the seven years ended September 30, 2024.

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 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
2025	$ 4,843,610	$ 6,667,532	$ (1,823,922)	$ 14,691,412	45.38%
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%

Notes to the schedule

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2025:

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, 2023
Actuarial cost method	Entry-age normal
Amortization method	Level percent-of-payroll, closed
Remaining Amortization Period	8-20 years
Asset valuation method	5 year smoothed market
General inflation	2.25%
Salary increases	5.50% including inflation
Investment rate of return	6.20%
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, 2022 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 using Scale MP-2018.

Other Information:

Notes	The FY 2025 contributions were determined in the September 30, 2023 Actuarial Valuation Report dated March 11, 2024 and the Actuarial Impact Statement for Ordinance No. 14-2024 dated April 30, 2024.
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,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 2,025,269	$ 1,426,532	$ 1,284,052	$ 1,083,302	$ 950,293	$ 919,349	$ 585,084	$ 643,300	$ 571,802	$ 229,514
Interest on the total pension liability	7,186,042	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
Benefit changes	--	144,494	--	--	--	--	145,828	--	--	1,149,473
Difference between expected and actual experience	1,946,471	724,496	1,013,858	613,600	(596,176)	(11,374)	(343,932)	(95,342)	(978,835)	489,883
Assumption changes	3,448,777	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
Benefit payments	(6,821,519)	(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)
Refunds	(90,589)	(61,949)	(50,027)	(33,623)	(89,548)	(30,276)	(70,225)	(29,648)	(9,583)	(27,651)
Net Change in Total Pension Liability	7,694,451	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
Total Pension Liability - Beginning	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
Total Pension Liability - Ending (a)	$ 129,905,243	$ 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
Plan Fiduciary Net Position										
Employer contributions	$ 6,080,134	$ 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
Employee contributions	879,346	548,538	459,543	409,443	377,048	360,556	415,736	388,770	368,777	122,231
Pension plan investment income (loss)	10,456,256	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
Investment expense	(124,644)	(187,973)	(202,423)	(206,931)	(226,312)	(184,670)	(207,297)	(186,638)	(159,377)	(178,714)
Benefit payments	(6,821,519)	(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)
Refunds	(90,589)	(61,949)	(50,027)	(33,623)	(89,548)	(30,276)	(70,225)	(29,648)	(9,583)	(27,651)
Pension plan administrative expense	(150,224)	(153,941)	(124,893)	(111,521)	(107,100)	(123,062)	(146,696)	(128,077)	(133,206)	(140,951)
Net Change in Plan Fiduciary Net Position	10,228,760	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
Plan Fiduciary Net Position - Beginning	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
Prior Year Adjustment	225	--	--	--	--	--	--	--	--	--
Plan Fiduciary Net Position - Ending (b)	$ 104,462,735	$ 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
Net Pension Liability - Ending (a) - (b)	$ 25,442,508	$ 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
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.41%	77.11%	68.22%	66.97%	84.44%	72.29%	70.27%	68.94%	67.12%	63.03%
Covered Payroll	$ 6,745,385	$ 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
Net Pension Liability as a Percentage of Covered Payroll	377.18%	523.04%	744.59%	836.18%	413.51%	699.56%	866.62%	818.45%	908.85%	970.19%

Changes in Assumptions

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. The following assumption changes are reflected in the Total Pension Liability as of September 30, 2025: Incompliance with Florida Statutes, the mortality assumption was updated to match the mortality tables and improvement scales first implemented by the Florida Retirement System in their July 1, 2024 actuarial valuation. The rates of salary increase, retirement, employment separation, and disability were updated in accordance with there commended changes in the Experience Study Report dated November 7, 2025, based on experience during the seven years ended September 30, 2024.

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 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
2025	$ 4,497,745	$ 6,080,134	$ (1,582,389)	$ 6,745,385	90.14%
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%

Notes to the schedule

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2025:

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, 2023
Actuarial cost method	Entry-age normal
Amortization method	Level percent-of-payroll, closed
Remaining Amortization Period	3-20 years
Asset valuation method	5 year smoothed market
General inflation	2.25%
Salary increases	6.0% including inflation
Investment rate of return	6.20%
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, 2022 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:

Notes	The FY 2025 contributions were determined in the September 30, 2023 Actuarial Valuation Report dated March 11, 2024 and the Actuarial Impact Statement for Ordinance No. 10-2024 and No. 14-2024 dated April 30, 2024.
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,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 2,062,116	$ 1,754,089	$ 1,560,654	$ 1,382,422	$ 1,226,110	$ 998,383	$ 683,825	$ 621,134	$ 342,206	$ 187,387
Interest on the total pension liability	7,703,630	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
Benefit changes	--	1,066,506	--	--	--	138,701	259,657	--	1,163,805	370,169
Difference between expected and actual experience	239,413	(3,037)	(19,963)	(406,131)	35,675	115,537	524,778	224,785	3,372,587	1,133,752
Assumption changes	3,136,838	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
Benefit payments	(6,619,278)	(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)
Refunds	(2,173)	(93,130)	(5,734)	(55,094)	(109,401)	(25,160)	(59,346)	(47,423)	(39,427)	(66,548)
Net Change in Total Pension Liability	6,520,546	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
Total Pension Liability - Beginning	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
Total Pension Liability - Ending (a)	$ 137,194,045	$ 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
Plan Fiduciary Net Position										
Employer contributions	$ 7,332,587	$ 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
Employee contributions	1,716,770	589,928	557,473	515,864	477,535	449,699	451,845	481,910	262,473	129,585
Pension plan investment income (loss)	10,395,112	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
Investment expense	(123,915)	(180,863)	(194,767)	(199,104)	(215,018)	(173,611)	(194,277)	(177,210)	(151,375)	(169,741)
Benefit payments	(6,619,278)	(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)
Refunds	(2,173)	(93,130)	(5,734)	(55,094)	(109,401)	(25,160)	(59,346)	(47,423)	(39,427)	(66,548)
Pension plan administrative expense	(149,346)	(148,886)	(120,169)	(107,302)	(101,755)	(115,693)	(137,483)	(121,607)	(126,518)	(133,874)
Net Change in Plan Fiduciary Net Position	12,549,757	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
Plan Fiduciary Net Position - Beginning	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
Prior Year Adjustment	225	--	--	--	--	--	--	--	--	--
Plan Fiduciary Net Position - Ending (b)	$ 106,232,689	$ 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
Net Pension Liability - Ending (a) - (b)	$ 30,961,356	$ 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
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.43%	71.69%	63.33%	61.12%	75.60%	64.90%	62.74%	61.90%	59.93%	59.77%
Covered Payroll	$ 6,854,224	$ 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
Net Pension Liability as a Percentage of Covered Payroll	451.71%	568.18%	755.78%	838.59%	549.92%	892.68%	994.04%	1084.12%	1198.92%	1195.88%

Changes in Assumptions

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. The following assumption changes are reflected in the Total Pension Liability as of September 30, 2025: Incompliance with Florida Statutes, the mortality assumption was updated to match the mortality tables and improvement scales first implemented by the Florida Retirement System in their July 1, 2024 actuarial valuation. The rates of salary increase, retirement, employment separation, and disability were updated in accordance with there commended changes in the Experience Study Report dated November 7, 2025, based on experience during the seven years ended September 30, 2024.

