VILLAGE OF PALM SPRINGS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2025

THE VILLAGE OF
PALM SPRINGS, FLORIDA

Annual Comprehensive
Financial Report

Fiscal Year Ended
September 30, 2025

Prepared by:
Finance Department

Mara Frederiksen
Finance Director

VILLAGE OF PALM SPRINGS, FLORIDA

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VILLAGE OF PALM SPRINGS, FLORIDA

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INTRODUCTORY SECTION

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

March 31, 2026

The Honorable Mayor, Members of the Village Council and Residents of the Village of Palm Springs

The Finance Department is pleased to present the Village's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2025 which also includes the Independent Auditors' Report. The ACFR has been prepared in accordance with the Village Charter, Florida State Statutes and U.S. generally accepted accounting principles (GAAP) for governments. All disclosures necessary to enable the reader to gain an understanding of the Village's financial condition and activities have been included.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. The Village's financial operations are designed with a comprehensive system of internal controls established to safeguard assets from loss, theft, or misuse. The Village's internal control system is designed to provide reasonable, reliable financial records for use in preparing financial statements in accordance with GAAP. To the best of our knowledge and belief the presented data is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the Village as measured by the financial activity of its various funds and the Village as a whole.

Florida Statutes require an annual audit by independent certified public accountants. CBIZ CPAs P.C., have issued unmodified ("clean") opinions on the Village of Palm Springs' financial statements for the year ended September 30, 2025. The independent auditors' report on the basic financial statements and combining fund financial statements and debt schedules is located on page 1 in the financial section of this report.

Report Format

This report has been prepared and organized to meet the requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program. By following the guidelines of this program, the report's format facilitates understanding by the residents as well as providing information needed by financial professionals.

The report is presented in four sections: Introductory, Financial, Statistical and Compliance. The Management's Discussion and Analysis (MD&A) located in the Financial Section following the independent audit report, together with this transmittal letter contain valuable information for the user of the financial statements and should be read in conjunction with them.

Village profile

The Village of Palm Springs was incorporated in 1957 and is centrally located in Palm Beach County. As part of South Florida's Gold Coast, Palm Beach County is well recognized for its unique lifestyle with a comfortable average year-around temperature of 76 degrees, 45 miles of beaches, 160 challenging golf courses and many cultural attractions. These elements and many more combine to create an unequaled quality of life that has attracted a diverse population from retirees to young professionals.

Palm Springs is an attractive, affordable community offering a mix of single-family homes, townhomes and condominiums combined with all the services working families and retirees look for. As a full-service municipality, the Village strives to meet the needs and desires of the entire spectrum of residents by providing law enforcement, a public library, parks and recreation facilities and activities, sanitation and recycling services, water and sewer services, road and street maintenance and beautification as well as general government support services.

The Village's Water and Sewer enterprise operation consists of two water treatment plants. The first plant, located within the Village, is a 6-million-gallon treatment facility. The second plant, dedicated to former Public Service Director Robert L. Pratt, is in unincorporated Palm Beach County and is a 3-million-gallon treatment facility with expansion capabilities to 4 million gallons.

The Village's sewer treatment is handled through two connections to the East Central Regional Wastewater Treatment Facilities. The Village has agreements with Palm Beach County for one connection and with the City of Lake Worth for the second. As of September 30, 2025, our utility system had 21,068 water customers and 19,526 sewer customers. Approximately 60% of total connections serve our residents; the other 40% of our connections are in the unincorporated area.

In fiscal year 2017, the Village established our Stormwater enterprise fund to improve the Village’s existing stormwater drainage system and address annexation areas that need stormwater infrastructure to reduce/eliminate flooding. The Stormwater Division recently added a new full time position to administer field related work activities, inclusive of pipe and structure cleaning, inspections, repairs, and construction. There are over 25 miles of stormwater pipe and 700 drainage structures to maintain as part of the Village’s NPDES permit, all of which is inspected and documented annually.

The Village operates under a Council-Manager form of government. Four Council members are elected at large, each representing a district in which they must reside. The mayor is elected at large and may reside in any of the four districts. The mayor and four council members are elected to serve four year overlapping terms. Day-to-day operation of the Village is under the direction of the Village Manager who is appointed by the Village Council.

Economic outlook and financial planning

The Village’s population has increased 31%, from 20,497 in 2015 to the current estimate of 27,928. Over the same ten-year period the Village’s assessed taxable value grew from $625,947,068 in 2015 to a new high of over $2.071 billion this year an increase of over $1.0 billion or 175%. The taxable values increased by $169 million or 8.8% over fiscal year 2024. We believe the taxable values are back on the rise as the economy recovers to pre-COVID status. The State of Florida has led the way in economic recovery from the pandemic and it is reflected in our revenues this year.

As of September 30, 2025, the General Fund had a total fund balance of $28,236,246. The components of fund balance, in accordance with GASB 54, are detailed as follows.

Total fund balance	$28,236,246
Nonspendable:	
Inventory	69,976
Prepaids	10,528
Leases	2,334
Advances to other funds	1,437,068
Restricted for sales tax infrastructure capital projects	11,786,547
Assigned to subsequent years budget	1,612,210
Unassigned fund balance	$13,317,583

The General Fund's unassigned fund balance represents 31% of the General Fund budget for the fiscal year 2025. Last year we increased the assigned fund balance for future capital projects with the parks and recreation master plan highlighting opportunities to expand our parks and leisure activity areas as well as the need to address the needed expansion of the police department and overall growing needs of the Village. Our goal is to maintain this unassigned fund balance in the 20-25% range. The Village's purpose for building our fund balance to this level is to have adequate resources during the "rainy days." The Village will always seek to balance the budget with current resources, but we have prudently provided funds for potential economic fluctuations and provide a financial hedge of protection for our community.

The Village's 5-Year Capital Improvement Budget includes updates for the proposed years through FY 2027 and new capital items were added for FY 2030. This budget reveals the growing demand for our operations to meet the physical building and improvement needs as well as the need to make improvements to stay on top of the ever-evolving areas of technology assets and security needs.

The Village recently evaluated all 40 miles of our roadway network using a pavement rating system (PASER), and based on this evaluation the Village budgets funds to maintain the roads and street network with at least 80% of the system rated at a good or better condition based on the pavement rating system. To keep our rating score at 80%, the Village budgets approximately $200,000 annually in milling and resurfacing projects. A schedule showing the annual expenditures for the last ten years to maintain this network is located on page 103 of this report.

The Village Council legally adopted a formal budget for the General Fund. The Village maintains budgetary control at the department level of expenditure. All expenditures of more than $7,500 or more require the Village Manager's authorization, and expenditures over $50,000 require approval by the Village Council and/or competitive bid. Budget transfers within a department are handled administratively. The Village Council must approve budget transfers between departments or budget amendments, which increase or decrease the total fund.

A schedule comparing the original budget, revised budget and actual revenues and expenditures is located on pages 97-100 of this report.

Major initiatives

The Village successfully created two community redevelopment districts (CRA) in 2019 one for Lake Worth Road area and the second for Congress Avenue north of Forest Hill Boulevard. This fiscal year was the fifth year the tax increment financing (TIF) became active. The Village expects to spur re-development and new developments in these areas using tax increment financing. As part of this initiative, the CRA purchased the 1.13 acre property located at the corner of 2nd Avenue North and Davis Road. Building renovations were started in FY25. The acquisition provides a CRA presence in the South Village and represents its commitment to the redevelopment of the area. The Village CRA Board and the Village Council adopted a budget for the two districts. The CRA ended the year with $62,105 combined fund balance which will be appropriated to fund CRA projects in fiscal year 2026. The budget to actual statement for the CRA is available on page 119 of this report.

The Human Resources department continues to prioritize data driven decision making and employee engagement activities. In 2025, they were honored with the Mental Health Bell Seal Award for outstanding support and commitment to mental health awareness. They also continue to promote professional growth through their Leadership Academy, which is structured to equip leaders with skills, tools and confidence needed to be successful in their roles and drive organizational performance.

The Village Clerk Department launched its new public records management software, which helps with transparency, service delivery, and efficiency. In addition, the Village Clerk Department began publishing legal advertisements on the Palm Beach County official website. This change has increased transparency, improved accessibility, reduced costs, and provided compliance with Florida’s legal requirements. The Village Clerk Department is committed to promoting a transparent and open government.

The police department hosted its annual "Stuff-A-Cruiser" toy drive in December alongside the Village's Tree Lighting event, which drew approximately 1,000 attendees. Partnering with several external organizations and local businesses, the department donated fifty-two (52) bags of toys, including six (6) bicycles and four (4) scooters, to the Adopt-A-Family organization. One Palm Springs police cruiser was specially wrapped to collect toy donations from local businesses.

Throughout the year, the department also hosted four (4) Family Movie Night events and conducted five (5) Ice Cream Patrols across the Village. To enhance officer safety, accuracy, and de-escalation capabilities, the department upgraded to the Taser 10. By the end of the year, the police department had reached the final phase of its construction project.

The Planning, Zoning, and Building department has worked to modernize the core business processes in the PZB department. We did this by using a digital platform that is designed for land management. By modernizing the permit application, plan review, inspections, business license, and other process we hope to improve efficiencies and create a better experience for employees as well as Village patrons (contractors and owner-builders). Additionally, the code enforcement division was incorporated into the PZB department to enhance the health, safety, and welfare of the Village's residents by promoting compliance with local ordinances and codes and enforcing property and contractor regulations.

Public Works completed a large-scale stormwater construction project on 2nd Ave North which alleviated persistent flooding to the surrounding area. The Greenbrier Drive and Davis Road Intersection Improvement project as completed, and the Greenbrier Drive Gateway Improvements Project is nearing completion. The grant funded Safe Streets for All Vision Zero Action Plan was completed and the Village was notified of the award of a subsequent SS4A Implementation grant. The department maintained all of the Village’s rights of way and paved over a mile of roadway along with repairing over 1,000 linear feet of sidewalk and driveways. The department is constantly working to improve solid waste and recycling and pick-up clearing the Village of 9,702 tons of garbage and 2,648 tons of yard waste.

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

The Parks and Recreation Department continued building upon the strong foundation established in the previous fiscal year, marking fiscal year 2025 as another year of measurable progress and community impact. Enhancements at Frost Lake Park and Sago Palm Park further advanced the Village’s commitment to elevating the quality, safety, and overall experience of its public park system.

The Events Division experienced continued growth in both attendance and resident satisfaction. For the second consecutive year, the team was recognized by the Florida Festivals and Events Association, earning 15 SunSational Awards — a testament to the department’s dedication to excellence in community programming and event production.

Sago Palm Park underwent a significant capital improvement with the installation of a new multi-compound playground featuring a shade structure, enhancing accessibility and comfort for families. At Frost Lake Park, a $50,000 FRDAP grant supported the addition of multiple fitness stations to promote health and wellness, along with upgraded pathway lighting to improve safety and visibility.

The Rec on the Moove program continued expanding its community footprint, delivering recreational programming at 12 Village sites during fiscal year 2025, including three new locations. For the second year in a row, the program successfully extended services to seniors, offering engaging activities such as movement-based fitness sessions and seasonal arts and crafts events.

Out-of-School Camps and Athletic Leagues sustained increased participation, reinforcing the importance of recreation programming within the Village. Collectively, these initiatives provide meaningful opportunities for youth, adults, and seniors to stay active, connected, and engaged through quality recreational experiences.

In fiscal year 2025, the library expanded its outreach, strengthened community partnerships, and increased literacy-focused programming, reinforcing its role as a central hub for education and engagement within the Village.

Outreach efforts grew both in-house and off-site. The library hosted large-scale literacy events such as Literacy Night with both Palm Springs Elementary schools, facilitated library local with local daycares and elementary schools, and increased participation in Village-wide events. Staff conducted monthly Storytime visits to 7–10 daycares and partnered with five early learning centers through the Heggerty initiative to support phonemic awareness and early literacy instruction. Additional partnerships with the Pace Center for Girls, Bridges of Lake Worth West, and local elementary schools expanded access to library cards, educational resources, and student achievement incentives.

Literacy and academic support remained a core focus. Programs including Literacy Stars, Children's Book Club, Reading Rangers, Minds in Motion, STREAM Club, Summer Reading Program and age-specific Storytimes provided structured support for reading development, critical thinking, and school readiness. Together, these initiatives created a strong continuum of academic support for children and families.

Family-centered programming further strengthened community engagement. Signature events such as the Planting Seeds of Literacy Festival, Baby Glow dance party, Dia de los Ninos and vital partnerships with the Palm Springs Police Department and Parks and Recreation team provided safe, welcoming environments that promoted literacy and community connection.

Teen programming emphasized leadership development and college readiness. The Teen Advisory Board, College Preparation Series, financial literacy workshops, and volunteer recognition initiatives empowered teens with skills in teamwork, civic responsibility, and future planning.

Overall, FY25 marked continued growth in outreach, programming, and community impact, solidifying the Library's position as a vital educational and cultural resource for residents of all ages.

Utilities completed projects for Vacuum Station #3 Safety improvements and an Emergency Generator project. They completed a Lift Station Rehabilitation Project consisting of 3 lift stations and implemented SCADA Upgrades at 11 lift stations. Utilities also cleaned 5071 linear feet of sewer pipe and lined 4969 linear feet of 8" sewer pipe. Lastly, they lined 102 linear feet of 10" sewer pipe and replaced 11 broken fire hydrants.

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Palm Springs, Florida, for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, the contents of which conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The Village of Palm Springs, Florida, has received a Certificate of Achievement for the last thirty-seven consecutive years (fiscal years ended 1988-2024). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

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

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

I want to recognize the Village Finance Department staff: Assistant Finance Director, Mariana Ortega, and our accounting staff, Nataly Cintron, Pisurki Rodriguez, Llulissa Molina, Diana Munevar and Sajia Ahmed for their personal and professional integrity, quality, accountability, excellence, and teamwork. Without their hard work, attention to detail and dedication to the job, this audit would not be possible every year! This truly is a collaborative effort year-round from our team.

Respectfully submitted,

Mara Frederiksen

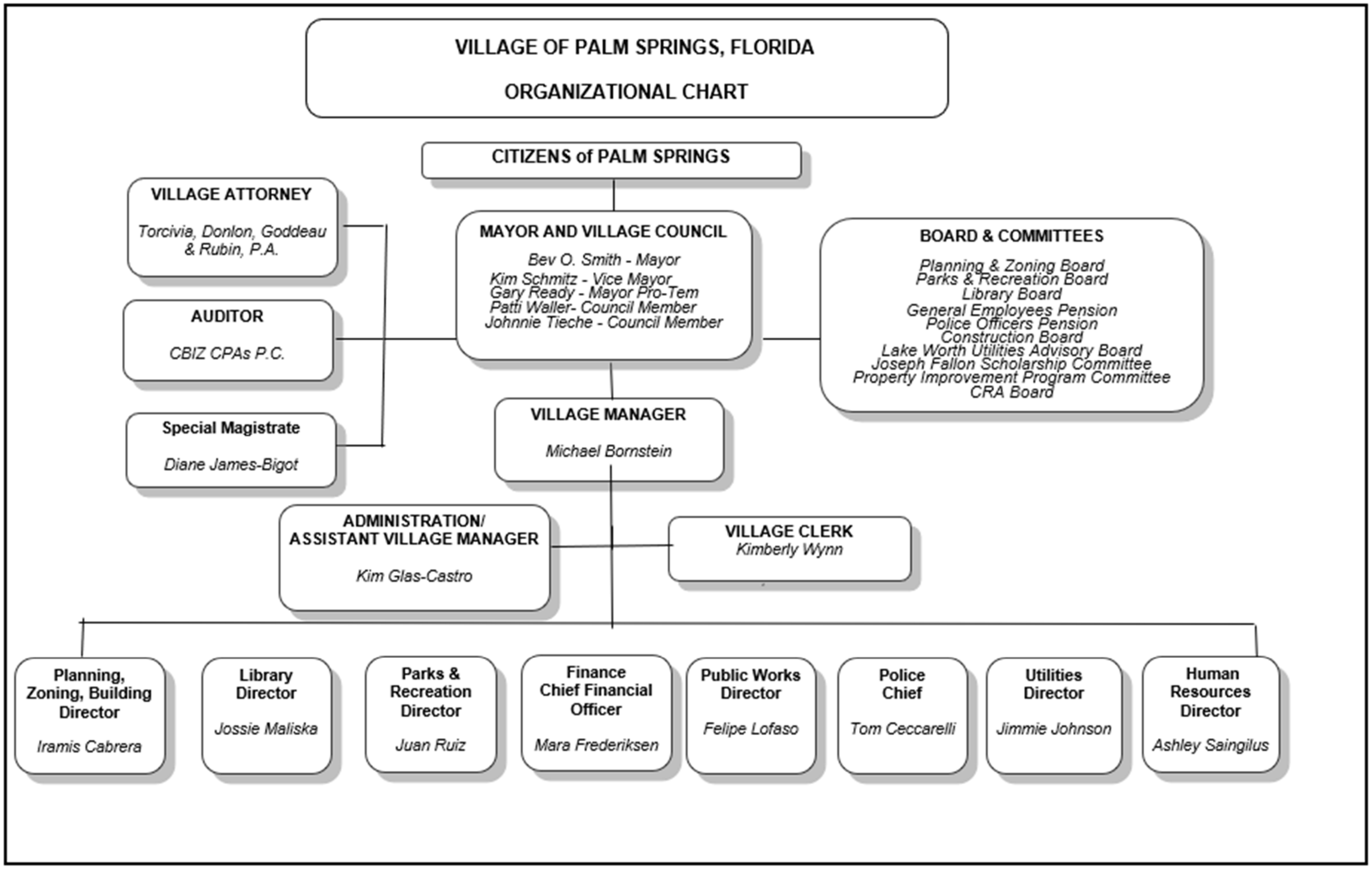
Mara Frederiksen
Finance Director

VILLAGE OF PALM SPRINGS, FLORIDA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2025

Title	Name
Mayor	Bev O. Smith
Vice Mayor	Kim Schmitz
Mayor Pro-Tem	Gary Ready
Council Member	Patti Waller
Council Member	Johnnie Tieche
Village Manager	Michael Bornstein
Assistant Village Manager	Kim Glas-Castro
Finance Director	Mara Frederiksen
Public Services Director	Felipe Lofaso
Public Safety Director	Tom Ceccarelli
Village Clerk	Kimberly Wynn
Library Director	Jossie Maliska
Parks & Recreation Director	Juan Ruiz
Planning, Zoning and Building Director	Iramis Cabrera
Village Attorney	Glen J. Torcivia
Human Resource Director	Ashley Saingilus
Utilities Director	Jimmie Johnson


VILLAGE OF PALM SPRINGS, FLORIDA
ORGANIZATIONAL CHART
CITIZENS of PALM SPRINGS
VILLAGE ATTORNEY
Torcivia, Donlon, Goddeau & Rubin, P.A.
AUDITOR
CBIZ CPAs P.C.
Special Magistrate
Diane James-Bigot
MAYOR AND VILLAGE COUNCIL
Bev O. Smith - Mayor
Kim Schmitz - Vice Mayor
Gary Ready - Mayor Pro-Tem
Patti Waller- Council Member
Johnnie Tieche - Council Member
BOARD & COMMITTEES
Planning & Zoning Board
Parks & Recreation Board
Library Board
General Employees Pension
Police Officers Pension
Construction Board
Lake Worth Utilities Advisory Board
Joseph Fallon Scholarship Committee
Property Improvement Program Committee
CRA Board
VILLAGE MANAGER
Michael Bornstein
ADMINISTRATION/ ASSISTANT VILLAGE MANAGER
Kim Glas-Castro
VILLAGE CLERK
Kimberly Wynn
Planning, Zoning, Building Director
Iramis Cabrera
Library Director
Jossie Maliska
Parks & Recreation Director
Juan Ruiz
Finance Chief Financial Officer
Mara Frederiksen
Public Works Director
Felipe Lofaso
Police Chief
Tom Ceccarelli
Utilities Director
Jimmie Johnson
Human Resources Director
Ashley Saingilus

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Palm Springs
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill
Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

CBIZ CPAs
CBIZ CPAs P.C.

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

P: 561.994.5050

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Palm Springs, Florida (the "Village"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of September 30, 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 Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18, and the budgetary comparison schedules and related notes, the condition rating of the Village's street system, the schedules of changes in the net pension liability and related ratios for the general employees pension fund and police officer pension fund, the schedule of Village contributions, the schedules of the Village's proportionate share of the net pension liability and schedules of the Village's contributions for the Florida retirement system pension plan and retiree health insurance subsidy program, the schedule of investment returns, and the schedule of changes in the total OPEB liability and related ratios on pages 96 through 114, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining fund financial statements and debt schedules, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 fund financial statements and debt schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

VILLAGE OF PALM SPRINGS, FLORIDA

MANAGEMENT AND DISCUSSION AND ANALYSIS

As management of the Village of Palm Springs, we are presenting this discussion and analysis (MD&A) to provide a narrative overview and analysis of the financial activities of the Village for the fiscal year ended September 30, 2025. Please read it in conjunction with the accompanying letter of transmittal beginning on page i and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The Village's total net position on September 30, 2025, is $165.5 million. Of this amount, the Village has a deficit of $.68 million (unrestricted net position) which is used to meet the Village's ongoing obligations to residents and creditors.
- Governmental net position is $62.5 million, an increase of $6.4 million from 2024 operations.
- Business-type net position was $103 million, an increase of $8.2 million from 2024 operations.
- The total revenues from all sources were $61 million, a decrease of $4.9 million.
- The total cost of all Village programs was $46.4 million, an increase of $1.3 million.
- For 2025, the Village's governmental funds expenditures exceeded revenues and other financing sources by $13,698,326.
- Expenditures in the General Fund exceeded total Revenues and other financing sources by $14,645,327.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $13,317,583 along with assigned fund balance for subsequent year's budget of $1,612,210, are 34.7% of total General Fund expenditures.
- The Village's total noncurrent liabilities decreased by $3,248,260 during the current fiscal year. The Village governmental activities long term liabilities decreased by $2.1 million, and the business-type activities long term liabilities decreased by $1,126,903. The note payables in both governmental and business-type activities decreased, however the increases in leases and the addition of subscription arrangements this year coupled with pension liabilities produced the net increase in governmental activities.
- The total other postemployment benefits ("OPEB") liability increased $14,736 to $1,200,539 at September 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements including four components which are:

1. Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Village as a whole.
2. Fund financial statements tell how services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.
3. Notes to the financial statements.
4. Other information.

Government-wide Financial Statements

A frequently asked question regarding the Village's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered, regardless of when cash is received or paid.

These two statements report the Village's net position and changes therein. Net Position is the result of assets plus deferred outflows of resources minus liabilities and deferred inflows of resources. Net Position is one way to measure the Village's financial health, or financial position. Over time, increases or decreases in net position is an indicator of whether financial health is improving or deteriorating. The Statement of Net Position and the Statement of Activities present information about the following:

- Governmental activities - All of the Village's basic services are governmental activities, including the Village Council, Village Manager, Village Clerk, Finance, Human Resources, Information Technology ("IT"), Planning, Zoning & Building, Police, Sanitation and Recycling, Public Works (road and street maintenance), Library and Parks and Recreation Services. The Village's general obligation debt is also included in the governmental activities. Effective October 1, 2020, the Village's Community Redevelopment Area ("CRA") and the American Rescue Plan fund are included within the governmental activities.

- Business-type activities/Enterprise Fund activities - The Village charges a fee to customers to cover all the cost of the services provided. The Village's Water and Sewer Utility and Stormwater Utility are reported in this category.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the Village as a whole. Some funds are required to be established by State law. However, management establishes other funds, which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Village's three kinds of funds, *governmental, proprietary, and fiduciary* use different accounting approaches as explained below.

- ***Governmental funds*** - Most of the Village's basic services are reported in the governmental funds. Governmental funds focus on how resources flow in and out, with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general governmental operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The Village of Palm Springs has six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the American Rescue Plan Fund. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 115-117 of this report. The basic governmental fund financial statements can be found on pages 22-25 of this report.

- ***Proprietary funds*** **-** The Village has two enterprise funds: the Water and Sewer Utility Fund and the Stormwater Utility Fund. The Water and Sewer Utility Fund and the Stormwater Utility Fund account for the operations of the water and wastewater utility and stormwater utility, respectively, and charge customers for the services it provides. Enterprise funds are reported on the full accrual basis of accounting in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The basic proprietary fund financial statements can be found on pages 26-29 of this report.

- ***Fiduciary funds*** **-** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The Village maintains two fiduciary funds: the General Employees' Pension Trust Fund and the Police Employees' Pension Trust Fund. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 30-31 of this report. Individual fund data for each of the pension funds is provided in the form of combining statements on pages 118-119 of this report.

Notes to the Basic Financial Statements

The notes to the financial statements are provided to communicate additional information that is essential to obtaining a comprehensive understanding of the data contained in the government-wide and fund financial statements. The notes to the financial statements are located on pages 32-95 of this report.

Other Information

In addition to the basic financial statements and notes, this annual report also presents certain required supplementary information which includes budgetary comparison schedules for the General Fund and American Rescue Plan Fund together with notes pertaining to the budget schedules. The Village also presents information concerning the condition rating of its streets and progress in funding its obligation to provide pension and OPEB benefits to its employees in this section. Required supplementary information can be found on pages 96-114.

The combining fund financial statements of the nonmajor governmental funds and the combining fund financial statements of the fiduciary funds are presented on pages 115-119 of this report. Immediately following the combining fund financial statements, the Village includes schedules of long-term debt. These schedules detail the principal and interest payments due by issue and fiscal year through maturity. These schedules are located on pages 120-122 of this report.

The statistical section located on pages 123-152 of this report presents schedules providing details about the financial trends, revenue capacity, debt capacity, demographic, economic and operating information to assist the user in understanding the Village's financial statements and overall financial health.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows exceeded liabilities and deferred inflows of resources by $165.5 million, approximately $14.6 million increase as compared to fiscal year 2024. The net position of the Village on September 30, 2025, and 2024 are summarized as follows:

Village of Palm Springs
Net Position Summary

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 33,658,892	$ 47,755,481	$ 50,486,589	$ 51,206,184	$ 84,145,481	$ 98,961,665
Net pension asset	10,773,520	6,721,778	3,983,280	2,576,130	14,756,800	9,297,908
Capital assets, net	41,036,185	24,322,469	63,129,663	55,429,974	104,165,848	79,752,443
Total assets	**85,468,597**	**78,799,728**	**117,599,532**	**109,212,288**	**203,068,129**	**188,012,016**
Deferred Outflows of Resources						
Deferred amount related to pensions	4,236,577	4,458,349	1,036,325	1,064,420	5,272,902	5,522,769
Deferred amount related to OPEB	350,101	394,223	131,241	157,446	481,342	551,669
Total Deferred Outflows of Resources	**4,586,678**	**4,852,572**	**1,167,566**	**1,221,866**	**5,754,244**	**6,074,438**
Liabilities:						
Long-term debt outstanding	15,753,263	17,874,620	9,993,138	11,120,041	25,746,401	28,994,661
Other liabilities	3,685,185	4,012,213	3,431,749	3,047,027	7,116,934	7,059,240
Total liabilities	**19,438,448**	**21,886,833**	**13,424,887**	**14,167,068**	**32,863,335**	**36,053,901**
Deferred Inflow of Resources						
Leases	146,102	219,003	--	--	146,102	219,003
Deferred amount on debt refunding	--	--	53,917	61,027	53,917	61,027
Deferred amounts related to pensions	7,881,976	5,367,049	2,151,822	1,292,568	10,033,798	6,659,617
Deferred amount related to OPEB	131,224	107,932	49,191	43,107	180,415	151,039
Total Deferred Inflows of Resources	**8,159,302**	**5,693,984**	**2,254,930**	**1,396,702**	**10,414,232**	**7,090,686**
Net Position:						
Net investment in capital assets	37,980,600	21,269,752	56,277,648	47,857,985	94,258,248	69,127,737
Restricted for net pension asset	10,773,520	6,721,778	3,983,280	2,576,130	14,756,800	9,297,908
Restricted for law enforcement	91,786	83,847	--	--	91,786	83,847
Restricted for debt service	299,117	283,212	--	--	299,117	283,212
Restricted for sales tax capital projects	11,786,547	11,786,547	--	--	11,786,547	11,786,547
Restricted for Lake Worth Rd CRA	-	604,343	--	--	--	604,343
Restricted for Congress Ave CRA	1,056,037	562,258	--	--	1,056,037	562,258
Restricted for American Rescue Plan Fund	1,150,197	1,070,640	--	--	1,150,197	1,070,640
Unrestricted	(680,008)	13,689,106	42,826,353	44,436,269	42,146,345	58,125,375
Total net position	**$ 62,457,796**	**$ 56,071,483**	**$ 103,087,281**	**$ 94,870,384**	**$ 165,545,077**	**$ 150,941,867**

The largest portion of the Village's net position (56.94%) reflects its investment in capital assets (land, buildings, machinery, equipment, leases and subscription arrangements), net of related debt and any deferred inflows/outflows used to acquire these assets. The Village uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although, the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position ($29.14 million or 17.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Village of Palm Springs
Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 5,144,924	$ 5,870,685	$ 25,999,276	$ 25,677,007	$ 31,144,200	$ 31,547,692
Operating grants and contributions	351,729	300,737	--	-	351,729	300,737
Capital grants and contributions	4,280,213	9,044,866	558,287	338,927	4,838,500	9,383,793
General revenues:						
Property taxes	7,433,598	6,854,475	--	--	7,433,598	6,854,475
Utility service taxes	3,647,797	3,445,247	--	--	3,647,797	3,445,247
Franchise fees	2,126,863	2,021,196	--	--	2,126,863	2,021,196
Sales and use taxes	5,885,338	5,826,777	--	--	5,885,338	5,826,777
Business taxes	386,359	395,383	--	--	386,359	395,383
Intergovernmental, unrestricted	1,537,269	1,517,398	--	--	1,537,269	1,517,398
Investment income	1,788,370	2,505,835	1,754,890	1,988,298	3,543,260	4,494,133
Gain on sale of capital assets	(6,208)	12,420	(9,351)	2,523	(15,559)	14,943
Miscellaneous	72,209	65,085	34,385	41,797	106,594	106,882
Total revenues	**32,648,461**	**37,860,104**	**28,337,487**	**28,048,552**	**60,985,948**	**65,908,656**
Expenses:						
Program expenses:						
General government	5,250,988	4,170,771	--	--	5,250,988	4,170,771
Public Safety	11,654,897	12,185,143	--	--	11,654,897	12,185,143
Sanitation and Recycling (Physical environment)	1,842,162	1,720,917	--	--	1,842,162	1,720,917
Transportation	3,529,510	3,040,001	--	--	3,529,510	3,040,001
Economic Environment	878,233	257,315	--	--	878,233	257,315
Culture/Recreation	3,157,243	2,984,144	--	--	3,157,243	2,984,144
Interest on long-term debt	82,770	92,746	--	--	82,770	92,746
Water and Sewer Utility	--	--	19,697,097	20,465,575	19,697,097	20,465,575
Stormwater Utility	--	--	289,838	154,585	289,838	154,585
Total Expenses	**26,395,803**	**24,451,037**	**19,986,935**	**20,620,160**	**46,382,738**	**45,071,197**
Change in net position before transfers	6,252,658	13,409,067	8,350,552	7,428,392	14,603,210	20,837,459
Transfers	133,655	(266,464)	(133,655)	266,464	--	--
Increase in net position	6,386,313	13,142,603	8,216,897	7,694,856	14,603,210	20,837,459
Net Position - October 1	56,071,483	42,928,880	94,870,384	87,175,528	150,941,867	130,104,408
Net Position - September 30	**$ 62,457,796**	**$ 56,071,483**	**$ 103,087,281**	**$ 94,870,384**	**$ 165,545,077**	**$ 150,941,867**

Governmental Activities

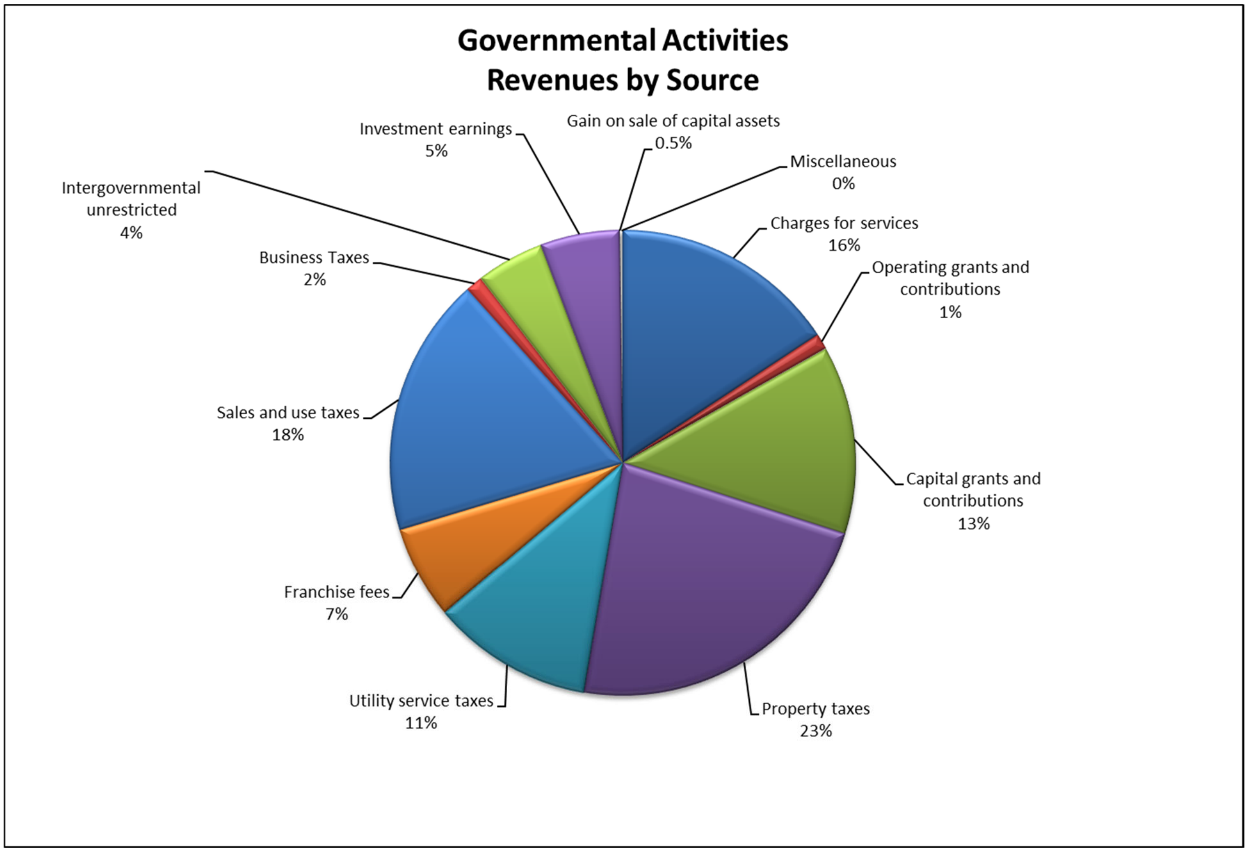
Revenues: Governmental activities increased the Village's net position by $6,386,313. Charges for Services decreased ($725,761) compared to fiscal year 2024. The largest decrease ($4,764,653) is from Capital grants and contributions generated by the end of ARPA contributions.

Operating grants and contributions increased slightly $50,992 compared to 2024. Physical Environment saw an increase of $128,142 as due to capital grants and contributions received for Congress Ave Sewer improvements. There were small increases in general government from donations from our health care provider to promote healthy living incentives to Village employees and Culture Recreation received increased grant revenues for technology and stem grants.

Capital grants and contributions totaled $4,280,213 in fiscal year 2025, a decrease of $4,764,653 compared to fiscal year 2024. This reflects a net decrease of $5,364,303 in Economic Environment with funding for the CRA in the fifth year of operation and a decrease in Public Safety of $710,275 as grants received in 2024 were not received in this year, also there was an increase of $435,526 in Culture/Recreation primarily due to the grant received in 2025 from CDBG for Culture/Recreation.

Property taxes increased by $579,123 or 8% over fiscal year 2024, the Village's taxable value increased by $169,049,587 or 9% over fiscal year 2024. Other taxes (utility, franchise, sales and use and business taxes) increased $357,754 or 3.1 %.

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



Ad valorem taxes represent 23% of total governmental activity revenues this fiscal year, which is 5% higher than fiscal year 2024, utility service taxes franchise fees, charges for services, miscellaneous revenues and capital grants are all down this year compared to fiscal year 2024 while investment earnings dropped slightly by 2% this year with market. All other sources remained fairly consistent to fiscal year 2024.

Expenses: The Village's programs include General Government, Public Safety, Sanitation and Recycling, Transportation, Economic Environment and Culture/Recreation. General Government includes the legislative, executive, financial, information technology, and other general operations of the Village. Public Safety includes police, and planning, zoning, building, licensing, and code enforcement operations. Transportation includes our street maintenance and public works operations. Economic Environment represents the operations of our Community Redevelopment Agency (CRA) and the American Rescue Plan fund. Culture/Recreation includes our library, parks and recreation and special events.

General Government expenses increased $1.1 million this year including election related expenses, a consultant engaged to conduct a Village wide survey to establish a baseline of resident interests, concerns, and desires. Also, this year the village increased funding for a management team consultant to continue work on the visioning process and team development, we also offered on site education through the local state college training for our employees to learn Spanish and for English as a second language to primary Spanish speaking employees. These new programs combined with increases in personnel and insurance increase generated the increases over fiscal year 2024.

Public Safety expenses decreased overall $530,246. Planning, Zoning and Building experienced an increase in contractual services for plan review, and GIS services as well as building official services, these were related to increased development activities Police expenses increased in personnel costs with increased staffing, overtime, pension, and insurance. Operating costs increased for fuel, repairs, electricity, insurance, and supplies. This was offset by reductions in pension related expenses.

Physical Environment expenses increased $121,245 due to a rate increase in the mid-year rate increase from the contract renewal with our waste hauler.

Transportation expenses increased $489,509 for fiscal year 2025 compared to fiscal year 2024, this reflects the increased staffing, insurance, and pension costs as well as electricity, fuel, repair costs and operating supply increases.

Economic Environment increased $620,918 reflecting the activity in the CRA in its third year of operation. This decrease is net an increase with the additional of one code enforcement officer to service the CRA districts less a significant decline in contractual services compared to last year which included payments related to the Lake Worth Road Drainage Improvements in cooperation with the State of Florida

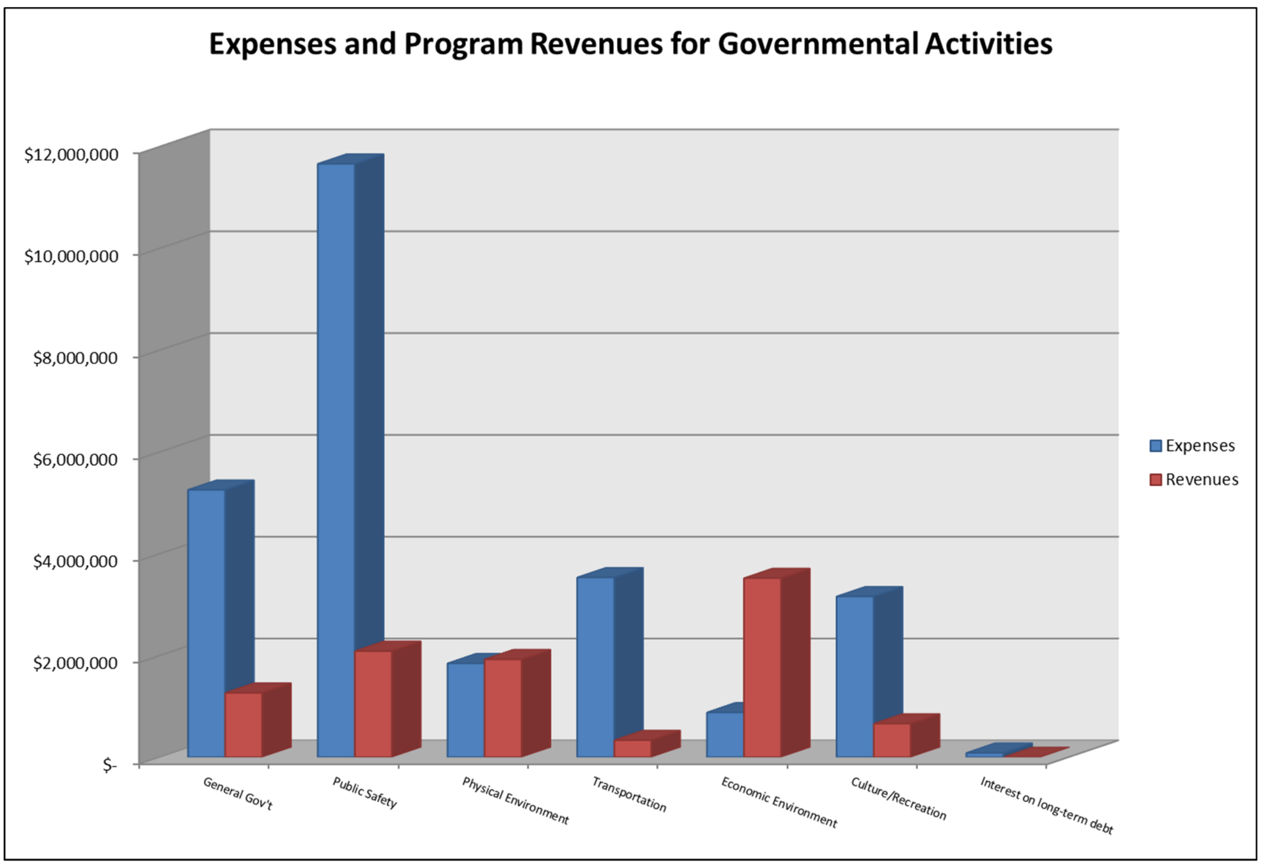
Culture and recreation increased $173,099 for fiscal year 2025 compared to fiscal year 2024, as with Public Safety, and Transportation the increase is primarily due to personnel costs including increased staffing, pension, and insurance. Operating costs for supplies, repairs, electricity, and increased costs of special events.

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

Village of Palm Springs
Governmental Activities
Net Cost of Services

	Total Cost of Services		Program Revenues		Net Cost of Services	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
General Government	$ 5,250,988	$ 4,170,771	$ (1,263,632)	$ (1,396,361)	$ 3,987,356	$ 2,774,410
Public Safety	11,654,897	12,185,143	(2,084,774)	(2,795,049)	9,570,123	9,390,094
Physical Environment	1,842,162	1,720,917	(1,920,649)	(1,792,507)	(78,487)	(71,590)
Transportation	3,529,510	3,040,001	(333,745)	(129,528)	3,195,765	2,910,473
Culture/Recreation	3,157,243	2,984,144	(658,539)	(223,013)	2,498,704	2,761,131
Economic Environment	878,233	257,315	(3,515,527)	(8,879,830)	(2,637,294)	(8,622,515)
Interest on long-term debt	82,770	92,746	--	--	82,770	92,746
Totals	**$ 26,395,803**	**$ 24,451,037**	**$ (9,776,866)**	**$ (15,216,288)**	**$ 16,618,937**	**$ 9,234,749**

The total cost of all governmental activities this year was $26.4 million, representing an increase of $1,944,766 or 8%. The schedule above shows that $8 million of the cost of services was paid by those who directly benefited from the programs and $16.9 million was financed through general revenues.

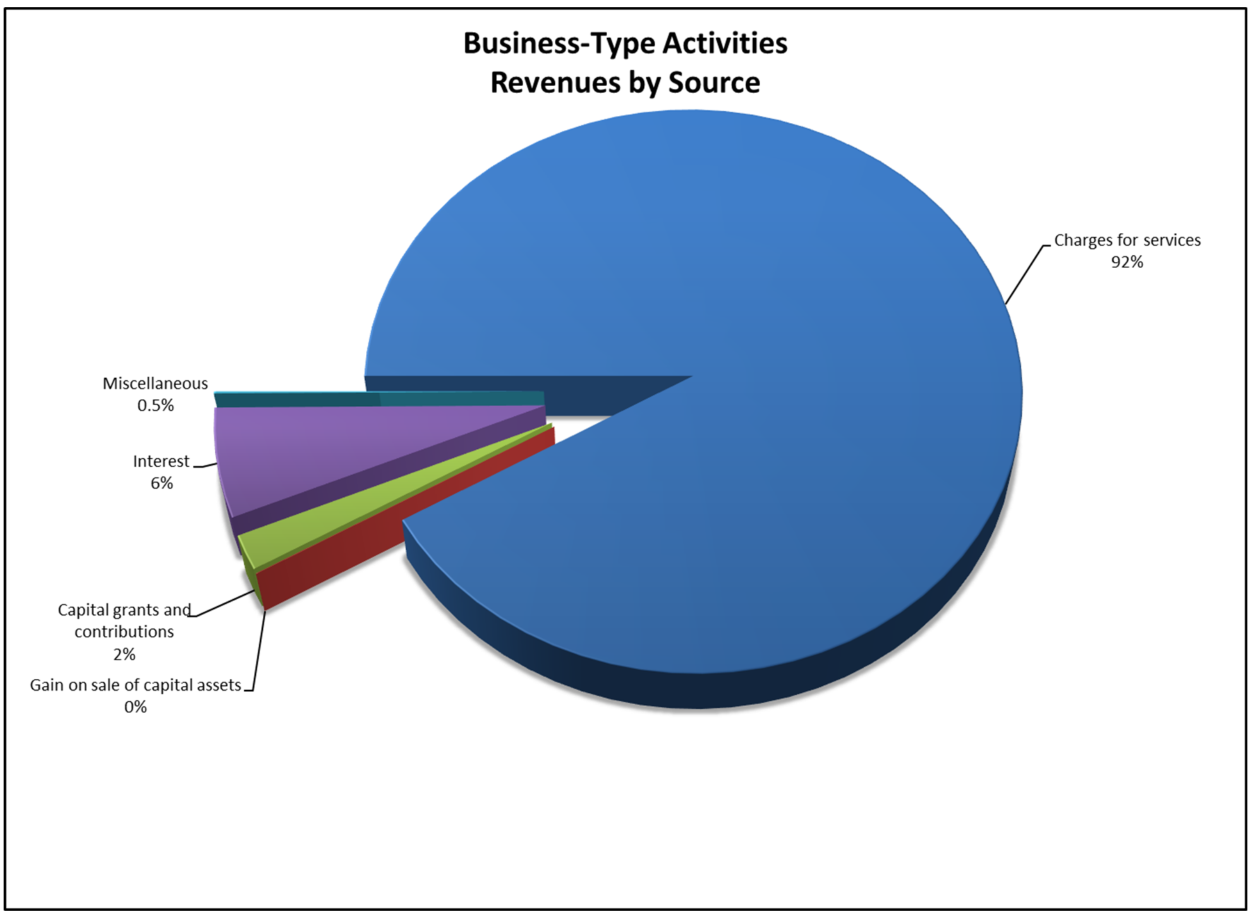


Business-type Activities

The net position of the proprietary funds (Water and Sewer Utility and Stormwater Utility) on September 30, 2025, was $103 million. The cost of providing proprietary (business-type) activities this year was $20 million, as shown in the Statement of Activities, this is a decrease of $.6 million compared to fiscal year 2024. The decrease was mostly due to a significant reduction in Palm Beach County sewer charges offset by the impact of GASB Statement No. 68 pension related expenses, increased wastewater treatment and disposal charges, coupled with increased staffing, insurance, and pension costs as well as electricity, fuel, repair costs and operating supply increases and a decrease in some capital expenses.

The Village Stormwater Utility was established in 2017 and ended the current year with a net position of $8.8 million or $2,042,265 over the fiscal year 2024. This increase reflects the stormwater fees collected via non-ad valorem assessment of $529,367, interest earnings of $47,483 and $1,755,253 in funding from the American Rescue Plan and General Fund transfer for Stormwater Projects.

Net position increased by $8,216,897 for the two enterprise funds combined. The following graph shows the source of revenues for the Water and Sewer Utility and Stormwater Utility for the current fiscal year. Revenues derived from charges for services increased by approximately $300k or 1%, which reflects the increase in water and sewer consumption for services and increased demand with new developments. Capital Grants and Contributions increased by approximately $219k from capital contribution fees from new construction. Interest income decreased $233,408 as interest rates have fluctuated in this market.



FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The governmental funds report on the same functions as the governmental activities in the government-wide statements but the focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources available at fiscal year-end. This information is useful in evaluating the Village's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of $29,839,451, a decrease of $13,698,326, in comparison with the prior year. Revenues decreased overall by $5,193,015. Tax revenue increased $1,020,418 or 8%, the taxable value increased by 8.88% and utility taxes increased as the Village is experiencing new growth with recovery from the COVID decline. Permits and fees decreased $605,968 representing a decline in building permit fees from the prior year and less construction projects. Intergovernmental revenues decreased $5,338,966, or 32.9%. The most significant decrease in intergovernmental revenue was in the ARPA Fund due to a reduction in grant revenues. Charges for services decreased by $202,248 primarily due to decreases in building plan review, Information Technology service fees, and reductions in police details.

In fiscal year 2025 expenditures for the governmental funds increased by $17,115,216 compared to fiscal year 2024. General Government expenditures increased by $791,620 or 20%, this included election related expenditures, a consultant engaged to conduct a Village wide survey to establish a baseline of resident interests, concerns, and desires. Also, this year the village increased funding for a management team consultant to continue work on the visioning process and team development, we also offered on site education through the local state college training for our employees to learn Spanish and for English as a second language for our primary Spanish speaking employees and increased personnel costs.

Public Safety increased by $12,517,262 or 93%, Planning, Zoning and Building increased $625,790 primarily due to Code Enforcement being transferred to their division from Police. Police expenditures increased $11,891,472 or 95% of which $918,391 of the increase was for salary and related benefits, the remaining increases were in capital costs due to the expansion of the police building.

Physical Environment costs increased $121,245 which reflects the year rate increase from the contract renewal with our waste hauler.

Expenditures for Transportation increased $1,685,632 compared to fiscal year 2024, personnel and benefit costs increased $73,987, operating expenditures contributed $456,688 to this increase including increases in contractual services, electricity and repair and maintenance. Capital outlay increased $1,154,958 which included the beginning of a building out of flex space in Village Hall, and work on street projects including the intersection of Greenbrier and Davis, Greenbrier Drive Entrance, Swale improvements at Alameda and Davis, and improvements at Davis Rd and Canal 10.

Culture/Recreation experienced a decrease of $103,433. Library expenditures increased $175,928 due to salary adjustments for comp/class study along with the addition of a new literacy coordinator. Parks and Recreation including special events decreased $279,361 due to the development of a new Parks and Recreation Master Plan, increased contractual services and operating supplies for expanded and enhanced special event activities, capital outlay with improvements to the offices, playground, and outdoor fitness equipment in 2024 not needed in 2025. The governmental funds had a total fund balance of $29,839,451 comprised of non-spendable fund balance of $1,519,906 ($69,976 for inventory, $10,528 for prepaids, $2,334 for leases, and $1,437,068 advances to other funds; restricted fund balances of $14,383,684 ($91,786 for law enforcement, $299,117 for debt service, $11,786,547 for infrastructure capital projects financed by the one-cent sales tax, $1,056,037 for the CRA and $1,150,197 for the American Rescue Plan); assigned fund balance of $1,612,210 for the 2025/2026 budget. The remaining balance of $13,317,583 is unassigned.

The primary operating fund for the Village is the General Fund. At the end of the current fiscal year, in accordance with GASB Statement No. 54 the unassigned fund balance of the General Fund was $13,317,583, while the total fund balance was $28,236,246. The unassigned fund balance in General Fund represents 31% of the fiscal year 2025 budgeted expenditures. The Village is anticipating rising costs of capital projects as inflation has impacted all supplies and related services. The parks and recreation master plan has presented new ideas and opportunities to develop facilities to meet the evolving interests of our community. The Village is also evaluating the best solution to the expansion needs of our police department. The unassigned fund balance at fiscal year-end 2025 represented 31% of the 2026 final budget, but also contains remaining funds of $1,612,210 bringing that percentage closer to 35%. The Village's target balance range for unassigned fund balance is 20-25%.

Proprietary Funds

The Village has two proprietary funds, which are both enterprise funds. Enterprise funds present the same functions presented as business-type activities in the government-wide financial statements, but in more detail. The Village of Palm Springs uses an enterprise fund to account for its Water and Sewer Utility operations and its Stormwater Utility operations.