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 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
2025	$ 5,318,898	$ 7,332,587	$ (2,013,689)	$ 6,854,224	106.98%
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%

Notes to the schedule

Significant methods and assumptions used to determine contribution rates for fiscal year ended September 30, 2025:

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, 2023
Actuarial cost method	Entry-age normal
Amortization method	Level percent-of-payroll, closed
Remaining Amortization Period	8-20 years
Asset valuation method	5 year smoothed market
General inflation	2.25%
Salary increases	6.0% including inflation
Investment rate of return	6.20%
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, 2022 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:	
Notes	The FY 2025 contributions were determined in the September 30, 2023 Actuarial Valuation Report dated March 11, 2024 and the Actuarial Impact Statement for Ordinance No. 14-2024 dated April 30, 2024.
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 (%)
2025	10.97
2024	19.53
2023	9.74
2022	(16.53)
2021	18.32
2020	6.43
2019	4.59
2018	7.52
2017	11.2
2016	7.8

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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2025	2024	2023	2022	2021	2020	2019	2018
Total Pension Liability								
Service cost	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Interest on the total pension liability	80,619	62,329	74,622	53,492	28,969	32,052	21,802	21,440
Benefit changes	--	601,979	--	--	--	--	--	--
Differences between expected and actual experience	(68,334)	(83,746)	(386,854)	(233,319)	112,719	(1,704)	(64,161)	--
Assumption changes	(142,171)	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	(129,886)	769,654	(353,825)	(749,260)	1,241,840	36,498	596,329	8,479
Total Pension Liability - Beginning	2,115,995	1,346,341	1,700,166	2,449,426	1,207,586	1,171,088	574,759	566,280
Total Pension Liability - Ending	$ 1,986,109	$ 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	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	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). The following assumption changes are reflected in the Total Pension Liability as of September 30, 2025: Incompliance with Florida Statutes, the mortality assumption was updated to match the mortality tables and improvement scales first implemented by the Florida Retirement System in their July 1, 2024 actuarial valuation. The discount rate was changed from 3.81% as of the beginning of the measurement period to 4.90% as of September 30, 2025 (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

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 1,675,964	$ 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	2,034,332	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	(1,587,826)	(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	2,122,470	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	39,804,598	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)	$ 41,927,068	$ 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	$ 828,584	$ 789,128	$ 331,217	$ 334,215	$ 429,858	$ 423,014	$ 435,383	$ 960,000	$ 1,339,000
OPEB plan investment income (loss)	4,338,037	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	(1,587,826)	(1,203,986)	(750,029)	(889,342)	(935,078)	(421,650)	(1,138,900)	(1,247,029)	(1,035,214)
Administrative expense	(187,744)	(173,967)	(174,203)	(121,971)	(118,910)	(142,315)	(109,425)	(106,592)	(121,385)
Other	(8,315)	--	--	--	--	--	2,678	(1,345)	--
Net Change in Plan Fiduciary Net Position	3,382,736	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	43,774,075	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)	$ 47,156,811	$ 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)	$ (5,229,743)	$ (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)	112.47%	109.97%	110.57%	110.75%	147.81%	152.66%	102.45%	107.37%	111.84%
Covered-Employee Payroll	$ 30,425,939	$ 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	-17.19%	-13.44%	-12.76%	-12.45%	-52.95%	-49.98%	-3.28%	-9.70%	-13.12%

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 60%. There were no revisions in assumptions between the last actuarial valuation and the measurement date as of September 30, 2025.

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 TOWN CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS PLAN

LAST NINE 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
2025	$ 828,584	$ 828,584	$ --	$ 30,425,939	2.72%
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 2025 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 7.00% on 10/1/2025, followed by 6.50% on 10/1/2026 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, 2023 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 through 2018.
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 NINE FISCAL YEARS

Fiscal Year Ended September 30,	Money Weighted Rate of Investment Return (%)
2025	10.81
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

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 500,000	$ 500,000	$ 943,428	$ 443,428
Investment earnings	2,000,000	2,000,000	1,492,510	(507,490)
Grant revenue	--	--	370,466	370,466
Cost Sharing and donations	1,000,000	1,000,000	7,575,000	6,575,000
Total Revenues	$ 3,500,000	$ 3,500,000	$ 10,381,404	$ 6,881,404
Expenditures				
Current:				
General government	$ --	$ 57,773	$ --	$ 57,773
Public safety	--	4,970,268	3,500,309	1,469,959
Physical environment	--	21,567,063	5,220,731	16,346,332
Transportation	--	11,233,348	4,537,752	6,695,596
Culture and recreation	--	4,717,839	7,913,127	(3,195,288)
Non-departmental	46,670,475	4,124,184	--	4,124,184
Total Expenditures	$ 46,670,475	$ 46,670,475	$ 21,171,919	$ 25,498,556
Other Financing Sources (Uses)				
Transfers in	$ 18,310,622	$ 18,310,622	$ 18,310,622	$ --
Transfers out	(500,000)	(500,000)	(500,000)	--
Appropriation of prior year's fund balance	25,359,853	25,359,853	--	(25,359,853)
Total Other Financing Sources (Uses)	$ 43,170,475	$ 43,170,475	$ 17,810,622	$ (25,359,853)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	$ --	$ --	$ 7,020,107	$ 7,020,107

TOWN OF PALM BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE

BEACH RESTORATION PROJECT FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Investment earnings	$ 1,500,000	$ 1,500,000	$ 1,682,328	$ 182,328
Grant revenue	10,876,950	10,876,950	4,448,887	(6,428,063)
Total Revenues	$ 12,376,950	$ 12,376,950	$ 6,131,215	$ (6,245,735)
Expenditures				
Current:				
Physical environment	$ 236,112	$ 66,669,304	$ 22,147,526	$ 44,521,778
Non-departmental	66,433,193	--	--	--
Total Expenditures	$ 66,669,305	$ 66,669,304	$ 22,147,526	$ 44,521,778
Other Financing Sources (Uses)				
Transfers in	$ 5,791,205	$ 5,791,205	$ 5,791,205	$ --
Transfers out	(508,760)	(508,760)	(508,760)	--
Appropriation of prior year's fund balance	49,009,910	49,009,909	--	(49,009,909)
Total Other Financing Sources (Uses)	$ 54,292,355	$ 54,292,354	$ 5,282,445	$ (49,009,909)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	$ --	$ --	$ (10,733,866)	$ (10,733,866)

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 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 – To account for Worth Avenue Assessment related construction projects for the purpose of preserving the Town's infrastructure and character.

TOWN OF PALM BEACH, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue			
	State Forfeiture Fund	Federal Forfeiture Fund	Donation Fund	Special Assessment Maintenance Fund
Assets				
Cash and cash equivalents	$ 8,846	$ --	$ --	$ --
Equity in pooled cash and investments	57,262	97	1,531,197	--
Interest receivable	638	--	--	--
Total Assets	$ 66,746	$ 97	$ 1,531,197	$ --
Liabilities and Fund Balances				
Liabilities				
Accounts and contracts payable	$ --	$ --	$ 45,309	$ 372
Due to other funds	--	--	--	351,329
Total Liabilities	--	--	45,309	351,701
Fund Balances				
Restricted for:				
Crime prevention	66,746	97	--	--
Special projects	--	--	976,429	--
Debt service	--	--	--	--
Worth avenue	--	--	--	--
Assigned to:				
Subsequent year's expenditures	--	--	509,459	--
Unassigned	--	--	--	(351,701)
Total Fund Balances	66,746	97	1,485,888	(351,701)
Total Liabilities and Fund Balances	$ 66,746	$ 97	$ 1,531,197	$ --

TOWN OF PALM BEACH, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SEPTEMBER 30, 2025