Unrestricted net position for the Water and Sewer Enterprise Fund was $43 million at fiscal year-end, an increase of $638,946 compared to the prior fiscal year. Charges for services revenues increased $325,607 or 1.3% due primarily to the increased demand from new developments and overall consumption.

Revenues from capital contributions increased $219,360 as development and redevelopment is rebounding post-COVID. Operating expenses decreased $746,874 primarily due to a decrease in costs from Palm Beach County Utility Sewer Charges. 2024 was an unusually high year due to some adjusted charges from them. Total net position for the Water and Sewer Enterprise Fund was $94 million at fiscal year-end, an increase of $6,174,632 from the prior fiscal year. The increase in net position from operations was $5,967,270 (operating income).

The Stormwater Utility, now in its seventh year of operations, had operating revenues of $529,367 and operating expenses of $289,838 for 2025. The Stormwater Utility net position increased by $2,042,265 and ended the fiscal year at $8,840,898.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget increased from $46.5 million to $48.5 million due to some additional capital funding needs.

General Fund expenditures were $5,396,542 less than the budget for fiscal year 2025. General government departments in total expended $540,829 less than budgeted due to staff vacancies, some software projects that did not move forward and a few projects came in less than anticipated. Public Safety (Police department and the Planning, Zoning and Building Department) expended $3,062,428 less than expected due to staff vacancies and unexpended capital outlay. In the police department we budgeted $14 million for the building expansion and only expended $12.6 million for the project. Physical environment expenditures were $82,495 more than expected as the increase from our private hauler came in slightly over what was budgeted. Expenditures in Transportation were $1,604,656 less than anticipated with savings in personnel due to vacancies, operating costs from the planned traffic calming study that was not done and unexpended capital outlay for projects at Greenbrier and Davis that were not completed in this fiscal year. Culture and Recreation expenditures were $271,124 less than anticipated primarily due to less being spent on camp expenses that originally anticipated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Village of Palm Springs' investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $104,165,848 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, improvements, machinery and equipment, library books, software, roads, sidewalks, bridges, drainage, intangible assets, leases (right-of-use assets) and subscription arrangements. The governmental activities investment in capital assets, net of accumulated depreciation/amortization increased by $16,713,716 or 68.7% compared to fiscal year 2024. The net change includes an increase in assets of $18,496,548 less an increase of $1,760,895 in accumulated depreciation/amortization.

Improvements other than building increased $1,979,982 for bridge improvements, lighting, and drainage.

Machinery and equipment increased $533,358 including the purchase of vehicles and new audio/visual equipment in the Council Chambers.

Construction in progress increased $11,096,069 including police buildings, intersection and entranceway improvements, park improvements and software system implementations that were all in progress at fiscal year-end. A total of 10 projects were in progress at fiscal year end.

The Village uses the modified approach for infrastructure reporting of its street system. The Village's policy is to maintain at least 80% of its street system in *good* or *better* condition using the Asphalt Pavement Rating categories of the Asphalt Institute. The rating completed through the most recent year continues to meet or exceed Village policy. For 2025 the estimated maintenance costs were $310,000 and the actual were $215,000. More information on the Village's Street System and condition rating can be found on page 102 of this report.

Business-type activities investment in capital assets increased by $7,699,689 or 13.89% over fiscal year 2024. Assets increased by $11,438,039 net an increase in accumulated depreciation/amortization of $3,717,620. Construction in progress increased in the Water and Sewer Enterprise fund by $2,051,934 representing 18 projects underway at the end of fiscal year 2025. The Stormwater Enterprise fund had a increase of $2,411,134 in construction in progress at fiscal year end representing 4 projects.

Additional detailed information regarding capital assets can be found in Note 4. Capital assets on September 30, 2025, and 2024 are summarized as follows:

Village of Palm Springs
Capital Assets Net of Depreciation/Amortization

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 4,871,001	$ 729,641	$ 379,987	$ 379,987	$ 5,250,988	$ 1,109,628
Buildings	10,431,831	10,272,706	4,383,920	4,123,650	14,815,751	14,396,356
Improvements other than buildings	10,406,425	8,426,443	104,778,924	100,383,841	115,185,349	108,810,284
Machinery & Equipment	9,591,368	9,058,010	11,724,476	9,793,491	21,315,844	18,851,501
Software & Library Materials	961,903	940,736	34,188	34,188	996,091	974,924
Leases (Right-of-use assets) - Equipment	115,319	115,319	28,378	28,378	143,697	143,697
Subscription arrangements	117,961	117,961	41,059	41,059	159,020	159,020
Infrastructure	5,532,268	5,532,268	940,646	940,646	6,472,914	6,472,914
Intangible Assets	--	--	7,174,063	7,174,063	7,174,063	7,174,063
Construction in Progress	15,281,073	4,185,004	8,413,909	3,950,841	23,694,982	8,135,845
Total Assets	57,309,149	39,378,088	137,899,550	126,850,144	195,208,699	166,228,232
Less Accumulated Depreciation/Amortization	(16,272,964)	(15,055,619)	(74,769,887)	(71,420,170)	(91,042,851)	(86,475,789)
Total	**$ 41,036,185**	**$ 24,322,469**	**$ 63,129,663**	**$ 55,429,974**	**$ 104,165,848**	**$ 79,752,443**

Debt: At fiscal year end, the Village had a total long-term debt outstanding of $10,708,293 (excluding other postemployment benefits of $1,200,539 and net pension liability of $13,837,275 a decrease of $1,195,970, or 10% as compared to fiscal year 2024. Detailed information on the Village's long-term liabilities is presented in Notes 5, 6, 9, and 10 to the financial statements. Long-term liabilities on September 30, 2025, and 2024 are summarized as follows:

Village of Palm Springs
Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bank Note	$ 2,446,940	$ 2,790,970	$ --	$ --	$ 2,446,940	$ 2,790,970
Note Payable	--	--	6,683,136	7,415,256	6,683,136	7,415,256
Compensated Absences	1,130,350	1,105,657	312,061	333,065	1,442,411	1,438,722
Financed purchase (direct borrowing)	61,594	121,833	--	--	61,594	121,833
Leases (Right-of-use assets)	34,239	62,811	10,500	16,016	44,739	78,827
Subscription arrangements	29,767	58,655	--	--	29,767	58,655
Other postemployment benefits	873,205	847,375	327,334	338,428	1,200,539	1,185,803
Net Pension Liability	11,177,168	12,887,319	2,660,107	3,017,276	13,837,275	15,904,595
Total	**$ 15,753,263**	**$ 17,874,620**	**$ 9,993,138**	**$ 11,120,041**	**$ 25,746,401**	**$ 28,994,661**

The water and sewer 2003 revenue bonds were refinanced in April 2013 with a 20-year bank loan that also provided additional funds of $5 million for expansion of our wastewater lines. The interest rates on the 2003 revenue bonds ranged from 4.5% to 5.25% compared to the 2013 bank loan interest rate of 2.905%. Additional information on the Village's noncurrent liabilities can be found in Note 5, beginning on page 59 of this report.

In accordance with GASB Statement No. 68 the Village reported a net pension liability of $13,837,275 of which $11,177,168 is related to governmental activities and $2,660,107 is for business-type activities. For additional information on the Village's pension plans see Note 9, beginning on page 67 of this report.

The liability for OPEB increased $14,736 in 2025 to a total of $1,200,539 and represents the implicit rate subsidy in retiree health insurance rates. The increase reflects the latest actuarial valuation dated October 1, 2025, performed in accordance with GASB Statement No. 75. Additional information on other postemployment benefits can be found in Note 10, beginning on page 88 of this report.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

The Village's assessed taxable value increased for the tenth consecutive year since the fiscal year 2008 recession. This fiscal year our taxable value increased $169,049,587 or 8.88% over fiscal year 2024 for a total assessed value of $2,071,709,568. We expect this trend to continue as the real estate and construction industry is recovering post-COVID, although the increase in interest rates may slow down real estate sales. Now that the Village has an operating CRA the property taxes generated in the two defined districts (Congress Avenue and Lake Worth Road) will not be available to the General Fund. This fiscal year that impact was $554,388, an increase of $142,102 over 2024 and as the CRA grows so will the impact to the General Fund.

The Village Council maintained the 2024 operating millage rate of 3.50 mills for 2025 and lowered the debt service millage rate by 9.14% to .2121. Property tax collections increased $579,123 or 8.4% over fiscal year 2024, while the taxable value increased 8.8%.

The Village was awarded $12,629,526 in American Rescue Plan funds. During this fiscal year the Village expended $2,579,761 towards 3 stormwater improvements, IT infrastructure to improve connectivity between village facilities, 1 project within the two CRA districts to help promote growth in those areas and attract re-development and Village wide infrastructure improvements.

Effective October 1, 2009 (fiscal year 2010) the Village transferred fire rescue services to Palm Beach County Fire Rescue. Palm Beach County Fire Rescue MSTU (municipal services taxing unit) now taxes Village property owners $3.4581 mills per $1,000 of taxable value. This millage rate is deducted from the Village's legal millage rate limit of 10 mills, limiting our millage rate to $6.5419.

The General Fund's unassigned fund balance of $13,317,583 on September 30, 2025, represents 31% of the 2025 along with assigned balance for subsequent year's budget of $1,612,210, are 35% of total General Fund expenditures $43 million. In total, it lies above our target range of 20-25%. The Village is anticipating rising costs of capital projects as inflation has impacted all supplies and related services. The parks and recreation master plan has presented new ideas and opportunities to develop facilities to meet the evolving interests of our community. The Village is also evaluating the best solution to the expansion needs of our police department.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, please contact:

Village of Palm Springs
Finance Department
226 Cypress Lane
Palm Springs, FL 33461
561-584-8200 x 8440
www.vpsfl.org

BASIC FINANCIAL STATEMENTS

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 30,343,687	$ 46,378,691	$ 76,722,378
Cash and cash equivalents - restricted	1,150,197	--	1,150,197
Receivables:			
Accounts, net of allowance	481,721	3,477,529	3,959,250
Grants	1,454,347	--	1,454,347
Leases receivable	148,436	--	148,436
Inventory	69,976	623,010	692,986
Prepaids	10,528	7,359	17,887
Net pension asset	10,773,520	3,983,280	14,756,800
Capital assets:			
Capital assets, not being depreciated	25,684,342	9,734,542	35,418,884
Capital assets being depreciated/amortized	31,624,807	128,165,007	159,789,814
Accumulated depreciation/amortization	(16,272,964)	(74,769,886)	(91,042,850)
Total Assets	**85,468,597**	**117,599,532**	**203,068,129**
Deferred Outflows of Resources			
Deferred amount related to pensions	4,236,577	1,036,325	5,272,902
Deferred amount related to OPEB	350,101	131,241	481,342
Total Deferred Outflows of Resources	**4,586,678**	**1,167,566**	**5,754,244**
Liabilities			
Accounts payable and accrued liabilities	2,875,932	1,400,717	4,276,649
Contract retainage payable	483,045	104,462	587,507
Accrued interest payable	11,846	80,887	92,733
Deposits	105,794	1,845,683	1,951,477
Unearned revenue	208,568	--	208,568
Noncurrent liabilities			
Due within one year:			
Notes payable	352,300	753,541	1,105,841
Compensated absences	126,023	862	126,885
Financed purchase	61,594	--	61,594
Leases (right-of-use asset)	20,423	5,497	25,920
Subscription arrangements	29,767	--	29,767
Due in more than one year:			
Notes payable	2,094,640	5,929,595	8,024,235
Compensated absences	1,004,327	311,199	1,315,526
Leases (right-of-use asset)	13,816	5,003	18,819
Total OPEB liability	873,205	327,334	1,200,539
Net pension liability	11,177,168	2,660,107	13,837,275
Total Liabilities	**19,438,448**	**13,424,887**	**32,863,335**
Deferred Inflows of Resources			
Leases	146,102	--	146,102
Deferred amount related to debt refunding	--	53,917	53,917
Deferred amount related to pensions	7,881,705	2,151,822	10,033,527
Deferred amount related to OPEB	131,224	49,191	180,415
Total Deferred Inflows of Resources	**8,159,031**	**2,254,930**	**10,413,961**
Net Position			
Net investment in capital assets	37,980,600	56,277,648	94,258,248
Restricted for:			
Net pension asset	10,773,520	3,983,280	14,756,800
Law enforcement	91,786	--	91,786
Debt service	299,117	--	299,117
Sales tax capital projects	11,786,547	--	11,786,547
Congress Ave CRA	1,056,037	--	1,056,037
American Rescue Plan Fund	1,150,197	--	1,150,197
Unrestricted	(680,008)	42,826,353	42,146,345
Total Net Position	**$ 62,457,796**	**$ 103,087,281**	**$ 165,545,077**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	$ 5,250,988	$ 1,231,971	$ 19,430	$ 12,231
Public safety	11,654,897	1,950,239	90,247	44,288
Physical environment	1,842,162	1,790,031	--	130,618
Transportation	3,529,510	--	133,745	200,000
Culture/recreation	3,157,243	172,683	108,307	377,549
Economic environment	878,233	--	--	3,515,527
Interest on long-term debt	82,770	--	--	--
Total Governmental Activities	**26,395,803**	**5,144,924**	**351,729**	**4,280,213**
Business-type Activities				
Water and sewer utility	19,697,097	25,469,909	--	558,287
Stormwater utility	289,838	529,367	--	--
Total Business-type Activities	**19,986,935**	**25,999,276**	**--**	**558,287**
Total	**$ 46,382,738**	**$ 31,144,200**	**$ 351,729**	**$ 4,838,500**

General Revenues

Taxes:

Property taxes

Utility services taxes

Franchise fees

Sales and use taxes

Business taxes

Intergovernmental, unrestricted

Investment income

Gain on sale of capital assets

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Governmental Activities	Business-type Activities	Total
$ (3,987,356)	$ --	$ (3,987,356)
(9,570,123)	--	(9,570,123)
78,487	--	78,487
(3,195,765)	--	(3,195,765)
(2,498,704)	--	(2,498,704)
2,637,294	--	2,637,294
(82,770)	--	(82,770)
(16,618,937)	**--**	**(16,618,937)**
--	6,331,099	6,331,099
--	239,529	239,529
--	**6,570,628**	**6,570,628**
(16,618,937)	**6,570,628**	**(10,048,309)**
7,433,598	--	7,433,598
3,647,797	--	3,647,797
2,126,863	--	2,126,863
5,885,338	--	5,885,338
386,359	--	386,359
1,537,269	--	1,537,269
1,788,370	1,754,890	3,543,260
(6,208)	(9,351)	(15,559)
72,209	34,385	106,594
133,655	(133,655)	--
23,005,250	**1,646,269**	**24,651,519**
6,386,313	8,216,897	14,603,210
56,071,483	94,870,384	150,941,867
$ 62,457,796	**$ 103,087,281**	**$ 165,545,077**

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

VILLAGE OF PALM SPRINGS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 28,381,427	$ --	$ 1,962,260	$ 30,343,687
Cash and cash equivalents - restricted	--	1,150,197	--	1,150,197
Receivables:				
Accounts, net of allowance	--	--	481,721	481,721
Grants	1,454,347	--	--	1,454,347
Advances to other funds	1,437,068	--	--	1,437,068
Leases receivable	148,436	--	--	148,436
Inventory	69,976	--	--	69,976
Prepaids	10,528	--	--	10,528
Total Assets	**$ 31,501,782**	**$ 1,150,197**	**$ 2,443,981**	**$ 35,095,960**
Liabilities				
Accounts payable and accrued liabilities	$ 2,322,027	$ --	$ 553,905	$ 2,875,932
Contract retainage payable	483,045	--	--	483,045
Advances from other funds	--	--	1,437,068	1,437,068
Deposits	105,794	--	--	105,794
Total Liabilities	**2,910,866**	**--**	**1,990,973**	**4,901,839**
Deferred Inflows of Resources				
Unavailable revenues	208,568	--	--	208,568
Leases	146,102	--	--	146,102
Total Deferred Inflows of Resources	**354,670**	**--**	**--**	**354,670**
Fund Balances				
Nonspendable:				
Inventory	69,976	--	--	69,976
Prepaids	10,528	--	--	10,528
Leases	2,334	--	--	2,334
Advances to other funds	1,437,068	--	--	1,437,068
Restricted for:				
Law enforcement	--	--	91,786	91,786
Debt service	--	--	299,117	299,117
Sales tax capital projects	11,786,547	--	--	11,786,547
Congress Ave CRA	--	--	1,056,037	1,056,037
American Rescue Plan Fund	--	1,150,197	--	1,150,197
Assigned to:				
Subsequent year's budget	1,612,210	--	--	1,612,210
Unassigned:				
General fund	13,317,583	--	(993,932)	12,323,651
Total Fund Balances	**28,236,246**	**1,150,197**	**453,008**	**29,839,451**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 31,501,782**	**$ 1,150,197**	**$ 2,443,981**	**$ 35,095,960**

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

VILLAGE OF PALM SPRINGS, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Governmental Fund Balances (page 22)		$ 29,839,451
Amounts reported for governmental activities in the statement of net position are different as a result of:		
Net pension assets of defined benefit pension plans are not available, spendable resources and therefore are not reported in governmental funds.		10,773,520
Capital assets used in governmental activities are not available, spendable resources and therefore are not reported in governmental funds:		
Cost of assets	$ 57,309,149	
Accumulated depreciation/amortization	(16,272,964)	41,036,185
Deferred outflows/inflows of resources related to defined benefit pension and OPEB plan are reported in the statement of net position but are not reported in the governmental funds:		
Deferred outflows of resources related to pensions	4,236,577	
Deferred inflows of resources related to pensions	(7,881,705)	
Deferred outflows of resources related to OPEB	350,101	
Deferred inflows of resources related to OPEB	(131,224)	(3,426,251)
Long-term liabilities, including notes payable and leases, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Long-term liabilities at year end consist of:		
Notes payable	(2,446,940)	
Financed purchase	(61,594)	
Leases (right-of-use asset)	(34,239)	
Subscription arrangement	(29,767)	
Accrued interest payable on long-term debt	(11,846)	
Compensated absences payable	(1,130,350)	
Total OPEB liability	(873,205)	
Net pension liability	(11,177,168)	(15,765,109)
Total Net Position (page 21)		**$ 62,457,796**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund	American Rescue Plan Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 13,169,228	$ --	$ 979,777	$ 14,149,005
Permits and fees	1,119,027	--	--	1,119,027
Intergovernmental	8,407,994	2,500,204	--	10,908,198
Charges for services	3,336,838	--	--	3,336,838
Confiscated property	--	--	5,323	5,323
Fines and forfeitures	296,656	--	--	296,656
Contributions and donations	36,325	--	--	36,325
Investment income	1,645,757	79,557	63,056	1,788,370
Facility rental	351,086	--	--	351,086
Miscellaneous	72,288	--	591,553	663,841
Total Revenues	**28,435,199**	**2,579,761**	**1,639,709**	**32,654,669**
Expenditures				
Current:				
General government	4,745,210	--	--	4,745,210
Public safety	13,301,283	--	--	13,301,283
Physical environment	1,842,162	--	--	1,842,162
Transportation	3,419,821	--	--	3,419,821
Economic environment	--	--	877,534	877,534
Culture/recreation	2,750,611	--	--	2,750,611
Capital outlay	16,897,892	--	2,121,701	19,019,593
Debt service:				
Principal	117,699	--	344,030	461,729
Interest and other fiscal charges	5,848	--	78,588	84,436
Total Expenditures	**43,080,526**	**--**	**3,421,853**	**46,502,379**
Excess (deficiency) of revenues over expenditures	**(14,645,327)**	**2,579,761**	**(1,782,144)**	**(13,847,710)**
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	15,729	--	--	15,729
Transfers in	3,487,508	--	701,492	4,189,000
Transfers out	(1,555,141)	(2,500,204)	--	(4,055,345)
Total Other Financing Sources (Uses)	**1,948,096**	**(2,500,204)**	**701,492**	**149,384**
Change in Fund Balances	(12,697,231)	79,557	(1,080,652)	(13,698,326)
Fund Balances - Beginning of Year	40,933,477	1,070,640	1,533,660	43,537,777
Fund Balances - End of Year	**$ 28,236,246**	**$ 1,150,197**	**$ 453,008**	**$ 29,839,451**

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

VILLAGE OF PALM SPRINGS, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Change in Fund Balances - Total Governmental Funds (page 24)		$ (13,698,326)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is depreciated/amortized over their estimated useful lives:		
Expenditures for capital assets	$ 18,496,548	
Less current year depreciation/amortization expense	(1,760,895)	16,735,653
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds the proceeds from the sale increases financial resources. The change in net position differs from the change in fund balance by the net book value of the assets retired.		(21,937)
Some expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources:		
Compensated absences	(24,693)	
OPEB expense	(93,244)	
Pension expense (Income)	3,025,465	2,907,528
The issuance of long term debt (e.g., bonds, leases, etc.) provides current financial resources to governmental funds while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position.		
Leases (right-of-use assets) principal payments	28,572	
Subscription arrangements principal payments	28,888	
Financed purchase principal payments	60,239	
Principal payments on long-term debt	344,030	461,729
Net effect of accrued interest on long-term debt (difference between amount accrued in prior year and current year accrual)		1,666
Change in Net Position of Governmental Activities (page 21)		**$ 6,386,313**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
SEPTEMBER 30, 2025

	Major Fund	Nonmajor Fund	Total
	Water and Sewer Utility	Stormwater Utility	Enterprise Funds
Assets			
Current Assets			
Cash and cash equivalents	$ 46,194,377	$ 184,314	$ 46,378,691
Accounts receivable, net of allowance	3,474,192	3,337	3,477,529
Prepaids	7,359	--	7,359
Inventory	623,010	--	623,010
Total Current Assets	**50,298,938**	**187,651**	**50,486,589**
Noncurrent Assets			
Net pension asset	3,983,009	271	3,983,280
Capital assets not being depreciated	4,929,143	4,805,399	9,734,542
Capital assets being depreciated/amortized	123,700,073	4,464,934	128,165,007
Accumulated depreciation/amortization	(74,588,838)	(181,048)	(74,769,886)
Total Noncurrent Assets	**58,023,387**	**9,089,556**	**67,112,943**
Total Assets	**108,322,325**	**9,277,207**	**117,599,532**
Deferred Outflows of Resources			
Deferred amount related to pensions	1,032,332	3,993	1,036,325
Deferred amount related to OPEB	129,379	1,862	131,241
Total Deferred Outflows of Resources	**1,161,711**	**5,855**	**1,167,566**
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	980,393	420,324	1,400,717
Contract retainage payable	104,462	--	104,462
Accrued interest on note payable	80,887	--	80,887
Current portion of lease liability	5,497	--	5,497
Current portion of note payable	753,541	--	753,541
Current portion of compensated absences payable	568	294	862
Total Current Liabilities	**1,925,348**	**420,618**	**2,345,966**
Noncurrent Liabilities			
Customer deposits	1,845,683	--	1,845,683
Lease liability	5,003	--	5,003
Note payable	5,929,595	--	5,929,595
Compensated absences payable	305,089	6,110	311,199
Total OPEB liability	322,691	4,643	327,334
Net pension liability	2,660,107	--	2,660,107
Total Noncurrent Liabilities	**11,068,168**	**10,753**	**11,078,921**
Total Liabilities	**12,993,516**	**431,371**	**13,424,887**
Deferred Inflows of Resources			
Deferred amount on refunding	53,917	--	53,917
Deferred amount related to pensions	2,141,727	10,095	2,151,822
Deferred amount related to OPEB	48,493	698	49,191
Total Deferred Inflows of Resources	**2,244,137**	**10,793**	**2,254,930**
Net Position			
Net investment in capital assets	47,188,363	9,089,285	56,277,648
Restricted:			
Net pension asset	3,983,009	271	3,983,280
Unrestricted	43,075,011	(248,658)	42,826,353
Total Net Position	**$ 94,246,383**	**$ 8,840,898**	**$ 103,087,281**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Fund	Nonmajor Fund	Total
	Water and Sewer Utility	Stormwater Utility	Enterprise Funds
Operating Revenues			
Water revenues	$ 10,442,272	$ --	$ 10,442,272
Wastewater revenues	13,943,554	--	13,943,554
Stormwater revenues	--	529,367	529,367
Other operating revenues	1,084,083	--	1,084,083
Total Operating Revenues	**25,469,909**	**529,367**	**25,999,276**
Operating Expenses			
Personal services	5,360,831	112,326	5,473,157
Operating expenses	10,557,143	44,557	10,601,700
Depreciation/amortization	3,584,665	132,955	3,717,620
Total Operating Expenses	**19,502,639**	**289,838**	**19,792,477**
Operating Income	**5,967,270**	**239,529**	**6,206,799**
Non-Operating Revenues (Expenses)			
Investment income	1,707,407	47,483	1,754,890
Miscellaneous revenues	34,385	--	34,385
Loss on disposal of capital assets	(9,351)	--	(9,351)
Interest expense and fiscal charges	(194,458)	--	(194,458)
Total Non-Operating Revenues (Expenses)	**1,537,983**	**47,483**	**1,585,466**
Income Before Contributions and Transfers	**7,505,253**	**287,012**	**7,792,265**
Capital contributions	558,287	--	558,287
Transfers in	805,524	1,755,253	2,560,777
Transfers out	(2,694,432)	--	(2,694,432)
Change in Net Position	6,174,632	2,042,265	8,216,897
Net Position - Beginning of Year	88,071,751	6,798,633	94,870,384
Net Position - End of Year	**$ 94,246,383**	**$ 8,840,898**	**$ 103,087,281**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Fund Water and Sewer Utility	Nonmajor Fund Stormwater Utility	Total Enterprise Funds
Cash Flows from Operating Activities			
Cash received from customers	$ 25,458,384	$ 529,259	$ 25,987,643
Cash paid to suppliers for goods and services	(10,365,795)	(44,557)	(10,410,352)
Cash paid to employees for services	(6,238,822)	(100,958)	(6,339,780)
Other receipts	34,385	--	34,385
Net Cash Provided by Operating Activities	**8,888,152**	**383,744**	**9,271,896**
Cash Flows from Noncapital Financing Activities			
Transfer in	805,524	1,755,253	2,560,777
Transfers out	(2,694,432)	--	(2,694,432)
Net Cash Provided (Used) by Noncapital Financing Activities	**(1,888,908)**	**1,755,253**	**(133,655)**
Cash Flows from Capital and Related Financing Activities			
Principal paid on loan	(732,120)	--	(732,120)
Principal paid on leases	(5,516)	--	(5,516)
Interest paid on long-term debt	(210,119)	--	(210,119)
Interest paid on leases	(310)	--	(310)
Acquisition and construction of capital assets	(6,989,457)	(4,370,666)	(11,360,123)
Proceeds from sale of capital assets	11,380	--	11,380
Capital contributions from customers	558,287	--	558,287
Net Cash Used by Capital and Related Financing Activities	**(7,367,855)**	**(4,370,666)**	**(11,738,521)**
Cash Flows from Investing Activities			
Investment income	1,707,407	47,483	1,754,890
Net Cash Provided by Investing Activities	**1,707,407**	**47,483**	**1,754,890**
Net Increase (Decrease) in Cash and Cash Equivalents	1,338,796	(2,184,186)	(845,390)
Cash and Cash Equivalents - Beginning of Year	44,855,581	2,368,500	47,224,081
Cash and Cash Equivalents - End of Year	**$ 46,194,377**	**$ 184,314**	**$ 46,378,691**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Fund	Nonmajor Fund	
	Water and Sewer Utility	Stormwater Utility	Total Enterprise Funds
Cash Flows from Operating Activities			
Operating income	**$ 5,967,270**	**$ 239,529**	**$ 6,206,799**
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	3,584,665	132,955	3,717,620
Provision for uncollectible accounts	2,908	--	2,908
Miscellaneous revenues	34,385	--	34,385
Change in operating assets, deferred outflows, deferred inflows, and liabilities:			
(Increase) decrease in:			
Accounts receivable	(71,638)	(108)	(71,746)
Inventory	(49,598)	--	(49,598)
Prepaids	(7,359)	--	(7,359)
Net pension asset	(1,406,879)	(271)	(1,407,150)
Deferred outflows related to pensions	26,373	1,722	28,095
Deferred outflows related to OPEB	25,805	400	26,205
(Decrease) increase in:			
Accounts payable and accrued liabilities	248,305	10,156	258,461
Compensated absences payable	(24,961)	3,957	(21,004)
Customer deposits	57,205	--	57,205
Total OPEB liability	(10,875)	(219)	(11,094)
Net pension liability	(345,609)	(11,560)	(357,169)
Deferred inflows related to OPEB	6,006	78	6,084
Deferred inflows related to pensions	852,149	7,105	859,254
Total adjustments	**2,920,882**	**144,215**	**3,065,097**
Net Cash Provided by Operating Activities	**$ 8,888,152**	**$ 383,744**	**$ 9,271,896**
Supplemental Disclosure of Noncash Capital and Related Financing Activities			
Amortization of deferred amount on refunding	$ 7,110	$ --	$ 7,110
Loss on disposal of assets	$ (9,351)	$ --	$ (9,351)

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

		Employee Pension Funds
Assets		
Cash and cash equivalents	$	2,359,824
Receivables:		
Interest and dividends		61,308
Investments:		
U.S. treasury securities		4,051,877
Mortgage backed securities		3,628,828
Corporate bonds		387,147
Mutual funds taxable		12,636,303
Equity securities mutual funds		58,549,060
Real estate investment account		7,306,320
Total investments		**86,559,535**
Total Assets		**88,980,667**
Liabilities		
Accounts payable		51,470
Total Liabilities		**51,470**
Net position restricted for pension benefits	**$**	**88,929,197**

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

VILLAGE OF PALM SPRINGS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Employee Pension Funds
Additions	
Contributions	
Employer	$ 814,163
Plan members	109,977
State of Florida	264,267
Total Contributions	**1,188,407**
Investment Income	
Interest	252,333
Dividends	1,319,330
Net appreciation in fair value of investments	7,632,620
Total Investment Income	**9,204,283**
Less: Investment expenses	(51,318)
Net Investment Income	**9,152,965**
Total Additions	**10,341,372**
Deductions	
Administration expenses	167,014
Benefits paid	2,962,517
Total Deductions	**3,129,531**
Change in Net Position	**7,211,841**
Net Position Restricted for Pension Benefits	
Beginning of Year	81,717,356
End of Year	**$ 88,929,197**

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Palm Springs, Florida (the "Village"), was incorporated in 1957 pursuant to Chapter 57-1698, Laws of Florida and is located in central Palm Beach County, Florida. The Village operates under the Council-Manager form of government and provides a wide range of community services including public safety, planning and zoning, water, wastewater and stormwater systems, sanitation, streets and roads, parks, recreation, and library. The Village Council (the "Council") is responsible for legislative and fiscal control of the Village.

The basic financial statements of the Village have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The significant Village accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

As required by GAAP, the basic financial statements present the primary government and its component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Village's financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

The Village has one dependent special district, created pursuant to Florida Statutes, that is considered a component unit. Component units are included in the reporting entity as blended or as discretely presented. Blended component units, although legally separate entities, are, in substance, part of the Village's operations. Accordingly, data from these component units are combined with data of the primary government. The Village has met the criteria as having the operational and financial responsibilities as noted above for the blended component unit listed below and has been included in the Village's financial reporting entity.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. FINANCIAL REPORTING ENTITY (CONTINUED)

The *Palm Springs Community Redevelopment Agency* (the "CRA") is a dependent special district established by the Village under authority granted by Florida Statutes Chapter 163, Section III. The CRA is a legally separate entity established by Ordinance No. 2019-19 of the Palm Springs Village Council on November 14, 2019. The purpose of the CRA is to promote and guide the physical and economic redevelopment of approximately 512 acres in two districts within the Village. The CRA is governed by a seven member Governing Board that includes the five members of the Village Council and two additional members appointed by the Village Council representing the two CRA districts. The Mayor of the Village serves as the Chair of the CRA Governing Board.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *Business-type activities*, which rely to a significant extent on user fees and charges for support.

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

Separate financial statements are provided for governmental funds, enterprise funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Franchise taxes, utility service taxes, business taxes, and interest revenues associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the Village, except for grant revenue, which is recorded when the related expenditures/expenses are incurred and the time and purpose restrictions have been met.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense (income), information about the fiduciary net position of the Village's defined benefit pension plans and Florida Retirement System ("FRS") and the additions to/deductions from the fiduciary net position, have been determined on the same basis as they are reported by the Village's defined benefit pension plans and FRS. For purposes of measuring the total Other Post-Employment Benefit ("OPEB") liability, deferred inflows/outflows of resources related to OPEB, and OPEB expense (income), have been determined on the same basis as reported by the Village. For this purpose, pension and OPEB benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Village reports two major governmental funds as follows:

The *General Fund* is the primary operating fund of the Village. All general revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

The *American Rescue Plan Fund* is used to account for the restricted funds provided by the American Rescue Plan Act of 2021, which were released by the U.S. Department of the Treasury.

The Village reports one major enterprise fund as follows:

The *Water and Sewer Utility Fund* is used to account for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Water and Sewer Utility Fund is used to account for water and sewer services provided by the Village to residents and other users.

Additionally, the Village reports the following fund types:

Nonmajor Governmental Funds

The S*pecial Revenue Funds* are used to account for the proceeds of specific restricted revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The special revenue funds used by the Village are:

The *Law Enforcement Fund* which accounts for proceeds from law enforcement forfeitures. Expenditures from this fund are legally restricted for law enforcement.

The *Lake Worth Road CRA* accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The *Congress Ave CRA* accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The Village has one *Debt Service Fund* used to account for assets held for the repayment of principal and interest on general obligation debt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Nonmajor Enterprise Fund

The Village has one nonmajor enterprise fund, the *Stormwater Fund*, that is used to account for stormwater fees and related expenses for stormwater management.

Fiduciary Funds

Pension Trust Funds are used to account for assets held in a trustee capacity for retirement pensions. Pension trust funds are fiduciary funds. The Village has two defined benefit pension funds; one for General Employees and one for Police Officers.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Village's utility functions and various other functions of the Village. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise funds' principal ongoing operations. The principal operating revenues of the Village's Water and Sewer and Stormwater Utility Funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation/amortization restricted on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Pooled Cash, Cash Equivalents and Investments

Pooled cash, cash equivalents and investments consist of cash on hand, interest-bearing cash accounts and investments with Florida PRIME, a local government investment pool administered by the Florida State Board of Administration ("SBA") and the Florida Fixed Income Trust ("FIT") which is a local government investment pool created as a public entity investment trust organized under the law of the State of Florida, Section 163.01, Florida Statutes. Cash balances and the requirements of all funds are considered in determining the amount to be invested.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Pooled Cash, Cash Equivalents and Investments (continued)

Investments are reported at fair value, which is determined by using various third-party pricing sources. The Florida PRIME investment pool is operated as a “2a-7 like” pool and the fair value of this investment is considered to be the same as the Village’s account balance (amortized cost) in the pool. The SBA administers the Florida PRIME investments pursuant to Chapter 19-7 of the Florida Administrative Code which provides guidance and establishes the general operating procedures for the administration of Florida PRIME. Florida FIT is not operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Hence, the fair value of the Village's balance in this pool is determined by the fair value per share of each pool's underlying portfolio as permitted by GASB Statement No. 31. The pool maintain a $1.00 net asset value.

Cash and cash equivalents, for purposes of the statement of cash flows, include pooled cash and investments which are defined as short-term, highly liquid investments with original maturities of three months or less.

2. Inventory

Inventory consists of materials and supplies which are carried at cost in the governmental funds and at the lower of cost (first-in, first-out) or net realizable value in the enterprise fund. The Village uses the consumption method, wherein all inventories are maintained by perpetual records, expensed when used, and adjusted by an annual physical count.

3. Unbilled Service Receivables

The Water and Sewer Utility Fund recognizes revenue on the basis of monthly cycle billings to customers for services provided. As a result of this cycle billing method, there are unbilled receivables at the end of each fiscal year with respect to services provided but not billed at such date. It is the policy of the Village to accrue these amounts at year end.

4. Concentration of Credit Risk

The Village requires customer deposits for water and sewer service and maintains an allowance for uncollectible accounts at a level which management believes is sufficient to cover potential credit losses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets

Capital assets, which include property, plant, and equipment, intangible assets, leases (right-of-use assets), subscription arrangements (i.e. information technology), and infrastructure assets (e.g., roads, bridges, sidewalks, drainage, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of $5,000 or more and an estimated life in excess of one year.

Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the date of acquisition. General governmental infrastructure assets acquired or constructed since incorporation in 1957 have been capitalized.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are the assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized as assets in the government-wide statement of net position. General capital assets are carried at historical cost. Where cost cannot be determined from the available records, estimated historical cost has been used to record the estimated value of the assets. The street network was valued based on current construction costs discounted by consumer price indices for highway construction.

Capital assets of the enterprise fund are capitalized in the fund and in the government-wide statement of net position. The valuation basis for enterprise fund capital assets is the same as that used for general capital assets. Interest cost was capitalized on enterprise fund capital assets during the construction period prior to adoption of GASB Statement No. 89 in 2018. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the government-wide financial statements and in the enterprise fund financial statements, the cost of property sold or retired, together with the related accumulated depreciation/amortization, is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets (continued)

Capital assets of the Village are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30-50
Improvements	10-50
Intangible assets	22-40
Software / library materials	3-5
Equipment and vehicles	3-20

The street network (pavement, drainage, sidewalks, and curbs) is not depreciated. The Village has elected to use the modified approach in accounting for its streets. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized. The Village uses a pavement rating system to rate street condition and quantify the results of maintenance efforts. The condition rating of the Village's street system may be found on page 102.

6. Leases (Right-of-use Assets)

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

7. Subscription-Based Information Technology Arrangement ("SBITA")

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Lease Receivable

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

9. Unearned / Unavailable Revenue

Unearned revenue in the Governmental Activities and unavailable revenue in the Governmental Funds includes amounts received in advance by the Village for business taxes applicable to the following fiscal year and grant funds received which are to be expended in future years. Unavailable revenue in the Governmental Funds also includes amounts due in future years that were not available to pay current period expenditures under the modified accrual basis of accounting.

10. Compensated Absences

The Village's employees earn personal leave time based on their years of continuous service as follows: 160 hours after 1 year; 200 hours after 6 years; 240 hours after 11 years; and 280 hours after 21 years. Personal leave may be used for vacation, illness and other time off as approved by the employee's supervisor. Employees may accumulate personal leave time up to a maximum number of hours based on years of service, but never more than 600 hours. Employees are also required to use a minimum number of hours of personal leave time annually based upon years of service, or forfeit the unused hours up to the minimum required to be used, however, employees may be compensated for unused personal leave, up to a maximum of 80 hours annually, if their unscheduled leave does not exceed certain limits each year. Upon termination, employees are compensated for accumulated personal leave at their rate of pay at termination, up to the maximum of 600 hours. A liability for compensated absences is accrued when incurred in the government-wide and enterprise fund financial statements. In the governmental funds, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and retirements, and the amount, if any, is reported with accounts payable and accrued liabilities in the governmental funds' balance sheet.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Noncurrent Obligations

In the government-wide financial statements and enterprise fund financial statements, long-term debt and other noncurrent obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund statement of net position. Long-term debt is reported net of applicable premium or discount. Debt discount, premium and deferred amount on debt refunding in the government-wide financial statements and enterprise fund are amortized using the straight-line method, which approximates the effective interest method, and are charged against operations over the term of the related debt issues. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

12. Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the government-wide and Enterprise Fund Statements of Net Position and the governmental funds Balance Sheet report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Village's deferred outflows of resources are related to its pension and other post-employment benefits liabilities.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Village's deferred inflows are related to its leases, pension obligations, OPEB liabilities and a deferred amount on debt refunding, which are reported as deferred inflows of resources on the government-wide Statement of Net Position. The deferred amount on debt refunding was a gain resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Deferred Outflows / Inflows of Resources (continued)

In addition, the Village has another item, unavailable revenues, which arises only under the modified accrual basis of accounting and is reported as a deferred inflow of resources on the governmental funds Balance Sheet. The unavailable revenues result from business taxes received by the Village in advance of the year for which they were levied. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

13. Fund Balances

Nature and Purpose of Fund Equity Classifications: In the fund financial statements, governmental funds report fund equity classifications that comprise a hierarchy based primarily on the extent to which the Village is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

- Nonspendable - Nonspendable fund balances include amounts that cannot be spent because they are either 1) not in spendable form; or, 2) legally or contractually required to be maintained intact.
- Restricted - Restricted fund balances include amounts that are restricted to specific purposes either by 1) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or, 2) imposed by law through constitutional provisions or enabling legislation.
- Committed - Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by the Village Council through an Ordinance. The Village had no committed fund balances.
- Assigned - Assigned fund balances include amounts that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. The authority to assign fund balance rests with the Village Manager.
- Unassigned - Unassigned fund balance includes the General Fund amount that is spendable and has not been restricted, committed, or assigned to specific purposes. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Fund Balances (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village Council has provided otherwise in its commitment or assignment actions by either an ordinance or resolution.

Minimum Fund Balance Policy: Effective October 1, 2024, the Village target unassigned balance is a range of 25% to 30% of the total General Fund Expenditure Budget (less transfers to other funds). If prior committed or assigned fund balance causes the unassigned fund balance to fall below 25% of general fund operating expenditures, the Village Manager will advise Village Council in order for the necessary action to be taken to restore the unassigned balance to 25% of General Fund operating expenditures. If the Village's unassigned fund balance exceeds the 30% target range, the Village will suggest establishing or increasing assigned fund balances for disaster recovery, capital project funding or for other non-recurring expenditures.

14. Interfund Transactions

During the course of normal operations, it is necessary for the Village to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from it that are properly applicable to another fund.
- Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources or uses.
- Outstanding balances between funds, including noncurrent advances, are reported as "due to/from other funds". Any such balances outstanding between governmental activities and business-type activities in the government-wide financial statements are classified as "internal balances" and are subject to elimination in the government-wide financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment roll meets the appropriate requirements of State law.

The assessed value of property within the corporate limits of the Village, upon which the 2024/2025 levy was based, was approximately $2.072 billion. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills (1 mill equals $1.00 for each $1,000 of assessed value). Effective October 1, 2009 (fiscal year 2010), the Village transferred fire rescue services to Palm Beach County and the Palm Beach County Fire Rescue MSTU (municipal services taxing unit) taxes Village property owners 3.4581 mills. This millage rate is deducted from the Village's legal millage rate limit of 10 mills, thereby limiting the 2024/2025 Village millage rate to 6.5419.

The tax levy of the Village is established by the Village Council prior to October 1 of each year during the budget process. The Palm Beach County Property Appraiser incorporates the Village's millage into the total tax levy, which includes the County, County School Board, and Special District tax requirements. The operating millage rate assessed by the Village for the fiscal year ended September 30, 2025, was 3.5000 and the debt service millage was 0.2121, for a total millage of 3.7121. Taxes may be paid less a 4% discount in November or at a discount declining 1% each month through February. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1 following the tax year, certificates are offered for sale for all delinquent taxes on real property. After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. All property taxes are collected by Palm Beach County and remitted to the Village. Property tax revenue is recognized at the time monies are received from Palm Beach County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

15. Property Taxes (continued)

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. For the fiscal year ending September 30, 2025, the maximum tax levy allowed by a majority vote of the governing body is generally based on a percentage change applied to the prior year (2023/2024) property tax revenue. The percentage change is calculated based on the compound annual growth rate in the per capita property taxes levied for five preceding fiscal years.

The State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the adjusted current year roll back millage rate plus 10%; or, 3) any millage rate approved by unanimous vote or referendum. For the fiscal year ending September 30, 2025, the Village adopted an operating millage rate of 3.5000, resulting in a total tax levy of $7,250,983 for 2025, and decrease of approximately 0.08% from the operating property tax levy for 2024.

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

16. On-behalf Payments

The Village received on-behalf payments of $264,267 from the State of Florida for the Police Officers Pension Plan for the fiscal year ended September 30, 2025. The on-behalf payments are recorded as intergovernmental revenue and public safety expenses/ expenditures in the government-wide and General Fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

17. Use of Estimates

The financial statements and related disclosures are prepared in conformity with GAAP. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows/outflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses/expenditures during the period reported. These estimates include assessing the collectability of receivables, the fair value of investments, and useful lives and possible impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

18. Implementation of New GASB Statements

The Governmental Accounting Standards Board has issued new Statements effective in the current year. The below reflects new statements implemented by the Village.

- GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement was implemented by the Village for fiscal year ended September 30, 2025; however, there was no significant impact to the Village.
- GASB Statement No. 102, *Certain Risk Disclosures*, the primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement was implemented by the Village for fiscal year ended September 30, 2025; however, there was no significant impact to the Village.

NOTE 2 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments as shown on the statement of net position and statement of fiduciary net position for the Village is as follows:

	Cash and Cash Equivalents	Investments	Total
Governmental activities	$ 31,493,884	$ --	$ 31,493,884
Business-type activities	46,378,691	--	46,378,691
Total Statement of Net Position	**77,872,575**	**--**	**77,872,575**
Fiduciary Funds	2,359,825	86,559,535	88,919,360
Total Deposits and Investments	**$ 80,232,400**	**$ 86,559,535**	**$ 166,791,935**

DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds as qualified public depositories. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit eligible collateral with the State Treasurer or another banking institution. In the event of failure of a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories participating in the collateral pool. Accordingly, the Village's deposits at year end are considered to be fully insured or collateralized.

The Village has adopted an investment policy to establish guidelines for the efficient management of its cash reserves. Section VI of the investment policy identifies permitted instruments as follows:

a. The State Board of Administration Florida PRIME Fund and/or any intergovernmental investment pool (LGIP) authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01;

b. U.S. Government obligations, U.S. Government Agency obligations, and U.S. Government sponsored enterprises;

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

c. Securities of, or other interests in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio of such investment company or investment trust is limited to United States Government obligations and to repurchase agreements fully collateralized by such United States Government obligations, and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian;

d. Certificates of deposit and savings accounts in state-certified qualified public depositories; and,

e. Repurchase agreements.

Investments of the General Employees Pension Fund and the Police Officers Pension Fund are limited to:

a. Money Market - Money market mutual funds or short-term investment funds (“STIF”) provided by the Plan’s custodian must have a minimum rating of Standard & Poor’s A1 or Moody’s P1.

b. Equities - Equities must be traded on a national exchange or electronic network; and not more than 5% of the Plans’ assets, at the time of purchase, can be invested in the common stock, capital stock or convertible stock of any one issuing company, nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company (this restriction does not apply to any single holding within a diversified pooled fund).

c. Fixed Income - Fixed income investments shall have a minimum rating of investment grade or higher as reported by any Nationally Recognized Statistical Rating Organization (“NRSRO”) at the time of purchase; and the value of bonds issued by any single corporation cannot exceed 10% of the total fund (excluding issues from the U.S. government, or agency thereof; and this restriction does not apply to any single holding within a diversified pooled fund).

d. Pooled Funds - Pooled funds may include mutual funds, commingled funds, and exchange-traded funds.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS

The reported value of the Village's and the Pension Trust Funds cash and cash equivalents at September 30, 2025 is as follows:

Investment Type	Village	Pension Trust Funds
Cash and Cash Equivalents		
Petty cash	$ 736	$ --
Deposits with financial institutions	18,037,515	1,525,272
Florida PRIME Fund	39,240,967	--
Florida FIT	20,593,357	--
Money market mutual funds	--	834,552
Total Cash and Cash Equivalents	**$ 77,872,575**	**$ 2,359,824**

The FL PRIME and FL FIT have established policies and guidelines regarding participant transactions and the authority for the Trustees to limit or restrict withdrawals from, or to impose penalties for early withdrawal, within their respective LGIP's. As of September 30, 2025, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The Village follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Village has the ability to access at the measurement date.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

Level 2
Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Village's perceived risk of that investment.

Valuation Methodologies: The following valuation methods and assumptions were used by the Village in estimating the fair value of financial instruments that are measured at fair value on a recurring basis under GASB Statement No. 72.

Domestic and foreign equity securities mutual funds: Valued at the closing price reported on the active exchange on which the individual securities are traded.

Mutual funds taxable: Valued at the closing net asset value reported on the active exchange on which the investment fund is actively traded.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

U.S. Treasury, mortgage backed securities, and corporate bonds: Valued at the closing price reported on the active exchange on which the individual securities are actively traded (Level 1). Securities that are not actively traded are valued by the independent investment custodian using a matrix-pricing technique based on the securities' relationship to quoted benchmark prices (Level 2).

Investment measured at net asset value ("NAV"): The real estate investment account consists of units in the U.S. Property Separate Account (the "Account") sponsored by the Principal Life Insurance Company and managed by Principal Real Estate Investors. The account is an open end, commingled real estate account valued at the unadjusted NAV per unit at September 30, 2025, based on the fair value of the underlying account investments as determined by the Account manager. Real estate values are generally based upon periodic independent appraisals performed for assets held by the account. The fair value of real estate is the price that would be received if the asset was sold to a market participant assuming the highest and best use of each asset at the measurement date. At September 30, 2025, the real estate investment account had no future funding commitments or lock-up periods and was redeemable with 90 days' notice, subject to approval of the fund manager and fund liquidity.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Village believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the fiscal year ended September 30, 2025.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

The financial assets measured at fair value on a recurring basis include the Village's pension funds' investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2025. The fair value of the Pension Trust Funds investments at September 30, 2025 is summarized as follows:

	Level 1	Level 2	Level 3	Total
Equity Securities Mutual Funds				
Domestic equity securities and mutual funds	$ 49,208,568	$ --	$ --	$ 49,208,568
Foreign equity securities and mutual funds	9,340,493	--	--	9,340,492
Total Equity Securities Mutual Funds	**58,549,061**	**--**	**--**	**58,549,060**
Fixed Income Investments				
U.S. treasury securities	--	4,051,877	--	4,051,877
Mortgage backed securities	--	3,628,828	--	3,628,828
Corporate bonds	--	387,147	--	387,147
Mutual funds taxable	12,636,303	--	--	12,636,303
Total Fixed Income Investments	**12,636,303**	**8,067,852**	**--**	**20,704,155**
Total Investments by Level	**$ 71,185,364**	**$ 8,067,852**	**$ --**	79,253,215
Investment Measured at NAV				
Real estate investment account				7,306,320
Total Fair Value Investments				**$ 86,559,535**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

Credit Risk: Credit risk is the risk that a debt issuer will not fulfill its obligations. The Village and Pension Trust Funds investment policies requires that pension investments in fixed income securities must be rated as investment grade (BBB or better) by a NRSRO. Certain U.S. treasury securities, mortgage backed securities and corporate bonds are not rated. The Village and Pension Trust Funds utilize ratings from Standard and Poor's and Moody's Investor Services for its investments. The NRSRO ratings for the Village and Pension Trust Fund investments at September 30, 2025 are summarized as follows:

Investment Type	NRSRO Rating	Reported Value
Village Investments		
Florida PRIME	AAAm	$ 39,240,967
Florida FIT	AAAf	20,593,357
Pension Trust Fund Investments		
U.S. treasury securities	AAA	3,239,567
U.S. treasury securities	Not Rated	812,310
Mortgage backed securities	Not Rated	3,628,828
Corporate bonds	A1	105,574
Corporate bonds	A3	107,749
Corporate bonds	Not Rated	173,824
Total		**$ 67,902,176**

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The Village does not have a formal policy that limits the maturities of its investments. The Village pension funds' investment in mortgage and asset-backed securities consist of mortgage pass-through securities based on pools of residential home mortgage loans which are subject to prepayments and therefore highly sensitive to changes in interest rates. The table below summarizes the scheduled maturities of fixed income investment securities at September 30, 2025.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

	Fair Value of Investment Maturities				
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years	Total
Pension Fund Investments					
U.S. treasury securities	$ --	$ 770,564	$ 3,281,313	$ --	$ 4,051,877
Mortgage backed securities	--	--	--	3,628,828	3,628,828
Corporate bonds	--	107,749	279,398	--	387,147
Total	**$ --**	**$ 878,313**	**$ 3,560,711**	**$ 3,628,828**	**$ 8,067,852**

The SBA Florida PRIME Fund had a weighted average maturity of 47 days at September 30, 2025. The Florida FIT Fund had a weighted average maturity of 310 days at September 30, 2025. The fair value and weighted average maturity of the taxable mutual funds were $12,636,303 and ranging from 4.30 through 8.61 years, respectively, at September 30, 2025.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Village may not recover cash and investments held by another party in the event of a financial failure. The Village investment policy requires cash and investments to be fully insured or collateralized, or held in independent custodial safekeeping accounts in the name of the Village. At September 30, 2025, all investments were held by an independent custodian in the name of the Village, except the State Board of Administration Florida PRIME Fund, Florida FIT Fund and money market mutual funds which are considered *unclassified* pursuant to GASB Statement No. 3. Investments held by the Pension Trust Funds are held in custodial accounts in the name of the respective Pension Trust.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. For investments other than the Village pension funds, there is no specific policy for concentration of credit risk. In the Village pension funds, securities of a single issuer are limited to no more than 5% of the Plan's net position invested in common stocks and debt securities. At September 30, 2025, four mutual fund investments of the Police Officers Pension Fund represented approximately 28.72%, 17.29%, 14.78%, and 13.93% of that Plan's net position and three mutual fund investments of the General Employees Pension Fund represented approximately 27.18%, 13.43%, and 12.19% of that Plan's net position. Securities of a single issuer owned by each mutual fund are less than 5% of each Plan's net position.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

FAIR VALUE OF INVESTMENTS (CONTINUED)

Market Risk: The value, liquidity, and related income of certain investments in real estate and securities with contractual cash flows, such as mortgage and asset-backed securities, collateralized mortgage obligations and mutual funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates and financial markets.