	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	$ --	$ --	$ --	$ 8,846
Equity in pooled cash and investments	13,937	332,536	193,308	2,128,337
Interest receivable	134	2,771	1,075	4,618
Total Assets	$ 14,071	$ 335,307	$ 194,383	$ 2,141,801
Liabilities and Fund Balances				
Liabilities				
Accounts and contracts payable	$ --	$ --	$ 19,093	$ 64,774
Due to other funds	--	--	--	351,329
Total Liabilities	--	--	19,093	416,103
Fund Balances				
Restricted for:				
Crime prevention	--	--	--	66,843
Special projects	--	--	--	976,429
Debt service	14,071	335,307	--	349,378
Worth avenue	--	--	175,290	175,290
Assigned to:				
Subsequent year's expenditures	--	--	--	509,459
Unassigned	--	--	--	(351,701)
Total Fund Balances	14,071	335,307	175,290	1,725,698
Total Liabilities and Fund Balances	$ 14,071	$ 335,307	$ 194,383	$ 2,141,801

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, 2025

	Special Revenue			
	State Forfeiture Fund	Federal Forfeiture Fund	Donation Fund	Special Assessment Maintenance Fund
Revenues				
Fines and forfeitures	$ 8,846	$ --	$ --	$ --
Investment earnings	2,381	5	--	--
Contributions and donations	--	--	964,466	--
Special assessments	--	--	--	97,843
Total Revenues	11,227	5	964,466	97,843
Expenditures				
Current:				
General government	--	--	232,509	--
Public safety	--	--	1,210,770	--
Physical environment	--	--	6,258	--
Economic environment	--	--	--	8,460
Culture and recreation	--	--	29,907	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total Expenditures	--	--	1,479,444	8,460
Excess (Deficiency) of Revenues over Expenditures	11,227	5	(514,978)	89,383
Other Financing Sources (Uses)				
Transfers in	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--
Net Change in Fund Balances	11,227	5	(514,978)	89,383
Fund Balances - Beginning of Year	55,519	92	2,000,866	(441,084)
Fund Balances - End of Year	$ 66,746	$ 97	$ 1,485,888	$ (351,701)

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, 2025

	Debt Service		Capital Projects	
	2013/2016A Debt Service Fund	2016B Debt Service Fund	Worth Avenue Assessment Fund	Total Nonmajor Governmental Funds
Revenues				
Fines and forfeitures	$ --	$ --	$ --	$ 8,846
Investment earnings	632	10,570	8,780	$ 22,368
Contributions and donations	--	--	--	964,466
Special assessments	--	763,198	393,162	1,254,203
Total Revenues	632	773,768	401,942	2,249,883
Expenditures				
Current:				
General government	--	--	--	232,509
Public safety	--	--	--	1,210,770
Physical environment	--	--	--	6,258
Economic environment	--	--	541,956	550,416
Culture and recreation	--	--	--	29,907
Debt service:				
Principal	3,595,000	400,000	--	3,995,000
Interest and fiscal charges	2,947,339	324,188	--	3,271,527
Total Expenditures	6,542,339	724,188	541,956	9,296,387
Excess (Deficiency) of Revenues over Expenditures	(6,541,707)	49,580	(140,014)	(7,046,504)
Other Financing Sources (Uses)				
Transfers in	6,539,277	--	--	6,539,277
Total Other Financing Sources (Uses)	6,539,277	--	--	6,539,277
Net Change in Fund Balances	(2,430)	49,580	(140,014)	(507,227)
Fund Balances - Beginning of Year	16,501	285,727	315,304	2,232,925
Fund Balances - End of Year	$ 14,071	$ 335,307	$ 175,290	$ 1,725,698

TOWN OF PALM BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE

SERIES 2013/2016A DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Investment earnings	$ 17,500	$ 17,500	$ 632	$ (16,868)
Total Revenues	17,500	17,500	632	(16,868)
Expenditures				
Current:				
General Government	7,500	7,500	--	7,500
Debt service:				
Principal	3,595,000	3,595,000	3,595,000	--
Interest and fiscal charges	2,954,277	2,954,277	2,947,339	6,938
Total Expenditures	6,556,777	6,556,777	6,542,339	14,438
Other Financing Sources				
Transfers in	6,539,277	6,539,277	6,539,277	--
Total Other Financing Sources	6,539,277	6,539,277	6,539,277	--
Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	$ --	$ --	$ (2,430)	$ (2,430)

TOWN OF PALM BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE

SERIES 2016B DEBT SERVICE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Investment earnings	$ --	$ --	$ 10,570	$ 10,570
Special assessments	725,188	725,188	763,198	38,010
Total Revenues	725,188	725,188	773,768	48,580
Expenditures				
Debt service:				
Principal	400,000	400,000	400,000	--
Interest and fiscal charges	325,188	325,188	324,188	1,000
Total Expenditures	725,188	725,188	724,188	1,000
Revenues over Expenditures	$ --	$ --	$ 49,580	$ 49,580

TOWN OF PALM BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE

WORTH AVENUE ASSESSMENT FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Investment earnings	$ 1,000	$ 1,000	$ 8,780	$ 7,780
Contributions and donations	5,000	5,000	--	(5,000)
Special assessments	408,558	408,558	393,162	(15,396)
Total Revenues	414,558	414,558	401,942	(12,616)
Expenditures				
Current:				
Economic environment	414,558	414,558	541,956	(127,398)
Total Expenditures	414,558	414,558	541,956	(127,398)
Revenues Under Expenditures	$ --	$ --	$ (140,014)	$ (140,014)

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, 2025

	Property, Liability and Workers Compensation Insurance Fund	Group Health Insurance Fund	Equipment Replacement Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 20,000	$ 12,053	$ --	$ 32,053
Equity in pooled cash and investments	6,515,795	2,145,716	23,953,271	32,614,782
Accounts receivable	--	22,725	2,225	24,950
Interest receivable	31,096	13,772	108,271	153,139
Prepaid items	547,335	211,000	--	758,335
Total current assets	7,114,226	2,405,266	24,063,767	33,583,259
Noncurrent assets:				
Capital assets:				
Construction in progress	--	--	459,939	459,939
Lease (right-of-use asset)	--	--	970,425	970,425
Equipment	--	--	30,793,704	30,793,704
Accumulated depreciation	--	--	(17,154,534)	(17,154,534)
Total capital assets, net	--	--	15,069,534	15,069,534
Due from other funds	--	--	351,329	351,329
Total noncurrent assets	--	--	15,420,863	15,420,863
Total Assets	7,114,226	2,405,266	39,484,630	49,004,122
Deferred Outflows of Resources				
Pension related items	17,979	15,386	--	33,365
Liabilities				
Current liabilities:				
Accounts payable	39,940	170,365	373,167	583,472
Accrued liabilities	1,820,259	536,906	3,789	2,360,954
Lease liability	--	--	181,831	181,831
Current portion of compensated absences	3,043	183	--	3,226
Total current liabilities	1,863,242	707,454	558,787	3,129,483
Noncurrent liabilities:				
Lease liability	--	--	589,033	589,033
Compensated absences	--	12,312	--	12,312
Net pension liability	112,853	96,581	--	209,434
Total noncurrent liabilities	112,853	108,893	589,033	810,779
Total Liabilities	1,976,095	816,347	1,147,820	3,940,262
Deferred Inflows of Resources				
Pension related items	46,133	39,481	--	85,614
Net Position				
Investment in capital assets	--	--	14,298,670	14,298,670
Unrestricted	5,109,977	1,564,824	24,038,140	30,712,941
Total Net Position	$ 5,109,977	$ 1,564,824	$ 38,336,810	$ 45,011,611