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

NOTE 3 – RECEIVABLES

Receivables at September 30, 2025 are summarized as follows:

	Governmental Activities	Business-type Activities	Total
Receivables			
Accounts and other receivables	$ --	$ 3,583,881	$ 3,583,881
Intergovernmental and grants	1,454,347	--	1,454,347
Leases receivable	148,436	--	148,436
Gross Receivables	1,602,783	3,583,881	5,186,664
Less: allowance for uncollectible accounts	--	(106,352)	(106,352)
Net Receivables	**$ 1,602,783**	**$ 3,477,529**	**$ 5,080,312**

NOTE 3 – RECEIVABLES (CONTINUED)

LEASES RECEIVABLE

On June 26, 2003, the Village, as a lessor, entered into a lease agreement for the use of land for 226 Cypress Lane MetroPCS. Effectively October 1, 2021, the Village implemented GASB 87. As of September 30, 2025, the lease agreement has 12 months remaining. An initial lease receivable was recorded in the amount of $52,357. Subsequently, during fiscal year ended September 30, 2023, the agreement was extended, of which increased the lease receivable by an additional $112,853. As of September 30, 2025, the value of the lease receivable is $34,938. The lessee is required to make monthly fixed payments of approximately $2,915. The lease agreement has an implicit interest rate of 0.3280%. The value of the deferred inflow of resources as of September 30, 2025 was $32,974, and the Village recognized lease revenue of $32,974 during the fiscal year.

On April 30, 1998, the Village, as a lessor, entered into a lease agreement for the use of land for the Crown Castle's cell tower. Effectively October 1, 2021, the Village implemented GASB 87. As of September 30, 2025, the lease agreement has 34 months remaining. An initial lease receivable was recorded in the amount of $63,983. Subsequently, during fiscal year ended September 30, 2023, the agreement was extended, of which increased the lease receivable by an additional $199,636. As of September 30, 2025, the value of the lease receivable is $113,498. The lessee is required to make monthly fixed payments of $3,354. The lease agreement has an implicit interest rate of 0.3280%. The value of the deferred inflow of resources as of September 30, 2025 was $113,127, and the Village recognized lease revenue of $39,927 during the fiscal year. The lessee has an extension option at the end of this term, for two additional extension periods of 60 months each.

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 74,876	$ 374	$ 75,250
2027	40,069	181	40,250
2028	33,491	50	33,541
Total	$ 148,436	$ 605	$ 149,041

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 729,641	$ 4,141,360	$ --	$ 4,871,001
Infrastructure	5,532,268	--	--	5,532,268
Construction in progress	4,185,004	13,789,598	(2,693,529)	15,281,073
Total Capital Assets Not Being Depreciated	**10,446,913**	**17,930,958**	**(2,693,529)**	**25,684,342**
Capital Assets Being Depreciated/Amortized				
Buildings	10,272,706	159,125	--	10,431,831
Improvements other than Buildings	8,426,443	1,979,982	--	10,406,425
Machinery and equipment	9,058,010	1,084,497	(551,139)	9,591,368
Library materials and software	940,736	35,515	(14,348)	961,903
Leases (Right-of-use assets) - Equipment	115,319	--	--	115,319
Subscription arrangements	117,961	--	--	117,961
Total Capital Assets Being Depreciated/Amortized	**28,931,175**	**3,259,119**	**(565,487)**	**31,624,807**
Less: Accumulated Depreciation/Amortization for				
Buildings	(5,005,903)	(266,967)	--	(5,272,870)
Improvements other than Buildings	(3,101,787)	(466,915)	--	(3,568,702)
Machinery and equipment	(6,262,271)	(882,557)	529,202	(6,615,626)
Library materials and software	(582,886)	(81,335)	14,348	(649,873)
Leases (Right-of-use assets) - Equipment	(48,916)	(29,568)	--	(78,484)
Subscription arrangements	(53,856)	(33,553)	--	(87,409)
Total Accumulated Depreciation/Amortization	**(15,055,619)**	**(1,760,895)**	**543,550**	**(16,272,964)**
Governmental Activities Capital Assets, Net	**$ 24,322,469**	**$ 19,429,182**	**$ (2,715,466)**	**$ 41,036,185**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

	Beginning Balances	Additions	Deletions	Ending Balances
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	$ 379,987	$ --	$ --	$ 379,987
Infrastructure	940,646	--	--	940,646
Construction in progress	3,950,841	7,350,541	(2,887,473)	8,413,909
Total Capital Assets Not Being Depreciated	**5,271,474**	**7,350,541**	**(2,887,473)**	**9,734,542**
Capital Assets Being Depreciated/Amortized				
Buildings	4,123,650	260,270	--	4,383,920
Improvements other than Buildings	100,383,841	4,395,083	--	104,778,923
Intangible assets	7,174,063	--	--	7,174,063
Equipment and software	9,827,679	2,319,618	(388,633)	11,758,664
Leases (Right-of-use assets) - Equipment	28,378	--	--	28,378
Subscription arrangements	41,059	--	--	41,059
Total Capital Assets Being Depreciated/Amortized	**121,578,670**	**6,974,971**	**(388,633)**	**128,165,007**
Less: Accumulated Depreciation/Amortization for				
Buildings	(2,837,750)	(75,557)	--	(2,913,307)
Improvements other than Buildings	(56,370,942)	(2,895,218)	--	(59,266,159)
Intangible assets	(6,968,642)	--	--	(6,968,642)
Equipment and software	(5,189,400)	(741,257)	367,903	(5,562,754)
Leases (Right-of-use assets) - Equipment	(12,377)	(5,588)	--	(17,965)
Subscription arrangements	(41,059)	--	--	(41,059)
Total Accumulated Depreciation/Amortization	**(71,420,170)**	**(3,717,620)**	**367,903**	**(74,769,886)**
Business-type Activities Capital Assets, Net	**$ 55,429,974**	**$ 10,607,892**	**$ (2,908,203)**	**$ 63,129,663**

NOTE 4 – CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense for the fiscal year ended September 30, 2025 was charged to functions as follows:

Governmental Activities		
General government	$	262,750
Public safety		716,121
Transportation		230,134
Culture/recreation		551,890
Total Depreciation/Amortization Expense - Governmental Activities	**$**	**1,760,895**
Business-type Activities		
Water & sewer	$	3,584,665
Stormwater utility		132,955
Total Depreciation/Amortization Expense - Business-type Activities	**$**	**3,717,620**

NOTE 5 – LONG-TERM DEBT

CHANGES IN LONG-TERM DEBT

Changes in long-term debt for the fiscal year ended September 30, 2025 are summarized as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due Within One Year
Governmental Activities					
General obligation note	$ 2,790,970	$ --	$ (344,030)	$ 2,446,940	$ 352,300
Compensated absences	1,105,657	983,566	(958,873)	1,130,350	126,023
Financed purchase (direct borrowing)	121,833	--	(60,239)	61,594	61,594
Leases (Right-of-use assets)	62,811	--	(28,572)	34,239	20,423
Subscription arrangements	58,655	--	(28,888)	29,767	29,767
Total Governmental Activities	**4,139,926**	**983,566**	**(1,420,602)**	**3,702,890**	**590,107**
Business-type Activities					
Promissory note	7,415,256	--	(732,120)	6,683,136	753,541
Compensated absences	336,667	257,610	(282,216)	312,061	862
Leases (Right-of-use assets)	16,016	--	(5,516)	10,500	5,497
Total Business-type Activities	**7,767,939**	**257,610**	**(1,019,852)**	**7,005,697**	**759,900**
Totals	**$ 11,907,865**	**$ 1,241,176**	**$ (2,440,454)**	**$ 10,708,587**	**$ 1,350,007**

NOTE 5 – LONG-TERM DEBT (CONTINUED)

GOVERNMENTAL ACTIVITIES

The governmental activities long-term debt consisted of the following at September 30, 2025:

$6,477,462 General Obligation Note, Series 2012

The Series 2012 G.O. Note is a general obligation Promissory Note dated February 24, 2012, for an original principal amount of $6,477,462. From February 24, 2012 to December 31, 2017, the outstanding principal amount bears interest at 2.39%, and from January 1, 2018 to February 1, 2032, the outstanding principal amount bears interest at 2.905%. Payments are due in variable semi-annual installments, including interest, on each February 1st and August 1st. The Series 2012 G.O. Note is secured by the full faith, credit and taxing power of the Village. The proceeds of the Series 2012 G.O. Note were used to refund outstanding general obligation bonds of the Village. There was no gain or loss on the refunding. The refunding reduced the Village's debt service payments by approximately $2.2 million and resulted in an economic gain of approximately $100,000.

The 2012 G.O. Note includes a provision that in the event of a default under the Loan Agreement or Note, which includes any default in the due and punctual payment of an obligation in an amount in excess of $100,000 to any other obligee, the bank may declare all obligations of the Village under the Loan Agreement and Note to be immediately due and payable.

Annual debt service requirements on the Note are as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30			
2026	$ 352,300	$ 68,535	$ 420,835
2027	360,771	58,240	419,011
2028	369,445	47,698	417,143
2029	378,328	36,902	415,230
2030	387,424	25,847	413,271
2031-2032	598,672	17,459	616,131
Total	**$ 2,446,940**	**$ 254,681**	**$ 2,701,621**

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

NOTE 5 – LONG-TERM DEBT (CONTINUED)

BUSINESS-TYPE ACTIVITIES

The business-type activities long-term debt is secured by a pledge of and lien on the net revenues derived from the operations of the water and sewer system and consisted of the following for the fiscal year ended September 30, 2025:

$14,352,351 Promissory Note, Series 2013

The Series 2013 Note was issued April 15, 2013 for an original principal amount of $14,352,351. Semi-annual installments of $471,118, including interest at 2.905% are payable on each May 1st and November 1st through maturity on May 1, 2033. Principal and interest are payable from and secured solely by a pledge of and lien upon the net revenues of the water and sewer utility system of the Village. The proceeds of the Series 2013 Note were used for the advance refunding of the outstanding Series 2003A Revenue Bonds and provided approximately $5,000,000 for capital improvements to the water and sewer system. The advance refunding resulted in an economic gain of approximately $142,000.

The Series 2013 Note includes a provision that in the event of a default under the Loan Agreement or Note, which includes any default in the due and punctual payment of an obligation in an amount in excess of $100,000 to any other obligee, the bank may declare all obligations of the Village under the Loan Agreement and Note to be immediately due and payable.

Annual debt service requirements on the Note are as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30			
2026	$ 753,541	$ 188,696	$ 942,237
2027	775,588	166,649	942,237
2028	798,281	143,956	942,237
2029	821,637	120,600	942,237
2030	845,677	96,560	942,237
2031-2033	2,688,412	138,303	2,826,715
Total	**$ 6,683,136**	**$ 854,764**	**$ 7,537,900**

NOTE 5 – LONG-TERM DEBT (CONTINUED)

BUSINESS-TYPE ACTIVITIES (CONTINUED)

The provisions of the Series 2013 Note generally provide for:

1. Establishment of utility rates that provide net revenues which are equal to at least 125% of the principal and interest scheduled to come due in each fiscal year.
2. Prompt payment of principal and interest when due.
3. Issuance of additional debt payable from pledged revenues only if pledged revenues for the two immediately preceding fiscal years equal at least 1.25 times the largest amount of principal and interest scheduled to come due on the outstanding debt and additional debt.
4. Maintenance of the utility system in good working order.
5. Maintenance of a depository account with the lender.

At September 30, 2025 the Village was in compliance with the financial covenants.

LEASES (RIGHT-OF-USE ASSETS)

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

<u>Governmental activities</u>: The Village has 14 active lease agreements as a Lessee as of September 30, 2025, which range in duration from approximately 3 months to 41 months. As of September 30, 2025, the value of the lease liability was $34,239. Principal and interest payments made during the fiscal year totaled $29,894. Required monthly fixed payments range from approximately $55 to $917. The value of the leases (right-to-use assets) as of September 30, 2025 is $115,319 with accumulated amortization of $78,484.

<u>Business-type activities</u>: The Village has 6 active lease agreements as a Lessee as of September 30, 2025, which range in duration from approximately 11 months to 29 months. As of September 30, 2025, the value of the lease liability was $10,500. Principal and interest payments made during the fiscal year totaled $5,826. Required monthly fixed payments range from approximately $74 to $114. The value of the leases (right-to-use assets) as of September 30, 2025 is $28,378 with accumulated amortization of $17,965.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

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

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025, are as follows:

	Governmental Activities			Business-Type Activities		
Fiscal Year Ending September 30	Principal	Interest	Total	Principal	Interest	Total
2026	$ 20,423	$ 658	$ 21,081	$ 5,497	$ 182	$ 5,679
2027	7,517	205	7,722	4,098	66	4,164
2028	5,610	62	5,672	905	4	909
2029	689	1	690	--	--	--
Total	**$ 34,239**	**$ 926**	**$ 35,165**	**$ 10,500**	**$ 252**	**$ 10,752**

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (“SBITA”)

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

Governmental activities: The Village has 3 active subscription arrangements as of September 30, 2025, which range in duration from approximately 3 months to 12 months. An initial subscription arrangements liability was recorded in the amount of $117,961 during the fiscal year ended September 30, 2023. As of September 30, 2025, the value of the subscription arrangements liability was $29,767. Principal and interest payments made during the fiscal year totaled $30,842. Required monthly fixed payments range from approximately $14 to $2,556. The value of the subscription arrangements as of September 30, 2025 is $117,961 with accumulated amortization of $87,409.

Business-type activities: The Village had 2 subscription arrangements during the year-end September 30, 2025, which terminated as of prior year. An initial subscription arrangements liability was recorded in the amount of $40,559 during the fiscal year ended September 30, 2023. As of September 30, 2025, the value of the subscription arrangements liability was $0. Principal and interest payments made during the fiscal year totaled $0. The value of the subscription arrangements as of September 30, 2025 is $41,059 with accumulated amortization of $41,059.

NOTE 5 – LONG-TERM DEBT (CONTINUED)

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

The future minimum subscription arrangement obligations and the net present value of these minimum subscription arrangement payments as of September 30, 2025, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30	Principal	Interest	Total
2026	$ 29,767	$ 905	$ 30,672
Total	**$ 29,767**	**$ 905**	**$ 30,672**

FINANCED PURCHASES (DIRECT BORROWING)

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

Assets	
Machinery & Equipment	$ 294,711
Accumulated depreciation	(235,769)
Carrying Value	$ 58,942

Future minimum payments and the present value of net minimum payments as of September 30, 2025 are as follows:

Fiscal Year Ending September 30,	
2026	$ 62,980
Total minimum payments	62,980
Less: amount representing interest	1,386
Total principal outstanding amount	$ 61,594

NOTE 5 – LONG-TERM DEBT (CONTINUED)

UTILITY PLEDGED REVENUES

The Village has pledged the future net revenues (generally all revenues and capital contributions, less expenses, excluding depreciation and amortization) of the water and sewer utility to repay the Series 2013 Note. The Series 2013 Note is payable solely from the utility net revenues and is payable through 2033. Annual principal and interest payments on the Series 2013 Note are expected to require approximately 10 percent of utility net revenues. Total principal and interest remaining to be paid on the Series 2013 Note is $7,537,900 at September 30, 2025. Utility net revenues available for debt service (as defined by the Series 2013 Note debt resolution) were $4,810,821.

INTEREST EXPENSE AND ARBITRAGE

Total interest costs incurred and paid on all Village debt for the fiscal year ended September 30, 2025 were $82,770 and $84,436, respectively, for governmental activities and $194,458 and $210,429, respectively, for business-type activities. The Village is subject to the arbitrage restrictions imposed by the federal government for its outstanding debt issues. No events have occurred that would cause the outstanding debt to be subject to arbitrage within the meaning of Section 148 of the Internal Revenue Code.

NOTE 6 – OBLIGATION UNDER UTILITY AGREEMENTS AND INTANGIBLE RIGHTS

In February 1994, the City of Lake Worth (the “City”) issued $15,680,000 Sewer System Refunding Revenue Bonds, Series 1994, part of which was used to refund both the Series E and Series R Loans. As a result of this refunding issue, the Village amended its contracts with the City and the combined outstanding obligation and intangible rights increased $353,610 and the maturity date was extended to October 31, 2006. The amendment required the Village to pay 120% (previously 133% and 125% for the Series E and Series R Loans, respectively) of its pro rata share of the debt service (20% of which was to fund renewal and replacement). The additional intangible rights were amortized over 22 years (the remaining term of the amended contract). All outstanding obligations under the utility agreements were paid at maturity on October 31, 2006. During 2015, the Village sold a portion of its wastewater usage rights and the intangible rights were reduced by $214,891. During 2018, the Village paid $205,421 to Palm Beach County to purchase an additional service area, which was recorded as an indefinite life intangible asset and will not be amortized. At September 30, 2025, the intangible rights had a net book value of $205,421 and were recorded with capital assets.

NOTE 7 – INTERFUND TRANSACTIONS

Interfund transfers for the fiscal year ended September 30, 2025 were as follows:

	Transfers In	Transfers Out
Fund		
General Fund	$ 3,487,508	$ 1,555,141
American Rescue Plan Fund	--	2,500,204
Lake Worth Road CRA Fund	306,712	--
Congress Ave CRA Fund	394,780	--
Water and Sewer Utility Fund	805,524	2,694,432
Stormwater Utility Fund	1,755,253	--
Total	**$ 6,749,777**	**$ 6,749,777**

Transfers from the Water & Sewer Utility Fund to the General Fund consisted of payments in lieu of franchise fees in the amount of $2,694,432. Transfers from the American Rescue Plan Fund to the General Fund consisted of costs related to revenue replacement in the amount of $793,076. Transfers from the American Rescue Plan Fund to the Enterprise Funds consisted of costs related to building renovations, IT network improvements and construction costs in the amount of $1,560,777. Transfers from the American Rescue Plan Fund to the Palm Springs CRA funds consisted of sewer costs in the amount of $146,351. Transfers from the General Fund to the Palm Springs CRA Funds consisted of tax increment financing of $555,141. Transfers from the General Fund to the Enterprise Funds consisted of costs related to stormwater improvements and drainage projects in the amount of $1,000,000.

ADVANCE FROM/TO OTHER FUNDS

The Village's General Fund advanced funds in the amount of $1,437,068 to the CRA for the purchase of property. The Village and the CRA have established via Resolution 2024-66 repayment of this advance to the CRA by the General Fund, with zero interest through the fiscal year ending September 30, 2045. The repayment of the advance entails payment in the amount of $71,853 annually. The outstanding advance payable to the General Fund totaled $1,437,068, at September 30, 2025.

NOTE 8 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Village carries commercial insurance. Specifically, the Village purchases commercial insurance for property, medical benefits, worker's compensation, general liability, automobile liability, errors and omissions, and directors and officers liability. The Village is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of $200,000 and $300,000 in the aggregate. There was no reduction in insurance coverage from coverage in the prior year and there were no settlements that exceeded insurance coverage for each of the past three fiscal years.

NOTE 9 – EMPLOYEE RETIREMENT PLANS

The Village administers two single-employer, defined benefit pension plans, the Village of Palm Springs General Employees Pension Plan and the Village of Palm Springs Police Officers Pension Plan. The Village also participates in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Trust Fund, both of which are multiple-employer, cost-sharing, defined benefit, public employee retirement plans administered by the State of Florida. The net pension liability, deferred outflows and inflows of resources and pension expense (benefit) related to these retirement plans at September 30, 2025 are summarized as follows:

	General Employees Pension Plan	Police Officers Pension Plan	FRS Pension Plan	HIS Pension Plan	Total
Net Pension Liability (Asset)	$ (8,675,690)	$ (6,081,110)	$ 10,132,287	$ 3,704,988	$ (919,525)
Deferred outflows of resources	76,835	--	4,389,931	806,136	5,272,902
Deferred inflows of resources	3,449,992	3,964,405	1,714,299	905,102	10,033,798
Pension Expense (Income)	(761,931)	(1,829,137)	(530,135)	5,258	(3,115,945)

VILLAGE PENSION PLANS

The Village sponsored two separate single-employer defined benefit plans for fiscal year 2025: the Village of Palm Springs General Employees Pension Plan, covering substantially all other full-time Village employees hired prior to July 1, 2010; and, the Village of Palm Springs Police Officers Pension Plan covering all Village police officers hired prior to July 1, 2010. During 2010, the Village adopted ordinances closing both Plans to new members effective June 30, 2010. Participants in the Plans were given the option to remain in their respective Plan or to join FRS effective July 1, 2010. Both closed Plans are reported as pension trust funds included in the Village's reporting entity. Employees hired after June 30, 2010 are required to participate in FRS.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Each Plan has its own Board of Trustees which acts as plan administrator and trustee. The Board of the General Employees Pension Plan consists of five members, two of which are elected by Village employees (excluding police officers) for a four year term, one member of the Village Council, the Village Manager and one resident chosen by a majority of the other four trustees and appointed by the Village Council. The Board of the Police Officers Pension Plan consists of five members, two of which are elected by police officers, two of which are residents of the Village appointed by the Village Council and one member chosen by a majority of the other four trustees and appointed by the Village Council. Each Trustee serves a two year term with no term limits.

Each Plan's assets may only be used for the payment of benefits to the members and beneficiaries of the Plan in accordance with the terms of each plan document. The costs of administering each Plan are paid by the pension fund. Plan provisions are established by and may be amended by the Village Council. Village contribution requirements are determined by each Plan's actuary and are paid by the General Fund and Water and Sewer Utility Fund. Employee contribution requirements are established by and may be amended by the Village Council. There are no legal or contractual maximum contribution rates. The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report prior to its being approved for use for funding purposes.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

The following summary of the significant provisions of each Plan was obtained from the respective actuarial reports for the Village's pension plans. Relevant information is as follows:

	General Employees	Police Officers		
Actuarial Valuation Date	10/1/2025	10/1/2024		
Accounting Policies and Plan Assets				
Authority	Village Ordinance	Village Ordinance/State Statute		
Asset valuation method	5-year smoothed market	4-year smoothed market		
Plan reserves	None	None		
Long-term receivables	None	None		
Membership and Plan Provisions				
Members:				
Active participants	24	6		
Retirees and beneficiaries	51	45		
Terminated vested	36	8		
Normal Retirement Benefits		Option 1	Option 2	Option 3
Retirement age	62	50	55	Any
Years of service (minimum)	5	15	10	20
Accrual	2.5%	3.0%	3.0%	3.0%
Years to vest	10	10	10	10

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

The actuarial required contribution amounts for both plans are determined based on the October 1, 2023 actuarial valuation date. Relevant information is as follows:

Actuarial Contributions (as a Percentage of Covered Payroll)		
Village	25.1%	41.5%
State	N/A	34.0%
Participants	3.0%	6.6%
Required contributions	$ 412,841	$ 554,276
Contributions made	$ 491,720	$ 586,710

Summary of Significant Accounting Policies

The financial statements of each Plan are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. Investment income (loss) is recognized as revenue when earned. Investments are reported at fair value and are managed by third party money managers.

The Village's independent custodians and money managers determine the fair value of securities, which is generally based upon the mean of the most recent bid and ask prices of each instrument using various third-party pricing sources. The net appreciation (depreciation) in fair value of investments is recorded as an increase (decrease) to investment income (loss) based on the valuation of investments. Investment earnings (losses) are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms.

Investments

Investment Policy: The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of each pension plan. It is the policy of each pension plan Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of each pension plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Investments (continued)

asset class allocations over short time spans. There were no changes in the investment policy of either pension plan for the year ended September 30, 2025. The asset allocation policy adopted by each pension plans' Board at September 30, 2025 was as follows:

Asset Class	General Employees	Police Officers
Domestic equity	50%	55%
International equity	10	10
Domestic bonds	25	20
International bonds	5	5
Real estate	10	10
Total	100%	100%

Summary of Significant Accounting Policies

Rate of Return: For the fiscal year ended September 30, 2025, the annual money-weighted rate return on each pension plans' investments, net of investment expenses, was 11.17% and 7.33% for the General Employees Pension Plan and Police Officers Pension Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP)

The Police Officers Pension Plan members are eligible to participate in DROP upon attainment of normal retirement date. DROP allows Plan members to retire while continuing employment for up to 60 months and the member's retirement benefits accumulate in the Plan. The amount held in DROP at September 30, 2025 was $840,119. The General Employees Pension Plan has no DROP.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Net Pension Liability (Asset)

The components of the net pension liability (asset) for the General Employees and Police Officers Pension Plans for the most recent valuation as of October 1, 2025 and October 1, 2024, respectively, were as follows:

	General Employees	Police Officers
Total pension liability	$ 31,677,129	$ 42,495,418
Less: Plan fiduciary net position*	(40,352,819)	(48,576,528)
Net Pension Liability (Asset)	**$ (8,675,690)**	**$ (6,081,110)**
Plan fiduciary net position as a percentage of the total pension liability	**127.4%**	**114.3%**

* Plan fiduciary net position noted above for the Police Officers Pension Plans for 2025 included $150 related to accounts payable balances.

Actuarial Assumptions: The total pension liabilities for the General Employees and Police Officers Pension Plans were determined by actuarial valuations as of October 1, 2025 and October 1, 2024, respectively, using the following actuarial assumptions, applied to all periods included in the measurement:

	General Employees	Police Officers
Actuarial Valuation		
Frequency	Annual	Annual
Latest valuation	10/1/2025	10/1/2024
Measurement date	9/30/2025	9/30/2025
Cost method	Entry age normal	Entry age normal
Assumptions		
Investment earnings (with inflation, net of expenses)	6.0% / year	6.75% / year
Salary increases (with inflation)	4.6% - 8.3% / year	4.5% - 5.5% / year
Inflation	2.5% / year	2.5% / year
Cost of living adjustments	3.0%	3.0%
Mortality rates	PubG.H-2010	PUB-2010

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Net Pension Liability (Asset) (continued)

	General Employees	Police Officers
Amortization		
Method	Level dollar	Level percent of payroll
Period	5 years	15 years
Open/Closed	Closed	Closed

The long-term expected rate of return on investments of the pension plans was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target allocation as of September 30, 2025 (see the discussion of each pension plan's investment policy) are summarized in the following table:

	Long-Term Expected Real Rate of Return	
	General Employees	Police Officers
Asset Class		
Domestic equity	7.5%	7.5%
International equity	8.5	8.5
Domestic bonds	2.5	2.5
International bonds	3.5	3.5
Real estate	4.5	4.5

<u>Discount Rate</u>: The discount rate used to measure the total pension liability of the General Employees Pension Plan was 6.00% and the Police Officers Pension Plan was 6.75%. The discount rates were based on the expected rate of return on investments of each plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that Village contributions will be made at rates equal to the difference between

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Net Pension Liability (Asset) (continued)

actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of the pension plans was applied to all periods of projected benefit payments to determine the projected total pension liability.

Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) of the Village's General Employees Pension Plan were as follows for the fiscal year ended September 30, 2025:

	Increase (Decrease)		
General Employees Pension Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at October 1, 2024	**$ 30,952,232**	**$ 36,820,410**	**$ (5,868,178)**
Changes for the current year:			
Service cost	358,643	--	358,643
Interest	1,845,707	--	1,845,707
Difference between expected and actual experience	(708,948)	--	(708,948)
Change of assumptions	332,951	--	332,951
Contributions - Village	--	491,720	(491,720)
Contributions - employee	--	58,703	(58,703)
Net investment income	--	4,149,413	(4,149,413)
Benefit payments, including refunds of employee contributions	(1,103,456)	(1,103,456)	--
Administration expenses	--	(63,971)	63,971
Net Changes	**724,897**	**3,532,409**	**(2,807,512)**
Balances at September 30, 2025	**$ 31,677,129**	**$ 40,352,819**	**$ (8,675,690)**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) (continued)

The changes in the net pension liability (asset) of the Village's Police Officers Pension Plan were as follows for the fiscal year ended September 30, 2025:

	Increase (Decrease)		
Police Officers Pension Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at October 1, 2024	**$ 41,467,494**	**$ 44,897,224**	**$ (3,429,730)**
Changes for the current year:			
Service cost	205,496	--	205,496
Interest	2,755,351	--	2,755,351
Difference between expected and actual experience	(73,862)	--	(73,862)
Contributions - Village	--	322,443	(322,443)
Contributions - State of Florida	--	264,267	(264,267)
Contributions - employee	--	51,274	(51,274)
Net investment income	--	4,986,446	(4,986,446)
Benefit payments, including refunds of employee contributions	(1,859,061)	(1,859,061)	--
Administration expenses	--	(86,065)	86,065
Net Changes	**1,027,924**	**3,679,304**	**(2,651,380)**
Balances at September 30, 2025	**$ 42,495,418**	**$ 48,576,528**	**$ (6,081,110)**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Changes in the Net Pension Liability (Asset) (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following table presents the net pension liability (asset) of the General Employees Pension Plan and the Police Officers Pension Plan at September 30, 2025, calculated using the current discount rates of 6.00% and 6.75%, respectively, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	(1.0%) Decrease	Current Discount Rate	(1.0%) Increase
General Employees Pension Plan	$ (4,318,441)	$ (8,675,690)	$ (12,266,292)
Police Officers Pension Plan	$ (857,902)	$ (6,081,110)	$ (10,385,791)

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

General Employees Pension Plan: For the fiscal year ended September 30, 2025, the Village recognized pension expense (income) of $(1,056,430). At September 30, 2025, the Village reported deferred inflows/outflows of resources related to the General Employees pension from the following sources:

General Employees Pension Plan	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ --	$ 163,603
Changes in assumptions	76,835	--
Net difference between projected and actual investment earnings on pension plans	--	3,286,389
Balances at September 30, 2025	**$ 76,835**	**$ 3,449,992**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

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

Police Officers Pension Plan: For the year ended September 30, 2025, the Village recognized pension expense (income) of $(1,242,427). At September 30, 2025, the Village reported deferred inflows/outflows of resources related to the Police Officers pension from the following sources:

Police Officers Pension Plan	Deferred Outflows	Deferred Inflows
Net difference between projected and actual investment earnings on pension plans	$ --	$ 3,964,405
Balances at September 30, 2025	**$ --**	**$ 3,964,405**

The amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

	General Employees	Police Officers
Fiscal Year Ending September 30		
2026	$ (186,903)	$ (163,519)
2027	(1,458,777)	(1,838,562)
2028	(1,335,738)	(1,562,325)
2029	(391,739)	(399,999)
Total	**$ (3,373,157)**	**$ (3,964,405)**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Financial Statements

The General Employees Pension Plan and the Police Officers Pension Plan do not issue stand-alone GAAP financial reports. Financial statements for the General Employees Pension Plan and the Police Officers Pension Plan as of and for the fiscal year ended September 30, 2025, are as follows:

Statement of Fiduciary Net Position

	General Employees	Police Officers
Assets		
Cash and cash equivalents	$ 1,591,456	$ 768,368
Receivables:		
Interest and dividends	47,712	13,596
Investments:		
U.S. treasury securities	4,051,877	--
Mortgage backed securities	3,628,828	--
Corporate bonds	387,147	--
Mutual fund taxable	2,012,910	10,623,393
Equity securities mutual funds	25,657,437	32,891,623
Real estate investment account	2,996,326	4,309,994
Total investments	**38,734,525**	**47,825,010**
Total Assets	**40,373,693**	**48,606,974**
Liabilities		
Accounts payable	20,874	30,596
Total Liabilities	**20,874**	**30,596**
Net Position Restricted for Pension Benefits	**$ 40,352,819**	**$ 48,576,378**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

VILLAGE PENSION PLANS (CONTINUED)

Financial Statements (continued)

Statement of Changes in Fiduciary Net Position

	General Employees	Police Officers
Additions		
Contributions:		
Employer	$ 491,720	$ 322,443
Plan members	58,703	51,274
State contributions	--	264,267
Total Contributions	**550,423**	**637,984**
Investment income:		
Interest	239,606	12,727
Dividends	517,175	802,155
Net appreciation in fair value of investments	3,436,795	4,195,825
Total Investment Income:	**4,193,576**	**5,010,707**
Less: Investment expenses	(34,227)	(17,091)
Net Investment Income	**4,159,349**	**4,993,616**
Total Additions	**4,709,772**	**5,631,600**
Deductions		
Administration	73,778	93,236
Benefits	1,103,456	1,859,061
Total Deductions	**1,177,234**	**1,952,297**
Change In Plan Net Position	**3,532,538**	**3,679,303**
Net Position Restricted for Pension Benefits at October 1, 2024	**36,820,281**	**44,897,075**
Net Position Restricted for Pension Benefits at September 30, 2025	**$ 40,352,819**	**$ 48,576,378**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS

All regular, full-time employees of the Village, including police officers, hired after June 30, 2010 are required to participate in the FRS Pension Plan and the HIS Trust Fund administered by the Florida Department of Management Services, Division of Retirement. FRS and HIS are cost-sharing, multiple-employer defined benefit pension plans with approximately 1,000 participating employers. FRS and HIS were established and are administered in accordance with Chapter 121 and Section 112.363, Florida Statutes, respectively.

FRS includes a DROP available for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation is optional for cities, municipalities, special districts, charter schools and metropolitan planning organizations.

HIS membership is optional and available to all retirees under a state-administered retirement system, provided the retiree provides proof of health insurance coverage, which can include Medicare. Participation is compulsory for cities, municipalities, special districts, charter schools and metropolitan planning organizations that participate in FRS.

Benefits Provided: FRS provides retirement, survivor and disability benefits to plan members and beneficiaries. Pension benefits of FRS are established by Florida Statutes, Chapter 121, and may be amended by the Florida Legislature. Retirement benefits are computed on the basis of age and/or years of service, average final compensation and service credit. Members initially enrolled prior to July 1, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. HIS provides retirees and beneficiaries a monthly benefit equal to the number of years of creditable service completed at the time of retirement multiplied by $7.50. The monthly benefit payment is established by Section 112.363, Florida Statutes and is at least $45, but not more than $225.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

Village Contributions: FRS members are required to contribute 3.0% and no contribution is required for HIS members. Participating governments, including the Village, contribute to FRS at actuarially determined rates for various classes of employees, which are presently 13.63% of annual covered payroll for employees covered in the regular class, 34.52% for senior management class, 32.79% for special risk class (police officers), 58.68% for elected officials and 21.13% for employees covered in the FRS DROP program. Participating governments, including the Village, contribute to HIS based on a percentage of gross compensation for all active FRS members, which is presently 2.00%. The Village's contributions to FRS and HIS for the fiscal year ended September 30, 2025 were $2,561,701, which was equal to 100% of the required contributions for the year.

Funding Policy: FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. HIS uses a pay-as-you-go funding policy based on monthly employer contributions at a flat percentage of gross compensation for all active FRS members. Employer and employee contribution rates are established by State law as a level percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature.

Publicly Available Financial Report: The State of Florida issues a publicly available financial report for FRS and HIS that includes financial statements and required supplementary information. The complete financial report is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com or by writing to the Research and Education Section at P.O. Box 9000, Tallahassee, Florida, 32315-9000 or by calling toll free 877-377-1737 or 850-488-5706.

Summary of Significant Accounting Policies: The financial statements of FRS and HIS are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Employee contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized in the period in which employee services are performed. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the terms of FRS and HIS. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are managed by external investment managers. The independent investment

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

custodian for FRS and HIS determines the fair value of securities using various third-party pricing sources. For private market investments, where no readily ascertainable market value exists, fair values are based on net asset value (capital account balance) provided by investment managers at the closest available reporting period and adjusted for subsequent contributions and distributions. The net appreciation (depreciation) in fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments. Investment earnings are net of investment related expenses, such as management fees, portfolio evaluation and custodial services. For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of FRS and HIS and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by FRS and HIS.

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions

At September 30, 2025, the Village reported a liability of $10,132,287 and $3,704,988 for its proportionate share of the net pension liability of FRS and HIS, respectively. The net pension liability of each plan was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025 and July 1, 2024 for FRS and HIS, respectively. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, as actuarially determined. At June 30, 2025, the Village's FRS proportion was .032647799 percent, which was an increase of .030625511 percent from its proportion measured as of June 30, 2024. The HIS proportion was .028905822 percent at June 30, 2025, which was an increase of .022046285 percent from its proportion measured as of June 30, 2024.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

For the year ended September 30, 2025, the Village recognized pension income of $524,877 for FRS and HIS. At September 30, 2025, the Village reported deferred outflows and inflows of resources related to FRS pensions from the following sources:

FRS	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 1,082,235	$ --
Assumption changes	1,176,622	--
Net difference between projected and actual earnings on pension plan investments	--	1,691,687
Change in proportion and differences between Village contributions and proportionate share of contributions	1,561,797	22,612
Village contributions subsequent to the measurement date	569,277	--
Balances at September 30, 2024	**$ 4,389,931**	**$ 1,714,299**

At September 30, 2025, the Village reported deferred outflows and inflows of resources related to HIS pensions from the following sources:

HIS	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 22,116	$ 5,877
Assumption changes	32,793	896,141
Net difference between projected and actual earnings on pension plan investments	--	3,084
Change in proportion and differences between Village contributions and proportionate share of contributions	679,931	--
Village contributions subsequent to the measurement date	71,296	--
Balances at September 30, 2024	**$ 806,136**	**$ 905,102**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Deferred outflows of resources related to FRS and HIS pensions of $640,573 resulting from Village contributions subsequent to the measurement date of June 30, 2025 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense (income) as follows:

	FRS	HIS
Fiscal Year Ending September 30		
2026	$ 2,163,430	$ (4,784)
2027	210,368	(57,864)
2028	(72,842)	(41,062)
2029	(194,601)	(29,713)
Thereafter	--	(36,839)
Total	**$ 2,106,355**	**$ (170,262)**

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Actuarial Assumptions: The total pension liability for FRS and HIS in the most recent actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
Valuation date	July 1, 2025	July 1, 2024
Measurement date	June 30, 2025	June 30, 2025
Actuarial cost method	Individual Entry Age	Individual Entry Age
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Equivalent single amortization period	30 years pre-July 2021; 20 years thereafter	30 years
Asset valuation method	5-year smoothed	5-year smoothed
Discount rate	6.7%	5.2%
Inflation	2.4%	2.4%
Salary increases, including inflation	3.5%	3.5%
Long-term expected rate of return, net of investment expenses	6.7%	N/A
Municipal bond rate	N/A	5.2%
Payroll growth	3.5%	3.5%
Cost of living adjustments	3.0% pre-July 2011; 0% thereafter	N/A
Mortality rates	PUB-2010 base table with Scale MP-2021	PUB-2010 base table with Scale MP-2021

The actuarial assumptions used in the July 1, 2024 and July 1, 2025 actuarial valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2023.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Changes in Actuarial Assumptions: The discount rate for HIS increased from 3.93% for 2024 to 5.20% for 2025.

Long-term Expected Rate of Return: The long-term expected rate of return on FRS investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of annual arithmetic real rates of return for each major asset class are as follows:

Asset Class	Long-Term Expected Real Rate of Return
Cash equivalents	3.2%
Fixed income	5.4
Global equity	6.9
Real estate	7.1
Private equity	8.8
Strategic investments	6.1

Discount Rate: The discount rate used to measure the total pension liability of FRS at June 30, 2025 was 6.70% for FRS and 5.20% for HIS. The FRS discount rate was based on the expected rate of return on FRS investments. The HIS discount rate was based on the municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the fiduciary net position of FRS was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments of FRS was applied to all periods of projected benefit payments to determine the projected total pension liability. Because HIS uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension liability.

NOTE 9 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Sensitivity of the Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Village's proportionate share of the net pension liability of FRS and HIS at September 30, 2025, calculated using the current discount rate, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

FRS			HIS		
1.0% Decrease (5.70%)	Current Discount Rate (6.70%)	1.0% Increase (7.70%)	1.0% Decrease (4.20%)	Current Discount Rate (5.20%)	1.0% Increase (6.20%)
$ 19,884,457	**$ 10,132,287**	**$ 1,956,209**	**$ 4,177,970**	**$ 3,704,988**	**$ 3,308,306**

Pension Plan Fiduciary Net Position: Detailed information about the fiduciary net position of FRS and HIS is available in a separately issued financial report, which is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com or by writing to the Research and Education Section at P.O. Box 9000, Tallahassee, Florida, 32315-9000 or by calling toll free 877-377-1737 or 850-488-5706.

PAYABLES TO FRS

There were no amounts payable to FRS by the Village at September 30, 2025.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

PLAN DESCRIPTION

The Village administers a single-employer defined benefit health care plan (the "Plan") that provides health care benefits to eligible retired employees and their beneficiaries. The Village Council has the authority to establish and amend the premiums for and the benefit provisions of the Plan. The Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The Plan does not issue a publicly available financial report.

FUNDING POLICY

The Village is required by Florida Statute 112.0801 to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the Plan from separately rating retirees and active employees. The Plan therefore charges both groups an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of the implicit rate subsidy into the actuarial accrued liability. Plan members receiving benefits contribute 100% of the monthly premium ranging from a minimum of $795 to a maximum of $1,661.

PLAN MEMBERSHIP

Membership in the Plan was comprised of the following at September 30, 2025 (measurement date), the date of the latest census data utilized for the actuarial valuation with an actuarial date of September 30, 2024:

Active employees	172
Retirees and beneficiaries receiving benefits	6
Inactive employees	--
Total Members	**178**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

TOTAL OPEB LIABILITY

The Village's total OPEB liability of $1,200,539 was reported as of September 30, 2025 (measurement date), and was determined by an actuarial valuation as of September 30, 2024.

Actuarial Methods and Significant Assumptions: The actuarial methods and significant assumptions used to determine the Village's total OPEB liability for the current year are summarized as follows:

Actuarial Valuation	
Valuation date	9/30/2024
Actuarial cost method	Entry age normal, level percent of pay
Assumptions	
Asset valuation method	N/A (1)
Discount Rate	4.50% (2)
Post-retirement benefit increases	None
Health care cost trend rate	7.0% per year initially, reduced annually to an ultimate rate of 4.5%
Inflation rate	2.5%
Projected salary increases	3.0%
Mortality rates	"PUB2010" mortality table with MP-2021 projection
Amortization	
Method	Average of expected future working lifetime of the active group
Remaining amortization period	10 years

(1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of September 30, 2025.

(2) Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the S&P Municipal Bond 20-year High Grade Rate Index as of September 30, 2025.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY

The changes in the total OPEB liability were as follows for the year ended September 30, 2025:

Total OPEB Liability at October 1, 2024	**$**	**1,185,803**
Changes for the Current Year		
Service cost		57,797
Interest		49,752
Difference between expected and actual experience		(8,792)
Change in assumptions		(47,670)
Benefit payments		(36,351)
Net Changes		**14,736**
Balances at September 30, 2025	**$**	**1,200,539**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability of the Village calculated using the current discount rate of 4.50%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.50%) or one percentage point higher (5.50%) than the current rate:

1.0% Decrease (3.50%)	Current Discount Rate (4.50%)	1.0% Increase (5.500%)
$ 1,319,095	**$ 1,200,539**	**$ 1,096,428**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the total OPEB liability of the Village calculated using the current healthcare cost trend rate of 7.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.0% Increase (8.0%)
$ 1,088,936	**$ 1,200,539**	**$ 1,329,954**

Changes in Actuarial Assumptions: The discount rate increased from 4.06% for 2024 to 4.50% for 2025.

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

For the year ended September 30, 2025, the Village recognized OPEB expense of $150,790. At September 30, 2025, the Village reported deferred inflows/outflows of resources related to OPEB from the following sources:

Description	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ 385,207	$ 9,623
Changes in assumptions	96,135	170,792
Balances at September 30, 2025	**$ 481,342**	**$ 180,415**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

The amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30	Amount
2026	$ 43,241
2027	43,241
2028	43,241
2029	43,241
2030	43,241
Thereafter	84,722
Total	**$ 300,927**

NOTE 11 – COMMITMENTS AND CONTINGENCIES

GRANTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Village for the return of those funds.

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONTINGENCIES

The Village is subject to a variety of lawsuits occurring in the normal course of business, the ultimate outcome of which is not presently determinable. In the opinion of management, after consultation with legal counsel, the resolution of any pending matters is not expected to have a significant impact on the financial condition of the Village.

CONTRACT COMMITMENTS

Contract commitments consisted of the following at September 30, 2025:

	Total Project Authorization	Expended through September 30, 2025	Contract Retainage Payable at September 30, 2025	Balance to Complete
Governmental Activities				
Task #252 - New fishing dock for Royal Palm Park	$ 22,025	$ 18,043	$ --	$ 3,982
Task #269 - Police Building Expansion	17,124,991	12,189,837	454,534	4,480,620
Task #310 - Davis Road and Canal 10 Bridge Repairs	365,324	350,586	--	14,738
Task #314 - Intersection Imp - Davis & Greenbrier	735,682	734,800	--	882
Task #315 - Entranceway Imp - Greenbrier & Congress	672,363	610,330	25,109	36,924
Task #319 - Swale/Drainage Imp Alemeda & Davis	439,399	401,370	--	38,029
Task #329 - Property Purchase 275 Alemeda Drive	2,271,688	2,254,704	--	16,984
Task #337 - RMJ Maintenance	205,100	132,850	--	72,250
Task #346 - LAB Bldg Improvements	78,842	37,625	--	41,217
Task #353 - Lakewood Park Improvement - Soccer Field	40,400	40,400	--	--
Task #357 - Frost Lake Imp (FRDAP) fitness equip, security lighting, etc	50,411	50,411	--	--
Task #364 - Village Hall Space Needs	225,000	27,300	--	197,700
Task #365 - Plygrnd Equipment @ Sago Palm	172,189	172,189	--	--
Task #366 - Epoxy Floor @ Sago Park Plygrounds	10,100	10,100	--	--
Task #367 - LED Message Board Village Hall	79,900	79,900	--	--
Task #368 - Supply New Shelving Library	51,986	51,986	--	--
Task #369 - Fabricate and Install Benches and Tbls for Library	28,674	28,354	--	320
Task #370 - Shutter Up Industries	50,254	50,254	--	--
Task #371 - RMJ Contractors Village Hall Exterior Roof Coating	94,500	94,500	--	--
Task #378 - A/V Council Chamber Upgrades	72,000	23,238	--	48,762
Task #381 - Survey Services for Village Commons Park	90,469	90,469	--	--
Task #382 - RMS Contractor Village hall Blvd Exterior metal coat	14,000	14,000	--	--
Task #383 - Keshavarz & Associates	79,995	57,437	--	22,558
Task #384 - 3395 2nd Ave N	853,788	846,708	--	7,080
Task #386 - Sweet Life Roofing	13,000	13,000	--	--
Task #386 - 10th and Davis Street Improvements	18,754	18,754	--	--
Task #388 - 242 Cypress	655,996	655,996	--	--
Total Governmental Activities	**$ 24,516,831**	**$ 19,055,140**	**$ 479,643**	**$ 4,982,047**

NOTE 11 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

CONTRACT COMMITMENTS (CONTINUED)

Business-type Activities	Total Project Authorization	Expended through September 30, 2025	Contract Retainage Payable at September 30, 2025	Balance to Complete
Water and Sewer Fund				
Task# 226 - SCADA Pratt WTP	$ 282,287	$ 279,667	$ --	$ 2,620
Task# 242 - Water Well #10 Replacement	881,274	881,274	--	--
Task# 262 - Well #9 Replacement	1,500,320	1,455,326	--	44,994
Task# 295 - Water Main FL Mango Phase II - PBC	154,028	127,230	--	26,798
Task# 304 - Well #13 Rehab	63,335	58,391	--	4,944
Task# 316 - Well #14 Replacement	741,333	697,843	34,803	8,688
Task# 317 - Kudza Lift Station Emergency Generator	537,950	533,615	--	4,335
Task# 321 - Main WTP - Replacement of Ammonia Feed System	463,685	426,415	37,270	--
Task# 322 - Pratt WTP - Replacement of Ammonia Feed System	464,680	439,329	--	25,351
Task# 323 - Emergency Generator for Well #14 & Well #13	147,842	120,996	26,846	--
Task# 330 - Lab/Main Control Bldg Renovations - MWTP	260,270	260,270	--	--
Task# 331 - EOC/Operations Building New - MWTP	437,874	364,984	--	72,890
Task# 334 - Vac Station Renovations (Monitoring & Valves)	1,436,319	1,269,814	--	166,505
Task# 339 - Replace Lime Feed System - Pratt WTP	261,403	206,922	5,543	48,938
Task# 342 - Water Mn Capacity Impr	94,070	94,070	--	--
Task# 343 - Main WTP=Paint All Structures	30,700	30,700	--	--
Task# 344 - Pratt WTP- Paint All Structures	30,000	30,000	--	--
Task# 362 - Kird Rd Water Main Relocation	47,248	47,248	--	--
Task# 375 - Area 4 Adcock Lane	44,675	44,675	--	--
Task# 376 - Pratt Miex and Slaker	65,802	65,802	--	--
Task# 377 - Pratt Miex and Slaker	98,040	98,040	--	--
Task# 379 - Vacuum Pump St # 2 Rehab	77,113	77,113	--	--
Task# 380 - Transmission System Impr	19,623	19,623	--	--
Task# 385 - Cresthaven-Jog Rd to M	48,900	48,900	--	--
Total Water and Sewer Fund	**8,188,770**	**7,678,246**	**104,462**	**406,062**
Stormwater Fund				
Task# 249 - Lakewood Road Stormwater Improvements East of Kirk Road	28,942	28,942	--	--
Task# 291 - Davis Rd Stormwater (Canal Rd to 10th Ave N)	2,131,631	2,012,676	--	118,955
Task# 293 - Lakewood Stormwater (W of Kirk Road)	1,670,262	--	--	1,670,262
Task# 311 - 2nd Ave Stormwater Improvement	3,685,262	3,660,691	--	24,571
Task# 333 - Bermuda Stormwater Improvements	117,465	62,238	--	55,227
Task# 361 - Dolan Road Stormwater (Congress to Davis)	112,883	112,883	--	--
Total Stormwater Fund	**7,746,445**	**5,877,430**	**--**	**1,869,015**
Total Business-type Activities	**$ 15,935,215**	**$ 13,555,676**	**$ 104,462**	**$ 2,275,077**

NOTE 12 – DEFICIT FUND BALANCE

The Village reported a deficit fund balance in the Lake Worth Road CRA of ($993,932). The deficit balance is expected to be rectified following a revision of the CRA budget in the fiscal year 2026.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PALM SPRINGS, FLORIDA
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 taxes	$ 6,969,944	$ 6,969,944	$ 7,008,209	$ 38,265
Franchise fees	2,121,618	2,121,618	2,126,863	5,245
Utility service taxes	3,507,467	3,507,467	3,647,797	140,330
Business taxes	400,000	400,000	386,359	(13,641)
Total taxes	**12,999,029**	**12,999,029**	**13,169,228**	**170,199**
Permits				
Building permits	1,350,000	1,350,000	1,070,975	(279,025)
Other permits	102,500	102,500	48,052	(54,448)
Total permits	**1,452,500**	**1,452,500**	**1,119,027**	**(333,473)**
Intergovernmental				
State revenue sharing	1,507,687	1,507,687	1,537,269	29,582
Alcoholic beverage licenses	10,000	10,000	12,745	2,745
Municipal fuel tax refund	12,500	12,500	14,982	2,482
Local option gas tax	445,048	445,048	425,630	(19,418)
County occupational licenses	54,000	54,000	60,031	6,031
Half-cent sales tax	2,695,230	2,695,230	2,646,877	(48,353)
Local option sales tax	2,656,393	2,656,393	2,785,104	128,711
Grant revenue	584,432	584,432	826,414	241,982
Other intergovernmental revenue	112,000	112,000	98,942	(13,058)
Total intergovernmental	**8,077,290**	**8,077,290**	**8,407,994**	**330,704**
Charges for services				
General government	1,063,498	1,063,498	1,018,422	(45,076)
Public safety	380,571	380,571	377,091	(3,480)
Physical environment	1,763,920	1,763,920	1,790,031	26,111
Transportation	44,720	44,720	37,435	(7,285)
Culture/recreation	132,250	132,250	113,859	(18,391)
Total charges for services	**3,384,959**	**3,384,959**	**3,336,838**	**(48,121)**
Fines and forfeitures				
Judgements and fines	110,000	110,000	107,091	(2,909)
Other	186,200	186,200	189,565	3,365
Total fines and forfeitures	**296,200**	**296,200**	**296,656**	**456**
Contributions and donations	**50,975**	**50,975**	**36,325**	**(14,650)**