TOWN OF PALM BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Property, Liability and Workers Compensation Insurance Fund	Group Health Insurance Fund	Equipment Replacement Fund	Total
Operating Revenues				
Charges for services	$ 2,329,817	$ 6,626,495	$ 2,425,018	$ 11,381,330
Other	--	377,666	--	377,666
Total Operating Revenues	2,329,817	7,004,161	2,425,018	11,758,996
Operating Expenses				
Personal services	96,359	111,760	--	208,119
Contractual services	36,351	564,031	--	600,382
Insurance	2,174,970	1,502,347	--	3,677,317
Claims	918,979	6,371,553	--	7,290,532
Claims adjustment	116,761	46,978	--	163,739
Depreciation and amortization	--	--	2,494,108	2,494,108
Other	6,326	3,417	874,763	884,506
Total Operating Expenses	3,349,746	8,600,086	3,368,871	15,318,703
Operating Income (Loss)	(1,019,929)	(1,595,925)	(943,853)	(3,559,707)
Nonoperating Revenue (Expenses)				
Investment earnings	328,034	241,911	994,264	1,564,209
Insurance recoveries	183,480	--	--	183,480
Interest and fiscal charges	--	--	(261)	(261)
Gain (Loss) on disposal of assets	--	--	(38,565)	(38,565)
Total Nonoperating Revenue (Expense)	511,514	241,911	955,438	1,708,863
Income Before Capital Contributions from other funds and Transfers	(508,415)	(1,354,014)	11,585	(1,850,844)
Capital contributions from other funds	--	--	813,160	813,160
Transfers in	--	--	2,000,000	2,000,000
Total Capital Contributions and Transfers	--	--	2,813,160	2,813,160
Change in Net Position	(508,415)	(1,354,014)	2,824,745	962,316
Net Position - Beginning	5,618,392	2,918,838	35,512,065	44,049,295
Net Position - Ending	$ 5,109,977	$ 1,564,824	$ 38,336,810	$ 45,011,611

TOWN OF PALM BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	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	$ 6,633,431	$ 2,462,928	$ 11,426,176
Payments to employees	(161,461)	(126,383)	--	(287,844)
Payments to insurers or suppliers	(3,678,843)	(8,409,515)	(528,671)	(12,617,029)
Insurance recoveries	183,480	--	--	183,480
Other receipts	--	377,666	--	377,666
Net Cash Provided by (Used in) Operating Activities	(1,327,007)	(1,524,801)	1,934,257	(917,551)
Cash Flows from Noncapital Financing Activities				
Due from other funds	--	--	88,498	88,498
Due to other funds	--	(19,000)	--	(19,000)
Transfers from other funds	--	--	2,000,000	2,000,000
Transfers to other funds	--	--	--	--
Net Cash Provided by Noncapital Financing Activities	--	(19,000)	2,088,498	2,069,498
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	--	--	(3,451,572)	(3,451,572)
Proceeds from sale of assets	--	--	13,298	13,298
Interest paid on lease (right-of-use assets)	--	--	(261)	(261)
Net Cash Used in Capital and Related Financing Activities	--	--	(3,638,096)	(3,638,096)
Cash Flows from Investing Activities				
Investment income received	328,482	246,536	966,166	1,541,184
Net Provided by Investing Activities	328,482	246,536	966,166	1,541,184
Net Increase (Decrease) in Cash and Cash Equivalents	(998,525)	(1,297,265)	1,350,825	(944,965)
Cash and Cash Equivalents - Beginning	7,534,320	3,455,034	22,602,446	33,591,800
Cash and Cash Equivalents - Ending	$ 6,535,795	$ 2,157,769	$ 23,953,271	$ 32,646,835
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	$ (1,019,929)	$ (1,595,925)	$ (943,853)	$ (3,559,707)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	--	--	2,494,108	2,494,108
Insurance recoveries	183,480	--	--	183,480
Changes in net pension liability and related deferred amounts	(18,767)	(16,272)	--	(35,039)
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	--	6,936	37,910	44,846
(Increase) decrease in prepaid expenses	(539,151)	--	--	(539,151)
Increase (decrease) in accounts payable	(5,025)	31,282	342,303	368,560
Increase (decrease) in accrued liabilities	118,720	47,529	3,789	170,038
Increase (decrease) in compensated absences payable	(46,335)	1,649	--	(44,686)
Net Cash Provided by (Used in) Operating Activities	$ (1,327,007)	$ (1,524,801)	$ 1,934,257	$ (917,551)
Noncash Activity				
Contributions of capital assets by other funds	$ --	$ --	$ 813,160	$ 813,160
Initiation of lease liability	$ --	$ --	$ 970,425	$ 970,425
Insurance claims adjustment	$ 116,761	$ 46,978	$ --	$ 163,739
Loss on disposal of assets	$ --	$ --	$ (38,565)	$ (38,565)

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, 2025

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	OPEB Trust Fund	Total
Assets					
Cash and cash equivalents	$ 1,806,997	$ 1,581,651	$ 1,608,449	$ 170,588	$ 5,167,685
Interest and dividends receivable	75,286	65,897	67,014	--	208,197
Prepaid items	5,256	4,601	4,679	--	14,536
Investments:					
Short-term investment fund	12,157,647	10,641,493	10,821,796	686,955	34,307,891
Fixed income securities	16,885,553	14,779,792	15,030,215	16,437,757	63,133,317
Domestic equity funds	49,329,152	43,177,426	43,908,998	24,022,010	160,437,586
International and emerging market equity funds	25,438,408	22,266,042	22,643,305	1,930,391	72,278,146
Hedge funds	4,180,332	3,659,012	3,721,008	--	11,560,352
Private equity funds	6,425,849	5,624,496	5,719,794	229,329	17,999,468
Real estate funds	3,109,339	2,721,580	2,767,693	3,724,334	12,322,946
Total Assets	119,413,819	104,521,990	106,292,951	47,201,364	377,430,124
Liabilities					
Accounts payable and accrued liabilities	67,698	59,256	60,260	33,360	220,574
Due to brokers	--	--	--	11,193	11,193
Total Liabilities	67,698	59,256	60,260	44,553	231,767
Net Position Restricted for Pension and Retiree Health Benefits	$ 119,346,121	$ 104,462,734	$ 106,232,691	$ 47,156,811	$ 377,198,357

TOWN OF PALM BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	Firefighters' Pension Trust Fund	OPEB Trust Fund	Total
Additions					
Contributions:					
Employer	$ 6,667,532	$ 6,080,134	$ 7,332,587	$ 828,584	$ 20,908,837
Employee	542,504	879,348	1,716,770	960,700	4,099,322
Other	--	--	--	486,021	486,021
Total contributions	7,210,036	6,959,482	9,049,357	2,275,305	25,494,180
Investment income					
Net appreciation in fair value of investments	8,969,059	7,744,731	7,699,444	3,564,455	27,977,689
Interest and dividends	3,140,177	2,711,524	2,695,668	650,416	9,197,785
Total investment income	12,109,236	10,456,255	10,395,112	4,214,871	37,175,474
Less: investment expense	(144,348)	(124,644)	(123,915)	(127,637)	(520,544)
Net investment income	11,964,888	10,331,611	10,271,197	4,087,234	36,654,930
Total Additions	19,174,924	17,291,093	19,320,554	6,362,539	62,149,110
Deductions					
Benefit payments	7,922,301	6,821,520	6,592,047	2,832,496	24,168,364
Share distributions	--	--	27,231	--	27,231
DROP distributions	804,592	--	--	--	804,592
Refunds of participants' contributions	58,906	90,589	2,172	--	151,667
Administrative expenses	173,973	150,225	149,345	138,992	612,535
Total Deductions	8,959,772	7,062,334	6,770,795	2,971,488	25,764,389
Change in Net Position	10,215,152	10,228,759	12,549,759	3,391,051	36,384,721
Net Position Restricted for Pension Benefits and OPEB - Beginning of Year	109,130,969	94,233,975	93,682,932	43,765,760	340,813,636
Net Position Restricted for Pension Benefits and OPEB - End of Year	$ 119,346,121	$ 104,462,734	$ 106,232,691	$ 47,156,811	$ 377,198,357