(Continued)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Miscellaneous				
Investment income	$ 1,300,000	$ 1,300,000	$ 1,645,757	$ 345,757
Facility rental	305,980	305,980	351,086	45,106
Miscellaneous revenue	38,000	38,000	72,288	34,288
Total miscellaneous	**1,643,980**	**1,643,980**	**2,069,131**	**425,151**
Total Revenues	**$ 27,904,933**	**$ 27,904,933**	**$ 28,435,199**	**$ 530,266**
Expenditures				
General government				
Legislative:				
Personal services	$ 59,048	$ 59,048	$ 58,699	$ 349
Operating	229,342	229,342	127,393	101,949
Non-operating	506,000	148,015	10,000	138,015
Total legislative	**794,390**	**436,405**	**196,092**	**240,313**
Executive:				
Personal services	1,147,726	1,147,726	1,068,106	79,620
Operating	191,133	191,133	93,846	97,287
Debt Service - Principal	1,024	1,024	1,025	(1)
Debt Service - Interest	95	95	94	1
Total executive	**1,339,978**	**1,339,978**	**1,163,071**	**176,907**
Financial administration:				
Personal services	966,011	926,011	983,548	(57,537)
Operating	86,745	126,745	107,359	19,386
Debt Service - Principal	918	918	917	1
Debt Service - Interest	36	36	35	1
Total financial administration	**1,053,710**	**1,053,710**	**1,091,859**	**(38,149)**
Legal:				
Operating	225,000	225,000	156,532	68,468
Total legal	**225,000**	**225,000**	**156,532**	**68,468**
Information technology:				
Personal services	764,906	764,906	652,678	112,228
Operating	545,813	551,813	603,204	(51,391)
Capital outlay	98,000	165,000	23,238	141,762
Debt Service - Principal	--	--	28,888	(28,888)
Total information technology	**1,408,719**	**1,481,719**	**1,308,008**	**173,711**
Other general government:				
Personal services	5,000	5,000	4,071	929
Operating	375,475	410,975	384,557	26,418
Capital outlay	225,000	1,305,458	1,561,214	(255,756)
Debt Service - Principal	1,292	1,292	865	427
Debt Service - Interest	7	7	2	5
Total other general government	**606,774**	**1,722,732**	**1,950,709**	**(227,977)**

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
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)
Human Resources:				
Personal services	$ 522,404	$ 522,404	$ 408,737	$ 113,667
Operating	121,190	121,190	86,480	34,710
Debt Service - Principal	1,093	1,093	131	962
Debt Service - Interest	102	102	1,885	(1,783)
Total human resources	**644,789**	**644,789**	**497,233**	**147,556**
Total General Government	**6,073,360**	**6,904,333**	**6,363,504**	**540,829**
Public safety				
Planning, zoning and building:				
Personal services	1,039,958	1,471,797	1,176,047	295,750
Operating	700,239	720,019	442,082	277,937
Non-operating	50,000	50,000	--	50,000
Debt Service - Principal	1,179	2,053	2,054	(1)
Debt Service - Interest	16	61	60	1
Total planning, zoning and building	**1,791,392**	**2,243,930**	**1,620,243**	**623,687**
Law enforcement:				
Personal services	11,666,801	11,234,962	10,656,644	578,318
Operating	1,221,248	1,201,468	1,026,510	174,958
Capital outlay	14,307,572	14,307,572	12,622,248	1,685,324
Debt Service - Principal	66,326	65,452	62,589	2,863
Debt Service - Interest	197	152	2,874	(2,722)
Total law enforcement	**27,262,144**	**26,809,606**	**24,370,865**	**2,438,741**
Total Public Safety	**29,053,536**	**29,053,536**	**25,991,108**	**3,062,428**
Physical environment				
Sanitation services:				
Operating	1,759,667	1,759,667	1,842,162	(82,495)
Total sanitation services	**1,759,667**	**1,759,667**	**1,842,162**	**(82,495)**
Total physical environment	**1,759,667**	**1,759,667**	**1,842,162**	**(82,495)**
Transportation				
Personal services	2,304,164	2,247,667	2,128,637	119,030
Operating	1,437,134	1,431,126	1,291,184	139,942
Capital outlay	2,575,000	3,531,599	2,185,917	1,345,682
Debt Service - Principal	630	630	629	1
Debt Service - Interest	58	58	57	1
Total transportation	**6,316,986**	**7,211,080**	**5,606,424**	**1,604,656**

(Continued)

VILLAGE OF PALM SPRINGS, FLORIDA
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)
Culture/recreation				
Library:				
Personal services	$ 840,679	$ 840,679	$ 754,200	$ 86,479
Operating	192,780	190,941	156,850	34,091
Capital outlay	63,500	98,339	138,277	(39,938)
Debt Service - Principal	1,098	1,098	1,097	1
Debt Service - Interest	97	97	97	--
Total library	**1,098,154**	**1,131,154**	**1,050,521**	**80,633**
Parks and recreation:				
Personal services	1,086,013	1,068,717	1,003,663	65,054
Operating	660,101	696,397	595,565	100,832
Capital outlay	180,000	380,985	366,998	13,987
Debt Service - Principal	19,505	19,505	19,504	1
Debt Service - Interest	744	744	744	--
Total parks and recreation	**1,946,363**	**2,166,348**	**1,986,474**	**179,874**
Special events:				
Operating	250,950	250,950	240,333	10,617
Total special events	**250,950**	**250,950**	**240,333**	**10,617**
Total culture/recreation	**3,295,467**	**3,548,452**	**3,277,328**	**271,124**
Total Expenditures	**$ 46,499,016**	**$ 48,477,068**	**$ 43,080,526**	**$ 5,396,542**
Excess (Deficiency) of Revenues over Expenditures	**(18,594,083)**	**(20,572,135)**	**(14,645,327)**	**(4,866,276)**
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	--	--	15,729	15,729
Transfer in	$ 4,415,608	$ 6,393,660	$ 3,487,508	$ (2,906,152)
Subsequent year appropriation	1,213,616	2,650,684	--	(2,650,684)
Appropriated from assigned for CIP	1,520,000	1,520,000	--	(1,520,000)
Appropriated from assigned for stormwater	1,000,000	1,000,000	--	(1,000,000)
Appropriated from restricted for sales tax	12,000,000	12,000,000	--	(12,000,000)
Transfer out	(1,555,141)	(2,992,209)	(1,555,141)	1,437,068
Total Other Financing Sources (Uses)	**$ 18,594,083**	**$ 20,572,135**	**$ 1,948,096**	**$ (18,624,039)**
Net Change in Fund Balance	**$ --**	**$ --**	**$ (12,697,231)**	**$ (12,697,231)**
Fund Balance - Beginning of Year			**40,933,477**	
Fund Balance - End of Year			**$ 28,236,246**	

VILLAGE OF PALM SPRINGS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ --	$ --	$ 2,500,204	$ 2,500,204
Investment income	--	--	79,557	79,557
Total Revenues	**--**	**--**	**2,579,761**	**2,579,761**
Other Financing Sources (Uses)				
Transfers out	(6,435,383)	(7,519,341)	(2,500,204)	5,019,137
Appropriation of prior year's assets	6,435,383	7,519,341	--	(7,519,341)
Total Other Financing Sources (Uses)	**--**	**--**	**(2,500,204)**	**(2,500,204)**
Net Change in Fund Balance	$ --	$ --	79,557	**$ 79,557**
Fund Balance - Beginning			1,070,640	
Fund Balance - Ending			**$ 1,150,197**	

NOTE 1 – BUDGETARY ACCOUNTING

State of Florida Statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council annually adopts an operating budget and appropriates funds for the General Fund, American Rescue Plan Fund, and Palm Springs CRA fund. The procedures for establishing the budget are as follows:

- Prior to September 1, the Village Manager submits to the Council a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer comments.

- The Village advises the County Property Appraiser of the proposed millage rate and the date, time and place of the public hearing for budget acceptance.

- The budget and related millage rate are legally enacted by ordinance.

- Changes or amendments to the budget of the Village or a department must be approved by the Council; however, changes within a department which do not affect the total departmental expenditures may be approved at the administrative level. Accordingly, the legal level of control is at the department level.

The adopted budgets are prepared on the modified accrual basis in accordance with U.S. generally accepted accounting principles. The reported budgetary data represents the final appropriated budget after amendments adopted by the Council. There were supplemental appropriations for the General Fund and in the amount of $2,870,215 adopted for the year ended September 30, 2025. There were no supplemental appropriations for the American Rescue Plan Fund and Palm Springs CRA. Unexpended appropriations lapse at year end.

NOTE 2 – ENCUMBRANCES

Encumbrance accounting, in which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized by the Village during the year. However, all encumbrances outstanding at year end lapse and, accordingly, there is no fund balance assigned for encumbrances at September 30, 2025.

VILLAGE OF PALM SPRINGS, FLORIDA

CONDITION RATING OF THE VILLAGE'S STREET SYSTEM

SEPTEMBER 30, 2025

Percentage of lane miles in good or better condition: 100%
Percentage of lane miles in substandard condition: 0%

Comparison of needed-to-actual maintenance/preservation:

Fiscal Year Ended September 30,	Needed	Actual	Difference
2016	540,500	523,022	17,478
2017	845,822	611,980	233,842
2018	370,000	99,409	270,591
2019	474,600	308,997	165,603
2020	425,000	257,990	167,010
2021	350,000	220,442	129,558
2022	342,000	178,618	163,382
2023	290,000	162,648	127,352
2024	315,000	198,000	117,000
2025	310,000	215,000	95,000
Total	**$ 4,262,922**	**$ 2,776,106**	**$ 1,486,816**

The condition of street pavement is rated using the Asphalt Pavement Rating Form as developed by the Asphalt Institute. The Asphalt Pavement Rating Form is based on a weighted average of thirteen defects found in pavement services. The form uses a measurement scale that is based on a condition index rating from zero for failed to 100 for pavement in perfect condition. The condition index is used to classify roads in seven categories: excellent (100-85), very good (84-70), good (69-55), fair (54-40), poor (39-25), very poor (24-10), failed (9-0). It is the Village's policy to maintain at least 80% of its street system at a good or better condition. Needed maintenance is calculated based upon inspections and the condition assessment index.

In accordance with GASB Statement No. 34, the Village is required to report at least one complete condition assessment at transition using the modified approach. The condition assessment was completed by the Village in fiscal year 2003 and documented that eligible infrastructure assets are being preserved at or above the condition level established by the Village. We evaluate 1/3 of the network each year. In fiscal year 2025 we are in year 4 of the seventh cycle of assessments and we continue to maintain our network in a condition that meets or exceeds Village policy.

The Village calculates needed maintenance of its street system annually. However, the scheduling of these street projects often crosses fiscal years. Also, many streets are restored as utility work is performed. Therefore, actual maintenance may be less than or greater than or greater than the calculated needed maintenance in any fiscal year.

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET)
AND RELATED RATIOS
GENERAL EMPLOYEES PENSION FUND

September 30, (Measurement Date)	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	$ 358,643	$ 360,661	$ 364,141	$ 386,688	$ 366,284
Interest	1,845,707	1,778,628	1,798,473	1,748,479	1,761,821
Differences between expected and actual experience	(708,948)	90,540	(1,380,792)	(138,581)	(916,750)
Changes of assumptions	332,951	--	--	--	896,257
Benefit payments, including refunds	(1,103,456)	(1,120,085)	(1,095,311)	(1,188,292)	(1,094,834)
Net Change in Total Pension Liability	724,897	1,109,744	(313,489)	808,294	1,012,778
Total Pension Liability, Beginning of Fiscal Year	30,952,232	29,842,488	30,155,977	29,347,683	28,334,905
Total Pension Liability, End of Fiscal Year (a)	**$ 31,677,129**	**$ 30,952,232**	**$ 29,842,488**	**$ 30,155,977**	**$ 29,347,683**
Plan Fiduciary Net Position					
Contributions					
Employer	$ 491,720	$ 452,760	$ 570,220	$ 703,494	$ 1,057,688
Plan members	58,703	57,042	56,436	59,980	57,475
Other	--	--	--	2,135	--
Net investment income (loss)	4,149,413	6,555,918	2,346,287	(4,746,812)	5,373,469
Benefit payments, including refunds	(1,103,456)	(1,120,085)	(1,095,311)	(1,188,292)	(1,094,834)
Administrative expense	(63,971)	(58,467)	(60,616)	(62,174)	(128,202)
Net Change in Plan Fiduciary Net Position	3,532,409	5,887,168	1,817,016	(5,231,669)	5,265,596
Plan Fiduciary Net Position, Beginning of Fiscal Year	36,820,410	30,933,242	29,116,226	34,347,895	29,082,299
Plan Fiduciary Net Position, End of Fiscal Year (b)	**$ 40,352,819**	**$ 36,820,410**	**$ 30,933,242**	**$ 29,116,226**	**$ 34,347,895**
Net Pension Liability (Asset), End of Fiscal Year [(a)-(b)]	**$ (8,675,690)**	**$ (5,868,178)**	**$ (1,090,754)**	**$ 1,039,751**	**$ (5,000,212)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	**127.4%**	**119.0%**	**103.7%**	**96.6%**	**117.0%**
Covered Payroll	**$ 1,956,780**	**$ 1,901,413**	**$ 1,881,211**	**$ 1,999,311**	**$ 1,915,795**
Net Pension Liability (Asset) as a Percentage of Covered Payroll	**(443.4)%**	**(308.6)%**	**(58.0)%**	**52.0%**	**(261.0)%**

Notes to Schedule:

Effective June 30, 2010, the General Employees Pension Plan was closed to new members and current employees were given the option to remain in the Plan or join the Florida Retirement System (FRS). A total of 38 active participants of the General Employees Pension Plan elected to join FRS and the remaining participants stayed in the Village plan. New employees hired after June 30, 2010 are required to join FRS.

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

2020	2019	2018	2017	2016
$ 357,165	$ 379,392	$ 371,772	$ 364,562	$ 339,321
1,794,729	1,776,251	1,728,787	1,685,440	1,583,402
(877,264)	(561,920)	(205,918)	(325,072)	(429,411)
(745,073)	913,998	866,043	777,414	2,358,552
(1,097,195)	(1,106,461)	(1,004,991)	(950,966)	(877,324)
(567,638)	1,401,260	1,755,693	1,551,378	2,974,540
28,902,543	27,501,283	25,745,590	24,194,212	21,219,672
$ 28,334,905	**$ 28,902,543**	**$ 27,501,283**	**$ 25,745,590**	**$ 24,194,212**
$ 933,633	$ 831,216	$ 862,047	$ 828,922	$ 1,088,264
55,317	53,804	59,854	64,047	72,094
--	--	--	--	--
2,179,210	808,285	2,291,631	2,674,644	2,139,230
(1,097,195)	(1,106,461)	(1,004,991)	(950,966)	(877,324)
(64,400)	(62,854)	(63,308)	(63,858)	(66,848)
2,006,565	523,990	2,145,233	2,552,789	2,355,416
27,075,734	26,551,744	24,406,511	21,853,722	19,498,306
$ 29,082,299	**$ 27,075,734**	**$ 26,551,744**	**$ 24,406,511**	**$ 21,853,722**
$ (747,394)	**$ 1,826,809**	**$ 949,539**	**$ 1,339,079**	**$ 2,340,490**
102.6%	**93.7%**	**96.5%**	**94.8%**	**90.3%**
$ 1,843,880	**$ 1,793,426**	**$ 1,995,144**	**$ 2,134,889**	**$ 2,403,161**
(40.5)%	**101.9%**	**47.6%**	**62.7%**	**97.4%**

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
POLICE OFFICERS PENSION FUND

September 30, (Measurement Date)	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	$ 205,496	$ 333,729	$ 334,782	$ 411,452	$ 500,477
Interest	2,755,351	2,747,030	2,561,142	2,330,268	2,409,210
Differences between expected and actual experience	(73,862)	592,527	714,944	123,716	(603,931)
Changes of assumptions	--	--	--	--	1,891,247
Benefit payments, including refunds	(1,859,061)	(1,631,451)	(2,167,329)	(2,118,739)	(1,062,865)
Net Change in Total Pension Liability	1,027,924	2,041,835	1,443,539	746,697	3,134,138
Total Pension Liability, Beginning of Fiscal Year	41,467,494	39,425,659	37,982,120	37,235,423	34,101,285
Total Pension Liability, End of Fiscal Year (a)	**$ 42,495,418**	**$ 41,467,494**	**$ 39,425,659**	**$ 37,982,120**	**$ 37,235,423**
Plan Fiduciary Net Position					
Contributions					
Employer and State	$ 586,710	$ 651,680	$ 603,263	$ 777,422	$ 665,125
Plan members	51,274	64,362	73,129	79,142	103,033
Net investment income (loss)	4,986,446	8,314,052	3,718,261	(5,564,799)	7,436,354
Benefit payments, including refunds	(1,859,061)	(1,631,451)	(2,167,329)	(2,118,739)	(1,062,865)
Administrative expense	(86,065)	(64,352)	(66,491)	(63,736)	(60,122)
Other	--	--	(5,737)	--	--
Net Change in Plan Fiduciary Net Position	3,679,304	7,334,291	2,155,096	(6,890,710)	7,081,525
Plan Fiduciary Net Position, Beginning of Fiscal Year	44,897,224	37,562,933	35,407,837	42,298,547	35,217,022
Plan Fiduciary Net Position, End of Fiscal Year (b)	**$ 48,576,528**	**$ 44,897,224**	**$ 37,562,933**	**$ 35,407,837**	**$ 42,298,547**
Net Pension Liability (Asset), End of Fiscal Year [(a)-(b)]	**$ (6,081,110)**	**$ (3,429,730)**	**$ 1,862,726**	**$ 2,574,283**	**$ (5,063,124)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	**114.3%**	**108.3%**	**95.3%**	**93.2%**	**113.6%**
Covered Payroll	**$ 776,880**	**$ 979,149**	**$ 1,108,024**	**$ 1,199,124**	**$ 1,561,115**
Net Pension Liability (Asset) as a Percentage of Covered Payroll	**(782.8)%**	**(350.3)%**	**168.1%**	**214.7%**	**(324.3)%**

Notes to Schedule:

Effective October 1, 2009, the Village contracted with Palm Beach County for fire protection and emergency medical services. As a result, the existing Hazardous Employees Pension Plan was renamed the Police Officers Pension Plan and was closed to new Firefighter members and the benefits of current Firefighter members were frozen. Effective June 30, 2010, the Police Officers Pension Plan was closed to new members and current employees were given the option to remain in the Plan or join the Florida Retirement System (FRS). Nine police officers elected to join FRS on July 1, 2010 and the remaining participants stayed in the Village plan. New police officers hired after June 30, 2010 are required to join FRS.

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

2020	2019	2018	2017	2016
$ 332,692	$ 339,484	$ 403,228	$ 427,032	$ 410,669
2,313,118	2,205,109	2,143,645	2,068,372	1,944,254
852,542	(264,614)	(279,697)	216,592	(181,834)
(709,083)	197,669	124,812	80,318	76,322
(1,009,708)	(1,020,976)	(965,600)	(938,667)	(888,548)
1,779,561	1,456,672	1,426,388	1,853,647	1,360,863
32,321,724	30,865,052	29,438,664	27,585,017	26,224,154
$ 34,101,285	**$ 32,321,724**	**$ 30,865,052**	**$ 29,438,664**	**$ 27,585,017**
$ 945,003	$ 1,576,472	$ 1,552,848	$ 1,543,986	$ 1,540,740
109,215	106,132	103,813	116,150	123,992
3,261,422	1,488,942	2,581,251	2,938,837	1,940,467
(1,009,708)	(1,020,976)	(965,600)	(938,667)	(888,548)
(67,813)	(52,501)	(64,481)	(55,453)	(64,671)
--	--	--	--	--
3,238,119	2,098,069	3,207,831	3,604,853	2,651,980
31,978,903	29,880,834	26,673,003	23,068,150	20,416,170
$ 35,217,022	**$ 31,978,903**	**$ 29,880,834**	**$ 26,673,003**	**$ 23,068,150**
$ (1,115,737)	**$ 342,821**	**$ 984,218**	**$ 2,765,661**	**$ 4,516,867**
103.3%	**98.9%**	**96.8%**	**90.6%**	**83.6%**
$ 1,654,766	**$ 1,608,072**	**$ 1,572,925**	**$ 1,759,837**	**$ 1,878,665**
(67.4)%	**21.3%**	**62.6%**	**157.2%**	**240.4%**

VILLAGE OF PALM SPRINGS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF VILLAGE CONTRIBUTIONS - PENSION TRUST FUNDS

General Employees Pension Fund

September 30,	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 412,841	$ 415,951	$ 514,342	$ 429,329	$ 928,740
Contributions in relation to actuarially determined contribution	491,720	452,760	570,220	703,494	1,057,688
Contribution Deficiency (Excess)	**$ (78,879)**	**$ (36,809)**	**$ (55,878)**	**$ (274,165)**	**$ (128,948)**
Covered Payroll	**$ 1,956,780**	**$ 1,901,413**	**$ 1,881,211**	**$ 1,999,311**	**$ 1,915,795**
Contributions as a Percentage of Covered Payroll	**25.1%**	**23.8%**	**30.3%**	**35.2%**	**55.2%**

Police Officers Pension Fund

September 30,	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 554,276	$ 512,226	$ 477,253	$ 666,528	$ 458,891
Contributions in relation to actuarially determined contribution	586,710	651,680	603,263	777,422	665,125
Contribution Deficiency (Excess)	**$ (32,434)**	**$ (139,454)**	**$ (126,010)**	**$ (110,894)**	**$ (206,234)**
Covered Payroll	**$ 776,880**	**$ 979,149**	**$ 1,108,024**	**$ 1,199,124**	**$ 1,561,115**
Contributions as a Percentage of Covered Payroll	**75.5%**	**66.6%**	**54.4%**	**64.8%**	**42.6%**

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

	2020	2019	2018	2017	2016
	$ 887,452	$ 809,354	$ 801,394	$ 777,969	$ 948,927
	933,633	831,216	862,047	828,922	1,088,264
	$ (46,181)	**$ (21,862)**	**$ (60,653)**	**$ (50,953)**	**$ (139,337)**
	$ 1,843,880	**$ 1,793,426**	**$ 1,995,144**	**$ 2,134,889**	**$ 2,403,161**
	50.6%	**46.3%**	**43.2%**	**38.8%**	**45.3%**

	2020	2019	2018	2017	2016
	$ 758,756	$ 1,029,719	$ 1,235,835	$ 1,284,202	$ 1,341,587
	945,003	1,576,472	1,552,848	1,543,986	1,540,740
	$ (186,247)	**$ (546,753)**	**$ (317,013)**	**$ (259,784)**	**$ (199,153)**
	$ 1,654,766	**$ 1,608,072**	**$ 1,572,925**	**$ 1,759,837**	**$ 1,878,665**
	57.1%	**98.0%**	**98.7%**	**87.7%**	**82.0%**

VILLAGE OF PALM SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN

June 30th,	2025	2024	2023	2022	2021
Village's proportion of the net pension liability	**0.03265%**	**0.03063%**	**0.02755%**	**0.02498%**	**0.02330%**
Village's proportionate share of the net pension liability	**$ 10,132,287**	**$ 11,847,388**	**$ 10,979,346**	**$ 9,295,994**	**$ 1,760,243**
Village's covered payroll	**$ 12,920,997**	**$ 11,463,034**	**$ 9,715,611**	**$ 8,091,992**	**$ 7,755,670**
Village's proportionate share of the net pension liability as a percentage of Village covered payroll	**78.4%**	**103.4%**	**113.0%**	**114.9%**	**22.7%**
Plan fiduciary net position as a percentage of the total pension liability	**87.3%**	**83.7%**	**82.4%**	**82.9%**	**96.4%**

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

September 30th,	2025	2024	2023	2022	2021
Contractually required Village contribution	$ 2,068,615	$ 1,778,900	$ 1,417,183	$ 1,127,639	$ 932,724
Contributions in relation to the contractually required Village contribution	2,068,615	1,778,900	1,417,183	1,127,639	932,724
Contribution deficiency (excess)	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**
Village covered payroll	**$ 13,521,719**	**$ 11,762,864**	**$ 10,143,963**	**$ 8,334,264**	**$ 7,910,743**
Contributions as a percentage of Village covered payroll	**15.3%**	**15.1%**	**14.0%**	**13.5%**	**11.8%**

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

	2020	2019	2018	2017	2016	2015
	0.02389%	**0.02507%**	**0.02345%**	**0.02335%**	**0.02208%**	**0.01871%**
	$ 10,354,989	**$ 8,634,342**	**$ 7,064,764**	**$ 6,905,580**	**$ 5,574,897**	**$ 2,416,813**
	$ 7,506,842	**$ 7,035,255**	**$ 6,322,362**	**$ 6,039,789**	**$ 5,488,748**	**$ 4,800,805**
	137.9%	**122.7%**	**111.7%**	**114.3%**	**101.6%**	**50.3%**
	78.8%	**82.6%**	**84.3%**	**83.9%**	**84.9%**	**92.0%**

	2020	2019	2018	2017	2016	2015
	$ 800,120	$ 799,161	$ 682,850	$ 617,847	$ 568,454	$ 474,857
	800,120	799,161	682,850	617,847	568,454	474,857
	$ --	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**
	$ 7,525,485	**$ 7,248,956**	**$ 6,401,551**	**$ 6,250,249**	**$ 5,586,304**	**$ 4,952,601**
	10.6%	**11.0%**	**10.7%**	**9.9%**	**10.2%**	**9.6%**