DEBT SERVICE REQUIREMENTS

TOWN OF PALM BEACH, FLORIDA

SUMMARY SCHEDULE OF DEBT SERVICE REQUIREMENTS
PRINCIPAL AND INTEREST TO MATURITY

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	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
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	$ 44,072,400	$ 10,819,319	$ 4,373,156	$ 60,174,401	$ 74,799,800	$ 9,850,213	$ 30,144,019	$ 234,233,308

TOWN OF PALM BEACH, FLORIDA

DEBT SERVICE REQUIREMENTS
PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016A

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Rate	Principal	Interest	Total	Principal Balance Outstanding End of Year
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		$ 32,705,000	$ 11,367,400	$ 44,072,400	

TOWN OF PALM BEACH, FLORIDA

DEBT SERVICE REQUIREMENTS
PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2016B

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Rate	Principal	Interest	Total	Principal Balance Outstanding End of Year
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		$ 8,370,000	$ 2,449,319	$ 10,819,319	

TOWN OF PALM BEACH, FLORIDA

DEBT SERVICE REQUIREMENTS
PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2019 (TAXABLE)

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Rate	Principal	Interest	Total	Principal Balance Outstanding End of Year
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		$ 46,520,000	$ 13,654,401	$ 60,174,401	

TOWN OF PALM BEACH, FLORIDA

DEBT SERVICE REQUIREMENTS
PUBLIC IMPROVEMENT REVENUE REFUNDING BONDS, SERIES 2019

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Rate	Principal	Interest	Total	Principal Balance Outstanding End of Year
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		$ 3,690,000	$ 683,156	$ 4,373,156	

TOWN OF PALM BEACH, FLORIDA

DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2018

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Rate	Principal	Interest	Total	Principal Balance Outstanding End of Year
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		$ 48,605,000	$ 26,194,800	$ 74,799,800	

TOWN OF PALM BEACH, FLORIDA

DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2021

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Rate	Principal	Interest	Total	Principal Balance Outstanding End of Year
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		$ 7,685,000	$ 2,165,213	$ 9,850,213	

TOWN OF PALM BEACH, FLORIDA

DEBT SERVICE REQUIREMENTS
PUBLIC IMPROVEMENT REVENUE BONDS, SERIES 2020

SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Rate	Principal	Interest	Total	Principal Balance Outstanding End of Year
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		$ 25,575,000	$ 4,569,019	$ 30,144,019	

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.

Town of Palm Beach, Florida

Net Position by Component

Last Ten Fiscal Years

Accrual Basis of Accounting

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$ 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	$ 69,336,775
Restricted	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	12,807,433
Unrestricted	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	125,784,114
Total governmental activities net position	$ 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	$ 207,928,322
Business-type activities										
Net investment in capital assets	$ 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	$ 13,983,778
Restricted	-	248,211	1,418,272	20,636	781,137	863,207	271,263	323,928	389,878	460,693
Unrestricted	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	44,193,784
Total business-type activities net position	$ 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	$ 58,638,255
Primary government										
Net investment in capital assets	$ 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	$ 83,320,553
Restricted	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	13,268,126
Unrestricted	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	169,977,898
Total primary government net position	$ 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	$ 266,566,577

Town of Palm Beach, Florida

Changes in Net Position
Last Ten Fiscal Years
Accrual Basis of Accounting

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 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	$ 35,117,354
Public safety	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	40,930,969
Physical environment	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	45,893,539
Transportation	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	2,304,788
Economic Environment	248,223	307,619	287,730	296,528	327,464	329,765	390,376	352,934	367,757	550,416
Culture and recreation	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	5,721,918
Interest on long-term debt	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	5,106,222
Debt issue cost	--	--	--	--	--	--	--	--	--	--
Total governmental activities expenses	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	135,625,206
Business-type activities:										
Town docks	--	--	--	1,234,240	988,621	1,738,328	4,521,415	4,978,763	5,611,834	5,528,632
Golf course	--	--	--	2,309,136	2,196,475	2,001,206	2,914,467	3,937,723	3,840,045	3,922,924
Leisure services	4,931,600	4,889,532	5,146,773	--	--	--	--	--	--	--
Building Enterprise	--	--	--	--	--	4,924,286	3,070,730	4,037,068	4,871,606	4,121,256
Interest on long-term debt	--	--	--	--	497,229	699,360	677,089	675,030	--	--
Total business-type activities expenses	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	13,572,812
Total primary government expenses	$ 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	$ 149,198,018
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 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	$ 14,035,014
Public safety	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	4,969,897
Physical environment	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	1,387,736
Transportation	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	398,877
Culture and recreation	--	--	--	377,538	739,378	1,148,175	1,190,148	1,332,653	1,524,551	1,755,461
Operating grants and contributions:										
General government	65,083	102,302	201,224	355,320	1,059,803	1,013,367	325,277	196,697	180,777	4,565,458
Public safety	212,299	684,874	387,517	867,824	65,273	456,490	227,924	348,539	1,286,762	794,284
Physical environment	2,569,518	5,040	149,604	8,806	--	5,960	5,042,856	8,284,546	6,704,256	4,238,692
Transportation	--	--	220,304	121,978	10,000	--	746,520	718,434	800,489	763,198
Economic Environment	--	--	--	--	1,080,655	--	5,000	235,127	186,602	97,843
Culture and recreation	3,819	59,542	6,348	9	--	10,002	292,500	440,133	473,142	462,932
Capital grants and contributions:										
General government	1,000,000	--	47,122	--	487,851	--	100,000	--	134,385	495,230
Public safety	106,303	9,467	18,368	161,177	--	--	--	--	--	--
Physical environment	759,024	1,107,657	13,327,684	516,572	1,771,380	17,735,711	456,765	1,329,311	435,996	7,579,739
Transportation	--	--	--	--	--	1,405,500	727,000	5,000	--	--
Economic Environment	--	--	--	--	5,000	5,000	--	--	215,705	6,007
Culture and recreation	350,000	2,021,868	5,067	3,021,735	3,339,646	298,521	1,025,724	--	--	--
Total governmental activities program revenues	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	41,550,368
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	14,910,079
Golf course	--	--	--	2,455,266	2,332,430	3,650,560	4,325,060	5,061,321	5,207,437	5,306,453
Leisure services	6,110,187	6,332,330	6,868,410	--	--	--	--	--	--	--
Building Enterprise	--	--	--	--	--	10,741,651	12,305,388	14,849,371	13,583,712	12,336,253
Capital grants and contributions	--	132,530	1,761,358	--	--	--	--	--	1,390	--
Total business-type activities program revenues	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	32,552,785
Total primary government program revenues	$ 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	$ 74,103,153
Net (expense)/revenue										
Governmental activities	$ (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)	$ (94,074,838)
Business-type activities	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	18,979,973
Total primary government net expense	$ (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)	$ (75,094,865)

Town of Palm Beach, Florida

Changes in Net Position (continued)
Last Ten Fiscal Years
Accrual Basis of Accounting

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 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	$ 80,804,094
Local option gas tax	338,120	352,281	347,820	353,375	315,146	326,859	342,808	356,093	340,762	341,318
Infrastructure surtax	--	350,847	576,792	623,176	--	--	--	--	--	--
Franchise fees	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	2,769,640
Utility service taxes	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	7,288,184
Business tax receipts	723,649	713,710	771,499	773,039	813,903	805,710	832,757	916,897	940,767	922,008
Intergovernmental, unrestricted	980,977	958,373	987,807	1,023,012	1,580,805	1,778,259	2,126,261	2,370,467	2,296,140	2,322,157
Investment earnings	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	8,691,469
Miscellaneous	191,090	376,602	788,898	1,124,079	713,748	1,303,163	670,610	1,268,432	1,280,995	2,060,921
Insurance Recoveries	320,105	354,723	270,358	538,042	--	--	--	--	--	--
Gain on disposal of assets	--	--	--	--	--	92,045	--	--	--	--
Transfers	989,100	870,967	(3,816,737)	14,564,120	224,813	3,388,338	7,780,849	9,640,396	12,037,204	18,606,089
Total governmental activities	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	123,805,880
Business-type activities										
Investment earnings	65,492	40,651	63,516	473,895	268,115	37,658	(184,401)	1,435,603	2,361,220	1,947,635
Gain/(loss) on disposal of assets	--	--	--	--	2,305	--	8,985	(71,893)	--	--
Transfers	(989,100)	(870,967)	3,816,737	(14,564,120)	(224,813)	(3,388,338)	(7,780,849)	(9,640,396)	(12,037,204)	(18,606,089)
Total business-type activities	(923,608)	(830,316)	3,880,253	(14,090,225)	45,607	(3,350,680)	(7,956,265)	(8,276,686)	(9,675,984)	(16,658,454)
Total primary government	$ 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	$ 107,147,426
Changes in Net Position										
Governmental activities	$ (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	$ 29,731,042
Business-type activities	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	2,321,519
Total primary government	$ (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	$ 32,052,561

Town of Palm Beach, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Non Spendable:										
Non Spendable	$ 487,341	$ 385,786	$ 425,502	$ 396,466	$ 365,478	$ 425,020	$ 525,084	$ 597,941	$ 571,589	$ 618,138
Spendable:										
Committed	3,061,180	3,210,518	3,129,714	3,094,888	2,784,655	2,791,672	2,476,077	2,476,077	2,335,678	3,772,703
Assigned	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	8,573,888
Unassigned	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	39,710,429
Total General Fund	$ 30,644,103	$ 27,849,399	$ 28,954,171	$ 32,190,015	$ 35,158,613	$ 37,479,326	$ 37,992,781	$ 43,734,681	$ 46,984,762	$ 52,675,158
All other governmental funds										
Non Spendable:										
Non Spendable	$ --	$ --	$ --	$ --	$ 483,144	$ 6,501	$ 29,177	$ 292,682	$ 249,576	$ 167,362
Spendable:										
Restricted	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	8,038,383
Committed	--	--	--	--	--	--	--	--	--	--
Assigned	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	61,039,798
Unassigned	(1,864,970)	(3,578,081)	(2,515,068)	(2,236,544)	(1,907,418)	(1,031,376)	(813,747)	(603,409)	(441,084)	(351,701)
Total All Other Governmental Funds	$ 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	$ 68,893,842

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
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	2,719,998	7,129,442	940,767	84,009,530
2025	80,804,095	341,318	2,769,641	7,288,185	922,008	92,125,247
Change:						
2016 - 2025	68.8%	0.9%	29.9%	30.4%	27.4%	62.6%

Town of Palm Beach, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

Modified Accrual Basis of Accounting

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 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	$ 92,125,244
Fees and permits	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	2,573,735
Intergovernmental	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	2,322,157
Charges for services	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	12,013,811
Fines and forfeitures	1,185,547	799,768	1,068,792	916,035	780,975	940,000	1,247,451	3,214,593	1,338,269	1,415,973
Contributions and donations	1,946,658	3,294,902	565,675	4,339,616	3,539,029	2,423,353	2,276,014	873,509	9,832,195	7,127,260
Investment earnings (loss)	857,219	738,997	4,296,845	6,969,546	5,786,543	2,884,175	395,714	6,693,394	3,450,372	4,847,986
Grant revenue	3,120,771	69,735	7,491,989	6,295,845	2,021,348	10,358,077	1,416,950	4,804,709	1,855,758	8,539,466
Special Assessments	1,257,358	1,227,990	14,368,109	2,784,534	3,102,131	9,448,989	2,742,859	4,837,583	4,902,600	5,120,962
Miscellaneous	291,461	506,948	783,431	1,263,621	713,748	1,303,163	670,610	1,268,432	836,018	1,683,255
Total revenues	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	137,769,849
Expenditures										
General government	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	13,725,480
Public safety	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	44,600,724
Physical environment	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	40,494,065
Transportation	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	1,789,380
Economic Environment	248,223	307,619	287,730	296,528	327,464	329,765	390,376	352,934	367,757	550,416
Culture and recreation	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	5,859,094
Non-departmental	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	7,760,776
Capital outlay	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	39,594,260
Debt service										
Principal	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	5,633,840
Interest and other fiscal charges	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	5,628,901
Bond issue costs	403,895	--	--	--	--	--	--	--	--	--
Payment to refunded bond escrow	622,861	--	--	--	--	--	--	--	--	--
Total expenditures	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	165,636,936
Revenues over (under) expenditures	(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)	(27,867,087)
Other financing sources (uses)										
Lease (right-of-use asset) aquired	--	--	--	--	--	--	63,063	354,336	117,062	34,456
Transfers in	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	45,503,194
Transfers out	(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)	(28,897,105)
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)	1,413,534	870,967	783,263	73,908,240	921,789	12,618,709	7,915,429	9,994,732	9,933,787	16,640,545
Net change in fund balances	$ (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)	$ (11,226,542)
Debt service as a percentage of non-capital expenditures	12.24%	9.57%	9.40%	11.42%	12.56%	11.76%	10.57%	9.69%	9.24%	8.94%

Town of Palm Beach, Florida

Historic and Projected General Fund Non-Ad Valorem Revenues
Last Ten Fiscal Years Actual and Next Year Budgeted

	Actual FY2016	Actual FY2017	Actual FY2018	Actual FY2019	Actual FY2020	Actual FY2021	Actual FY2022	Actual FY2023	Actual FY2024	Actual FY2025	Budget FY2026
Franchise Fees	$ 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	$ 2,769,641	$ 2,525,000
Utility Service Tax	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	7,288,185	6,585,000
Business Tax Receipts	723,649	713,710	771,499	773,039	813,903	805,710	832,756	916,897	940,767	922,008	915,000
Building Permits (2)	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	12,907,328	10,160,000
Other License Fees & Permits	631,514	533,727	600,080	1,234,249	1,184,138	1,277,412	1,795,779	1,793,674	2,304,689	1,923,397	1,940,000
State Shared Revenue (1)	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	1,298,426	1,250,000
Local Shared Revenue	24,199	19,598	24,202	23,485	18,895	22,743	21,246	27,248	21,560	26,414	22,500
General Government	37,228	38,618	42,094	79,001	76,466	149,653	106,006	93,761	85,921	79,949	75,000
Public Safety	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	3,544,832	2,790,000
Physical Environment	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	1,387,737	1,262,300
Transportation	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	5,236,739	5,460,000
Fines & Forfeitures	1,174,837	799,768	1,068,444	904,076	780,976	750,060	1,316,140	3,283,417	1,373,672	1,349,667	1,583,500
Culture and Recreation	--	--	--	377,523	469,059	879,079	1,190,148	1,332,653	1,524,551	1,755,463	1,720,260
Investment Earnings	490,102	421,514	702,261	969,180	696,608	111,540	(336,084)	3,360,519	4,486,052	3,872,309	2,439,667
Rents & Royalties	37,919	34,892	34,840	38,290	47,139	66,504	74,416	93,891	80,601	819,979	893,500
Miscellaneous Other	245,143	435,258	349,337	376,212	432,016	433,584	384,925	892,091	568,785	763,839	544,000
Marina Fund Revenue (3)	--	--	--	--	3,210,696	44,565	10,234,080	15,941,623	14,759,777	15,952,374	15,347,813
Total Non-Ad Valorem Revenues	**$ 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**	**$ 61,898,288**	**$ 55,513,540**

(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
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%
2025	51,232,691,559	2,748,202,752	--	626,403,109	(22,745,339,075)	31,861,958,345	2.6110	32,538,447,851	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.

https://pbcpao.gov/TaxRoll/GetTaxRollDocuments

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
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
2025	2.6110	0.0000	2.6110	6.3140	4.5396	1.4058	14.8704

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 Taxpayers

September 30, 2025 and Nine Years Ago

	2025				2016			
	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	$ 537,848,421	$ 1,404,322	1	1.67%	$ 283,297,644	$ 964,855	1	1.95%
Blossom Way Holdings LLC	261,024,000	681,534	2	0.81%				
Alice Sanders	178,768,401	466,764	3	0.56%				
Providencia Partners LLC	172,440,000	450,241	4	0.54%				
WEMIO LLC	137,326,374	358,559	5	0.43%				
FLORIDA INVESTMENT PROPERTIES LAND TRUST	134,516,215	351,222	6	0.42%				
Wilson 150 Worth LLC	132,602,103	346,224	7	0.41%	73,919,484	251,755	4	0.51%
Brooke Schonfeld	126,765,646	330,985	8	0.39%				
700 North Lake LLC	120,695,072	315,135	9	0.38%	65,119,853	221,785	6	0.45%
JV Associates PB LLC	120,077,312	313,522	10	0.37%	63,355,098	215,775	7	0.44%
Nelson Peltz					106,766,826	363,626	2	0.74%
County Road Property LLC					81,782,172	278,534	3	0.56%
PBH LLC					72,958,850	248,483	5	0.50%
White Sea Holdings LLC					63,188,190	215,206	8	0.44%
James H Clark					59,635,058	203,105	9	0.41%
Sydell Miller					54,631,851	186,065	10	0.38%
Totals	$ 1,922,063,544	$ 5,018,508		5.98%	$ 924,655,026	$ 3,149,190		6.37%

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
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	68,862,742	66,085,830	95.97%	245,431	66,331,261	96.32%
2024	75,926,845	72,845,265	95.94%	33,296	72,878,561	95.99%
2025	83,942,503	80,730,359	96.17%	73,735	80,804,095	96.26%

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	Capital Leases	Revenue Bonds/Notes	Total Primary Government	Percentage of Personal Income	Per Capita
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	--	29,690,000	202,730,019	13.03%	21,993
2023	63,005,782	--	104,121,216	--	28,350,000	195,476,998	10.03%	21,231
2024	61,296,264	--	99,740,200	--	26,980,000	188,016,464	9.64%	20,410
2025	59,529,100	--	95,226,634	--	25,575,000	180,330,734	9.27%	19,620

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
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	0.24%	6,843
2024	61,296,264	--	61,296,264	0.21%	6,654
2025	59,529,100	--	59,529,100	0.19%	6,462

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, 2025

		Total Outstanding	Percentage Applicable to Town of Palm Beach[(1)]		Amount Applicable to Town of Palm Beach
Direct:					
Town of Palm Beach	$	154,755,734	100.00%	$	154,755,734
Overlapping:					
Palm Beach County	$	907,557,374	10.14%		92,038,298
Palm Beach County School District		1,410,219,000	10.14%		143,014,823
Total overlapping debt		2,317,776,374			235,053,121
Total direct and overlapping debt payable from ad valorem taxes	**$**	**2,472,532,108**		**$**	**389,808,855**
Estimated population					9,191
Total direct and overlapping debt per capita				$	42,412

(1) Based on 2025 ratio of assessed taxable values.

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

Town of Palm Beach, Florida

Legal Debt Margin Information

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 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	$ 1,626,922,393
Total net debt applicable to limit	--	--	--	59,620,815	58,372,706	66,265,622	64,662,339	63,005,782	61,296,264	59,529,100
Legal debt margin	$ 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	$ 1,567,393,293
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	6.42%	5.97%	6.48%	5.86%	4.85%	4.17%	3.66%

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	
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	6,120,000	6,976,958	13,096,958	3.46
2023	61,837,648	6,365,000	6,732,444	13,097,444	4.72
2024	59,216,853	6,895,000	6,210,313	13,105,313	4.52
2025	61,898,288	7,175,000	5,944,068	13,119,068	4.72

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)]
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%
2025	9,191	1,944,879,937	211,607	70.0	N/A	356	4.0%

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 (October).

Town of Palm Beach, Florida

Principal Employers

September 30, 2025 and Nine Years Ago

	2025			2016		
Employer	Employees(1)	Rank	Percentage of Total Town Employment	Employees(1)	Rank	Percentage of Total Town Employment
Breakers Palm Beach Inc	2,042	1	21.42%	1,900	1	10.53%
Four Seasons	412	2	4.32%	420	2	2.33%
Town of Palm Beach	384	3	4.03%	360	3	2.00%
Everglades Club	343	4	3.60%	100	8	0.55%
Colony Palm Beach	315	5	3.30%	105	6	0.58%
John Hopkins University	258	6	2.71%			
Mar-a-Lago Club	252	7	2.64%			
Publix	189	8	1.98%	176	4	0.98%
Bath And Tennis Club	163	9	1.71%			
Faber Coe & Gregg	156	10	1.64%			
KHRG WPB				130	5	0.72%
Palm Beach Day Academy				103	7	0.57%
Island Hospitality Management				100	9	0.55%
Sailfish Club Of Florida				95	10	0.53%
Totals	4,514		47.34%	3,489		19.34%

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	82.23	82.33	83.46	76.18	73.86	74.55	75.74	78.06	82.57	85.05
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	13.15	13.15	13.15	13.75	13.25	14.25	15.88	17.88	17.88	18.65
Police Officers	70.00	69.00	69.00	67.00	67.00	67.00	67.00	71.00	73.00	76.00
Firefighters	64.00	64.00	70.00	67.00	70.00	70.00	70.00	70.00	70.00	74.00
Civilian Police/Fire	45.25	46.25	45.75	45.75	46.60	42.60	41.25	43.25	44.25	46.25
Physical Environment										
Sanitation	38.23	38.22	38.18	37.01	37.00	36.02	35.80	35.80	35.80	35.80
Storm Sewer Maintenance	17.76	17.86	17.96	17.93	18.03	15.64	14.50	15.00	15.00	15.00
Transportation										
Roads and Streets	5.92	5.76	6.14	5.03	3.46	4.17	6.33	6.00	6.00	6.00
Culture and Recreation										
Recreation	27.55	25.30	25.23	25.59	32.03	20.34	22.93	24.59	25.42	26.38
Total	**365.09**	**362.87**	**369.87**	**356.23**	**362.23**	**345.57**	**350.43**	**362.58**	**370.92**	**384.13**

Town of Palm Beach, Florida

Operating Indicators by Function / Program

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Physical arrests	1,919	1,784	2,114	1,940	1,106	861	1,005	915	1,110	1,028
Parking violations	17,221	10,901	12,158	10,832	11,736	11,976	14,777	16,740	21,406	23,589
Traffic violations	3,028	2,671	2,636	2,590	1,952	1,246	1,647	1,808	1,630	2,159
Fire										
Number of fire calls	867	1,157	957	990	1,014	1,202	1,249	1,160	1,199	1,177
Number of EMS Calls	1,577	1,593	1,675	1,633	1,619	1,524	1,645	1,776	1,678	1,798
Physical Environment										
Sanitation										
Refuse collected (tons)	8,869	8,857	9,126	8,570	9,008	9,857	10,000	9,856	9,957	9,754
Recyclables collected (tons)	1,623	1,471	1,502	1,334	1,435	1,503	1,600	1,417	1,351	1,472
Transportation										
Roads and Streets										
Street resurfacing (miles)	3.0	0.0	0.0	2.0	2.0	2.0	5.0	2.1	6.7	7.2
Pot holes repaired	31	40	29	28	99	45	42	52	68	53
Culture and Recreation										
Recreation Department										
Youth athletic participants	1,967	2,133	1,516	838	178	4,446	4,666	5,116	5,941	3,398
Camp program participants	10,064	10,405	9,628	3,680	213	5,670	4,884	4,176	4,185	2,248
Youth enrichment participants	1,331	2,075	1,411	16	354	296	504	631	974	508
Adult Enrichment/Fitness participants	1,575	1,760	1,599	993	354	7,856	8,064	11,844	14,577	10,147
Special Events Offered	3	2	2	1	--	2	5	4	8	7
Special Events participants	1,200	1,240	1,300	250	631	529	860	943	1,406	628
Tennis Participants	26,618	26,525	26,824	20,752	18,624	21,397	21,920	22,436	20,593	27,549
Rounds of Golf	36,861	36,757	38,089	39,114	38,160	52,459	54,896	55,483	52,654	51,295
Range buckets sold	15,450	11,678	18,552	18,950	17,150	NA	17,899	N/A	N/A	N/A
Annual Marina Leases	75	77	78	73	--	--	66	76	66	70
Seasonal Marina Leases	8	5	--	--	65	--	21	--	--	--
Total transient vessels	367	288	285	347	219	--	639	572	595	631

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	2025
Public Safety											
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol Units	21	21	21	21	21	19	19	19	19	19	19
Fire											
Fire Stations	3	3	3	3	3	3	3	3	3	3	3
Fire Trucks	6	6	5	4	4	4	4	4	4	5	5
ALS Rescue Vehicles	5	5	5	5	5	5	5	5	5	5	4
Physical Environment											
Sanitation											
Garbage Trucks	16	16	16	16	16	16	16	16	16	16	16
Trash Trucks	12	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	991
Lane miles	103	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	2
Multi-purpose fields	1	1	1	1	1	1	1	1	1	1	1
Tennis courts	13	13	13	13	13	13	13	13	13	13	13
Dock slips	88	88	88	88	88	88	88	88	85	85	85
Golf courses	1	1	1	1	1	1	1	1	1	1	1
Playgrounds	1	1	1	1	1	1	1	1	1	1	1
Recreation centers	1	1	1	1	0	1	1	1	1	1	1
Tennis pro-shops	2	2	2	2	2	2	2	2	2	2	2
Parks	11	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.

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Boca Raton, FL 33431

P: 561.994.5050

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 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, 2025, 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 23, 2026.

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.

Boca Raton, Florida
April 23, 2026

CBIZ CPAs P.C.

2255 Glades Road
Suite #321A
Boca Raton, FL 33431

P: 561.994.5050

Independent Auditors' Report on Compliance for the Major State Project and Report on Internal Control over Compliance Required by 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 State Project

Opinion on the Major State Project

We have audited Town of Palm Beach, Florida (the "Town")'s compliance with the types of compliance requirements identified as subject to audit 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 state project for the fiscal year ended September 30, 2025. The Town's major state project is 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 types of compliance requirements referred to above that could have a direct and material effect the major state project for the fiscal year ended September 30, 2025.

Basis for Opinion on the Major 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 Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards 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 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 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*, 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 state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, 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 the 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 the 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 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 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 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 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 and 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 Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

CBIZ CPAs P.C.

Boca Raton, Florida
April 23, 2026

TOWN OF PALM BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

State Agency, Pass-through Entity, State Project	CSFA No.	Contract/ Grant No.	Total Expenditures
State of Florida Department of Environmental Protection			
Direct Project:			
Beach Management Funding Assistance Program	37.003	20PB3	$ 580,025
Beach Management Funding Assistance Program	37.003	23PB3	21,631
Beach Management Funding Assistance Program	37.003	23PB4	48,134
Beach Management Funding Assistance Program	37.003	24PB5	157,202
Total Beach Management Funding Assistance Program			806,992
Total State of Florida Department of Environmental Protection			**806,992**
State of Florida Department of Law Enforcement			
Direct Project:			
FDLE Drone Replacement Program	71.092	3X074	74,999
Total FDLE Drone Replacement Program			74,999
Identity Theft and Fraud Grant Program	71.042	ZF008	8,441
Total Identity Theft and Fraud Grant Program			8,441
Total State of Florida Department of Law Enforcement			**83,440**
State of Florida Department of Health			
Indirect Project:			
(Passed through Palm Beach County)			
Emergency Medical Services (EMS) Matching Awards	64.003	N/A	30,651
Total Emergency Medical Services (EMS) Matching Awards			30,651
Total State of Florida Department of Health			**30,651**
Total Expenditures of State Financial Assistance			**$ 921,083**

Note: No amounts were provided to subrecipients.

See notes to schedule of expenditures of state financial assistance.

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) presents the expenditure activity of all state awards of the Town of Palm Beach, Florida (the “Town”) for the fiscal year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of 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 Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Certain state awards received by the Town provide for a prior period of availability, permitting reimbursement of eligible costs incurred prior to the award date. As a result, the Schedule may include amounts for eligible expenditures incurred in prior fiscal years that were funded by such awards.

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

State Financial Assistance

Internal control over the major 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 state project:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557, Rules of the Auditor General?	____ Yes _X_ No

Identification of the Major State Project:

CFSA No.	State Project
37.003	Beach Management Funding Assistance Program

Dollar threshold used to distinguish between Type A and Type B state projects:	$300,000

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – STATE ASSISTANCE FINDINGS AND QUESTIONED COSTS

None.

TOWN OF PALM BEACH, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS AND STATE PROJECT FINDINGS AND QUESTIONED COSTS

None.

CBIZ CPAs P.C.

2255 Glades Road
Suite #321A
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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, 2025, and have issued our report thereon dated April 23, 2026.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and 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 State Project and Report on Internal Control over Compliance Required by 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 23, 2026, 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, 2025, 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.

Boca Raton, Florida
April 23, 2026

CBIZ CPAs P.C.

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Boca Raton, FL 33431

P: 561.994.5050

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, 2025. 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, 2025.

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.

Boca Raton, Florida
April 23, 2026