VILLAGE OF PALM SPRINGS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM

June 30th,	2025	2024	2023	2022	2021
Village's proportion of the net pension liability	**0.02891%**	**0.02705%**	**0.02470%**	**0.02337%**	**0.02203%**
Village's proportionate share of the net pension liability	**$ 3,704,988**	**$ 4,057,207**	**$ 3,921,926**	**$ 2,475,767**	**$ 2,702,347**
Village's covered payroll	**$ 12,920,997**	**$ 11,463,034**	**$ 9,715,611**	**$ 8,091,992**	**$ 7,755,670**
Village's proportionate share of the net pension liability as a percentage of Village covered payroll	**28.7%**	**35.4%**	**40.4%**	**30.6%**	**34.8%**
Plan fiduciary net position as a percentage of the total pension liability	**6.4%**	**4.8%**	**4.1%**	**4.8%**	**3.6%**

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

September 30th,	2025	2024	2023	2022	2021
Contractually required Village contribution	$ 270,276	$ 235,064	$ 177,318	$ 146,656	$ 132,070
Contributions in relation to the contractually required Village contribution	270,276	235,064	177,318	146,656	132,070
Contribution deficiency (excess)	**$ --**	**$ --**	**$ --**	**$ --**	**$ --**
Village covered payroll	**$ 13,521,719**	**$ 11,762,864**	**$ 10,143,963**	**$ 8,334,264**	**$ 7,910,743**
Contributions as a percentage of Village covered payroll	**2.0%**	**2.0%**	**1.7%**	**1.8%**	**1.7%**

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

2020	2019	2018	2017	2016
0.02168%	**0.02103%**	**0.01938%**	**0.01902%**	**0.01783%**
$ 2,647,593	**$ 2,353,345**	**$ 2,051,623**	**$ 2,034,112**	**$ 2,078,426**
$ 7,506,842	**$ 7,035,255**	**$ 6,322,362**	**$ 6,039,789**	**$ 5,488,748**
35.3%	**33.5%**	**32.5%**	**33.7%**	**37.9%**
3.0%	**2.6%**	**2.1%**	**1.6%**	**1.0%**

2020	2019	2018	2017	2016
$ 125,265	$ 120,348	$ 106,426	$ 101,046	$ 95,521
125,265	120,348	106,426	101,046	95,521
$ --	**$ --**	**$ --**	**$ --**	**$ --**
$ 7,525,485	**$ 7,248,956**	**$ 6,401,551**	**$ 6,250,249**	**$ 5,586,304**
1.7%	**1.7%**	**1.7%**	**1.6%**	**1.7%**

	Annual money-weighted rate of return, net of investment expenses	
Fiscal Year Ended September 30,	General Employees Pension Fund	Police Officers Pension Fund
2025	11.17 %	7.33 %
2024	21.51 %	9.24 %
2023	8.01 %	6.19 %
2022	(14.10)%	4.99 %
2021	18.29 %	11.19 %
2020	7.71 %	8.97 %
2019	2.86 %	4.84 %
2018	9.18 %	9.56 %
2017	11.99 %	12.51 %
2016	10.53 %	9.24 %

Note to Schedule:
The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

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

September 30, (Report Date)	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 57,797	$ 49,424	$ 46,099	$ 66,483	$ 28,412	$ 24,075	$ 25,178	$ 23,702
Interest	49,752	42,209	37,846	12,960	18,941	16,602	16,054	15,113
Differences between expected and actual experience	(8,792)	184,696	34,913	353,518	--	(3,180)	--	2,109
Changes of assumptions	(47,670)	60,934	(7,186)	(204,764)	--	88,007	--	--
Benefit payments	(36,351)	(36,351)	(40,395)	(40,395)	--	(21,563)	(15,519)	(14,609)
Net Change in Total OPEB Liability	14,736	300,912	71,277	187,802	47,353	103,941	25,713	26,315
Total OPEB Liability, Beginning of Fiscal Year	1,185,803	884,891	813,614	625,812	578,459	474,518	448,805	422,490
Total OPEB Liability, End of Fiscal Year	**$ 1,200,539**	**$ 1,185,803**	**$ 884,891**	**$ 813,614**	**$ 625,812**	**$ 578,459**	**$ 474,518**	**$ 448,805**
Village Covered Employee Payroll	**$ 16,836,184**	**$ 14,833,310**	**$ 13,239,074**	**$ 12,766,420**	**$ 10,515,039**	**$ 10,382,123**	**$ 9,984,483**	**$ 9,399,015**
Total OPEB Liability as a Percentage of Village Covered Employee Payroll	**7.1%**	**8.0%**	**6.7%**	**6.4%**	**6.0%**	**5.6%**	**4.8%**	**4.8%**

Notes to Schedule:
Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB liability, the discount rate is the long-term rate of return on tax-exempt, high quality municipal bonds based on the Standard & Poors Municipal Bond 20-year High Grade Rate Index.

Actuarial Assumption Changes	
Discount rate - 2025	4.50%
Discount rate - 2024	4.06%
Discount rate - 2023	4.87%
Discount rate - 2022	4.77%
Discount rate - 2020 and 2021	2.14%
Discount rate - 2019 and 2018	3.64%

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10-year trend is compiled, information is presented for those years available.

COMBINING FUND FINANCIAL STATEMENTS AND DEBT SCHEDULES

NONMAJOR GOVERNMENTAL FUND

Special Revenue Fund – Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes. The special revenue funds used by the Village are:

> ***Law Enforcement Fund*** – Accounts for proceeds from law enforcement forfeitures that are legally restricted to expenditures for law enforcement purposes.
>
> ***Lake Worth Road CRA*** – Accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities. This district relates to the Palm Springs CRA.
>
> ***Congress Ave CRA*** – Accounts for a Village agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities. This district relates to the Palm Springs CRA.

Debt Service Fund – Debt service funds are used to account for assets held for the repayment of principal and interest on general obligation debt.

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue				
	Law Enforcement Fund	Lake Worth Road CRA	Congress Ave CRA	Debt Service Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	$ 91,828	$ 515,429	$ 1,055,716	$ 299,287	$ 1,962,260
Accounts receivable	--	--	481,721	--	481,721
Total Assets	**$ 91,828**	**$ 515,429**	**$ 1,537,437**	**$ 299,287**	**$ 2,443,981**
Liabilities					
Accounts payable	$ 42	$ 72,293	$ 481,400	$ 170	$ 553,905
Advances from other funds	--	1,437,068	-	--	1,437,068
Total Liabilities	**42**	**1,509,361**	**481,400**	**170**	**1,990,973**
Fund Balances					
Restricted for:					
Law enforcement	91,786	--	--	--	91,786
Congress Ave CRA	--	--	1,056,037	--	1,056,037
Debt service	--	--	--	299,117	299,117
Unassigned (deficit)	--	(993,932)	--	--	(993,932)
Total Fund Balances	**91,786**	**(993,932)**	**1,056,037**	**299,117**	**453,008**
Total Liabilities and Fund Balances	**$ 91,828**	**$ 515,429**	**$ 1,537,437**	**$ 299,287**	**$ 2,443,981**

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue				
	Law Enforcement Fund	Lake Worth Road CRA	Congress Ave CRA	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues					
Taxes	$ --	$ 306,654	$ 247,734	$ 425,389	$ 979,777
Investment income	2,616	18,862	28,444	13,134	63,056
Confiscated property	5,323	--	--	--	5,323
Miscellaneous	--	--	591,553	--	591,553
Total Revenues	**7,939**	**325,516**	**867,731**	**438,523**	**1,639,709**
Expenditures					
Current:					
Economic environment	--	108,802	768,732	--	877,534
Capital outlay	--	2,121,701	--	--	2,121,701
Debt service:					
Principal	--	--	--	344,030	344,030
Interest and other fiscal charges	--	--	--	78,588	78,588
Total Expenditures	**--**	**2,230,503**	**768,732**	**422,618**	**3,421,853**
Excess (Deficiency) of Revenues over Expenditures	**7,939**	**(1,904,987)**	**98,999**	**15,905**	**(1,782,144)**
Other Financing Sources					
Transfers in	--	306,712	394,780	--	701,492
Change in Fund Balances	7,939	(1,598,275)	493,779	15,905	(1,080,652)
Fund Balances - Beginning of Year	83,847	604,343	562,258	283,212	1,533,660
Fund Balances - End of Year	**$ 91,786**	**$ (993,932)**	**$ 1,056,037**	**$ 299,117**	**$ 453,008**

VILLAGE OF PALM SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PALM SPRINGS CRA
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes	$ 555,141	$ 555,141	$ 554,388	$ (753)
Investment income	19,500	19,500	47,306	27,806
Other revenues	1,000,000	1,000,000	591,553	(408,447)
Total Revenues	**1,574,641**	**1,574,641**	**1,193,247**	**(381,394)**
Expenditures				
Economic environment:				
Operating	1,661,772	1,705,567	871,044	834,523
Capital outlay	1,375,609	2,867,677	2,121,701	745,976
Non-operating	300,000	156,119	6,490	149,629
Total Expenditures	**3,337,381**	**4,729,363**	**2,999,235**	**1,730,128**
Excess (Deficiency) of Revenues over Expenditures	**(1,762,740)**	**(3,154,722)**	**(1,805,988)**	**1,348,734**
Other Financing Sources				
Transfers in	975,411	2,412,479	701,492	(1,710,987)
Appropriation of prior year's fund balance	787,329	742,243	--	(742,243)
Total Other Financing Sources	**1,762,740**	**3,154,722**	**701,492**	**(2,453,230)**
Net Change in Fund Balance	$ --	$ --	(1,104,496)	**$ (1,104,496)**
Fund Balance - Beginning			1,166,601	
Fund Balance - Ending			**$ 62,105**	

Note: The Palm Springs CRA is inclusive of the 2 districts: (1) Lake Worth Road CRA Fund and (2) Congress Ave CRA Fund.

FIDUCIARY FUNDS

General Employee Pension Fund – The general employees pension fund is used to account for the defined benefit pension plan for the general employees of the Village.

Police Officers Pension Fund – The police officers pension fund is used to account for the defined benefit pension plan for the police officers of the Village.

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	General Employees Pension Fund	Police Officers Pension Fund	Total Pension Funds
Assets			
Cash and cash equivalents	$ 1,591,456	$ 768,368	$ 2,359,824
Receivables:			
Interest and dividends	47,712	13,596	61,308
Investments:			
U.S. treasury securities	4,051,877	--	4,051,877
Mortgage backed securities	3,628,828	--	3,628,828
Corporate bonds	387,147	--	387,147
Mutual funds taxable	2,012,910	10,623,393	12,636,303
Equity securities mutual funds	25,657,437	32,891,623	58,549,060
Real estate investment account	2,996,326	4,309,994	7,306,320
Total investments	**38,734,525**	**47,825,010**	**86,559,535**
Total Assets	**40,373,693**	**48,606,974**	**88,980,667**
Liabilities			
Accounts payable	20,874	30,596	51,470
Total Liabilities	**20,874**	**30,596**	**51,470**
Net Position Restricted for Pension Benefits	**$ 40,352,819**	**$ 48,576,378**	**$ 88,929,197**

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Employees Pension Fund	Police Officers Pension Fund	Total Pension Funds
Additions			
Contributions			
Employer	$ 491,720	$ 322,443	$ 814,163
Plan members	58,703	51,274	109,977
State of Florida	--	264,267	264,267
Total Contributions	**550,423**	**637,984**	**1,188,407**
Investment Income			
Interest	239,606	12,727	252,333
Dividends	517,175	802,155	1,319,330
Net appreciation in fair value of investments	3,436,795	4,195,825	7,632,620
Total Investment Income:	**4,193,576**	**5,010,707**	**9,204,283**
Less: Investment expenses	(34,227)	(17,091)	(51,318)
Net Investment Income	**4,159,349**	**4,993,616**	**9,152,965**
Total Additions	**4,709,772**	**5,631,600**	**10,341,372**
Deductions			
Administration expenses	73,778	93,236	167,014
Benefits paid	1,103,456	1,859,061	2,962,517
Total Deductions	**1,177,234**	**1,952,297**	**3,129,531**
Change in Plan Net Position	**3,532,538**	**3,679,303**	**7,211,841**
Net Position Restricted for Pension Benefits			
Beginning of Year	36,820,281	44,897,075	81,717,356
End of Year	**$ 40,352,819**	**$ 48,576,378**	**$ 88,929,197**

SCHEDULES OF LONG-TERM DEBT TO MATURITY

VILLAGE OF PALM SPRINGS, FLORIDA
COMBINING SCHEDULE OF DEBT SERVICE REQUIREMENTS
(PRINCIPAL AND INTEREST) TO MATURITY
SEPTEMBER 30, 2025

Fiscal Year Ending September 30,	Governmental Activities General Obligation Note Payable	Business-type Activities Promissory Note Payable	Total
2026	$ 420,835	$ 942,237	$ 1,363,072
2027	419,011	942,237	1,361,248
2028	417,143	942,237	1,359,380
2029	415,230	942,237	1,357,467
2030	413,271	942,237	1,355,508
2031	411,266	942,237	1,353,503
2032	204,865	942,237	1,147,102
2033	--	942,241	942,241
Total	**$ 2,701,621**	**$ 7,537,900**	**$ 10,239,521**

$6,477,462 GENERAL OBLIGATION NOTE, DATED FEBRUARY 24, 2012

Fiscal Year Ending 30,	Principal		Interest		Total	Interest Rate
	February 1	August 1	February 1	August 1		
2026	$ 175,104	$ 177,196	$ 35,539	$ 32,996	$ 420,835	2.905 %
2027	179,314	181,457	30,422	27,818	419,011	2.905
2028	183,626	185,820	25,182	22,515	417,143	2.905
2029	188,040	190,287	19,817	17,086	415,230	2.905
2030	192,561	194,863	14,322	11,525	413,271	2.905
2031	197,191	199,549	8,695	5,831	411,266	2.905
2032	201,932	--	2,933	--	204,865	2.905
Total	**$ 1,317,768**	**$ 1,129,172**	**$ 136,910**	**$ 117,771**	**$ 2,701,621**	

VILLAGE OF PALM SPRINGS, FLORIDA
$14,352,351 WATER AND SEWER PROMISSORY NOTE, DATED APRIL 15, 2013

Fiscal Year Ending September 30,	Principal		Interest		Total	Interest Rate
	February 1	May 1	November 1	May 1		
2026	$ 374,054	$ 379,487	$ 97,064	$ 91,632	$ 942,237	2.905 %
2027	384,998	390,590	86,120	80,529	942,237	2.905
2028	396,263	402,018	74,856	69,100	942,237	2.905
2029	407,857	413,780	63,262	57,338	942,237	2.905
2030	419,790	425,887	51,329	45,231	942,237	2.905
2031	432,073	438,348	39,045	32,771	942,237	2.905
2032	444,714	451,173	26,405	19,945	942,237	2.905
2033	457,730	464,374	13,393	6,744	942,241	2.905
Total	**$ 3,317,479**	**$ 3,365,657**	**$ 451,474**	**$ 403,290**	**$ 7,537,900**	

STATISTICAL SECTION

STATISTICAL SECTION

TABLE OF CONTENTS

This part of the Village of Palm Springs' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village of Palm Springs' overall financial health.

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

VILLAGE OF PALM SPRINGS, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	2016	2017	2018	2019
Governmental Activities				
Net investment in capital assets	$ 9,045,692	$ 9,696,530	$ 10,168,421	$ 12,007,314
Restricted	265,623	1,413,016	2,694,732	3,790,452
Unrestricted (deficit)	128,127	724,425	3,340,999	4,593,586
Total Governmental Activities Net Position	$ 9,439,442	$ 11,833,971	$ 16,204,152	$ 20,391,352
Business-type Activities				
Net investment in capital assets	$ 35,225,407	$ 34,619,498	$ 35,346,033	$ 36,936,597
Restricted	--	--	--	--
Unrestricted	18,310,727	23,050,351	26,410,896	29,391,851
Total Business-type Activities Net Position	$ 53,536,134	$ 57,669,849	$ 61,756,929	$ 66,328,448
Primary government				
Net investment in capital assets	$ 44,271,100	$ 44,316,028	$ 45,514,454	$ 48,943,911
Restricted	265,622	1,413,016	2,694,732	3,790,452
Unrestricted	18,438,854	23,774,776	29,751,895	33,985,437
Total Primary Government Net Position	$ 62,975,576	$ 69,503,820	$ 77,961,081	$ 86,719,800

Note: GASB Statement No. 68 was adopted for 2015 resulting in the reduction of unrestricted net position by approximately $11 million for net pension liabilities of the Village's defined benefit pension plans.

2020	2021	2022	2023	2024	2025
$ 14,490,482	$ 15,376,403	$ 15,677,381	$ 16,791,304	$ 21,269,752	$ 37,980,600
4,476,498	13,909,949	8,340,259	11,893,209	21,112,625	25,157,475
5,442,274	1,565,541	12,907,822	14,244,367	13,689,106	(680,550)
$ 24,409,254	$ 30,851,893	$ 36,925,462	$ 42,928,880	$ 56,071,483	$ 62,457,525
$ 37,408,106	$ 37,241,000	$ 39,309,778	$ 42,673,893	$ 47,857,985	$ 56,277,648
--	2,341,869	--	486,913	2,576,130	3,983,280
32,816,459	35,918,194	41,504,677	44,014,722	44,436,269	42,826,353
$ 70,224,565	$ 75,501,063	$ 80,814,455	$ 87,175,528	$ 94,870,384	$ 103,087,281
$ 51,898,588	$ 52,617,403	$ 54,987,159	$ 59,465,197	$ 69,127,737	$ 94,258,248
4,476,498	16,251,818	8,340,259	12,380,122	23,688,755	29,140,755
38,258,733	37,483,735	54,412,499	58,259,089	58,125,375	42,145,803
$ 94,633,819	$ 106,352,956	$ 117,739,917	$ 130,104,408	$ 150,941,867	$ 165,544,806

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

Fiscal Year	2016	2017	2018
Expenses			
Governmental activities:			
General government	$ 2,066,477	$ 2,294,992	$ 2,211,693
Public safety	8,503,036	8,797,959	8,839,413
Physical environment	966,071	1,119,815	1,067,111
Transportation	1,703,726	2,214,506	1,787,841
Economic environment	--	--	--
Culture/recreation	1,998,486	1,925,521	1,875,636
Interest on long-term debt	130,337	123,644	133,395
Total Governmental Activities Expenses	15,368,133	16,476,437	15,915,089
Business-type activities:			
Water and Sewer Utility	12,980,353	13,870,807	14,465,968
Stormwater Utility	--	109,848	125,644
Total Business-type Activities Expenses	12,980,353	13,980,655	14,591,612
Total Primary Government Expenses	28,348,486	30,457,092	30,506,701
Program Revenues			
Governmental activities:			
Charges for services:			
General government	595,521	640,371	772,038
Public safety	1,297,305	1,335,980	1,492,961
Physical environment	1,078,923	1,090,501	1,109,491
Culture/recreation	353,494	383,402	267,262
Operating grants and contributions:			
General government	6,269	47,206	7,281
Public safety	97,117	70,454	31,083
Physical environment	12,553	22,208	5,731
Transportation	76,203	104,519	107,930
Culture/recreation	29,510	26,173	22,159
Capital grants and contributions:			
General government	27,642	292	9,936
Public safety	38,173	--	34,779
Physical environment	--	--	--
Transportation	6,288	148,881	--
Economic environment	--	--	--
Culture/recreation	--	--	--
Total Governmental Activities Program Revenues	3,618,998	3,869,987	3,860,651
Business-type activities:			
Charges for services:			
Water/Sewer Utility	18,010,253	19,159,149	19,920,293
Stormwater Utility	--	366,756	382,799
Operating grants and contributions:			
Water/Sewer Utility	--	--	--
Stormwater	--	--	--
Capital grants and contributions:			
Water and Sewer Utility	1,479,734	779,774	544,508
Total Business-type Activities Program Revenues	19,489,987	20,305,679	20,847,600
Total Primary Government Program Revenues	23,108,985	24,175,666	24,708,251
Net (Expense)/Revenue			
Governmental activities	(11,749,135)	(12,606,450)	(12,054,438)
Business-type activities	6,509,634	6,325,024	6,255,988
Total Primary Government Net Expense	$ (5,239,501)	$ (6,281,426)	$ (5,798,450)

2019	2020	2021	2022	2023	2024	2025
$ 2,835,997	$ 2,879,926	$ 2,999,956	$ 3,677,147	$ 4,136,272	$ 4,170,771	$ 5,250,988
9,970,520	9,446,884	8,375,773	10,186,285	13,121,283	12,185,143	11,654,897
1,075,033	1,173,626	1,317,299	1,456,330	1,586,290	1,720,917	1,842,162
2,093,367	2,201,178	2,126,730	2,414,448	2,853,355	3,040,001	3,529,510
--	--	63,160	343,657	221,748	257,315	878,233
1,986,225	1,644,442	1,602,340	2,165,153	2,561,413	2,984,144	3,157,243
133,416	124,680	115,737	121,693	102,292	92,746	82,770
18,094,558	17,470,736	16,600,995	20,364,713	24,582,653	24,451,037	26,395,803
15,383,962	15,595,379	15,044,454	16,155,764	18,947,014	20,465,575	19,697,097
87,898	12,885	120	1,092	101,283	154,585	289,838
15,471,860	15,608,264	15,044,574	16,156,856	19,048,297	20,620,160	19,986,935
33,566,418	33,079,000	31,645,569	36,521,569	43,630,950	45,071,197	46,382,738
866,346	938,452	1,138,393	1,141,981	1,302,773	1,396,361	1,231,971
1,997,624	1,055,961	1,589,620	2,462,350	2,347,921	2,795,049	1,950,239
1,133,848	1,147,017	1,157,652	1,180,423	1,574,780	1,792,507	1,790,031
285,825	102,789	137,533	187,916	166,587	223,013	172,683
368,408	69,606	57,459	41,191	49,001	--	19,430
35,217	38,517	32,822	62,761	82,086	--	90,247
2,015	461	--	16,391	--	--	--
111,168	114,504	117,939	121,476	125,120	129,528	133,745
25,188	17,166	16,528	7,676	12,845	--	108,307
6,993	16,578	59,729	27,644	30,748	--	12,231
30,446	35,840	26,362	47,057	--	--	44,288
--	--	--	--	--	--	130,618
97,305	84,103	--	--	--	--	200,000
--	--	68,307	937,451	1,025,695	8,879,830	3,515,527
247,522	882,802	307,714	452,362	251,333	--	377,549
5,207,905	4,503,796	4,710,058	6,686,679	6,968,889	15,216,288	9,776,866
20,955,084	21,095,572	21,563,348	22,325,845	23,941,298	25,144,302	25,469,909
382,253	519,265	525,456	529,335	524,325	532,705	529,367
--	--	--	47,500	--	--	--
--	6,902	70,941	--	--	--	--
732,102	134,188	663,691	349,074	1,695,706	338,927	558,287
22,069,439	21,755,927	22,823,436	23,251,754	26,161,329	26,015,934	26,557,563
27,277,344	26,259,723	27,533,494	29,938,433	33,130,218	41,232,222	36,334,429
(12,886,653)	(12,966,940)	(11,890,937)	(13,678,034)	(17,613,764)	(9,234,749)	(16,618,937)
6,597,579	6,147,663	7,778,862	7,094,898	7,113,032	5,395,774	6,570,628
$ (6,289,074)	$ (6,819,277)	$ (4,112,075)	$ (6,583,136)	$ (10,500,732)	$ (3,838,975)	$ (10,048,309)

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

Fiscal Year	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	$ 3,548,352	$ 3,875,182	$ 4,326,702	$ 4,593,448
Utility service taxes	2,756,176	2,701,235	2,746,260	2,782,726
Franchise fees	1,426,438	1,469,041	1,523,434	1,547,089
Sales and use taxes	2,095,247	3,225,861	3,984,756	4,055,851
Business taxes	343,981	362,931	395,733	386,375
Intergovernmental, unrestricted	853,427	890,179	918,574	952,709
Investment revenues	3,933	21,112	107,903	233,021
Impact fees	--	--	--	--
Sale of capital assets	--	--	--	--
Miscellaneous	67,163	76,907	135,819	107,496
Transfers	2,234,034	2,378,531	2,423,338	2,415,138
Total Governmental Activities	13,328,751	15,000,979	16,562,519	17,073,853
Business-type activities:				
Investment revenues	120,205	143,781	214,215	326,288
Miscellaneous	584,289	43,441	71,805	62,790
Transfers	(2,234,034)	(2,378,531)	(2,423,338)	(2,415,138)
Total Business-type Activities	(1,529,540)	(2,191,309)	(2,137,318)	(2,026,060)
Total Primary Government	11,799,211	12,809,670	14,425,201	15,047,793
Changes in Net Position				
Governmental activities	1,579,616	2,394,529	4,508,081	4,187,200
Business-type activities	4,980,094	4,133,715	4,118,670	4,571,519
Total Primary Government	$ 6,559,710	$ 6,528,244	$ 8,626,751	$ 8,758,719

2020	2021	2022	2023	2024	2025
$ 4,905,214	$ 5,282,944	$ 5,440,257	$ 6,105,979	$ 6,854,475	$ 7,433,598
2,790,188	2,900,695	3,044,674	3,368,710	3,445,247	3,647,797
1,505,749	1,564,478	1,831,837	2,083,730	2,021,196	2,126,863
3,792,719	4,375,231	5,214,492	5,887,032	5,826,777	5,885,338
394,669	408,662	419,767	402,306	395,383	386,359
851,029	1,015,662	1,327,514	1,567,812	1,517,398	1,537,269
110,534	14,685	172,511	1,721,284	4,494,133	1,788,370
--	24,559	109,732	260,622	14,943	--
--	--	27,780	--	--	(6,208)
144,641	97,508	162,624	122,811	106,882	72,209
2,490,099	2,649,152	2,000,415	2,096,896	--	133,655
16,984,842	18,333,576	19,751,603	23,617,182	24,676,434	23,005,250
186,550	68,545	160,538	1,304,378	1,988,298	1,754,890
52,003	78,243	58,371	40,559	41,797	25,034
(2,490,099)	(2,649,152)	(2,000,415)	(2,096,896)	(266,464)	(133,655)
(2,251,546)	(2,502,364)	(1,781,506)	(751,959)	1,763,631	1,646,269
14,733,296	15,831,212	17,970,097	22,865,223	26,440,065	24,651,519
4,017,902	6,442,639	6,073,569	6,003,418	15,441,685	6,386,313
3,896,117	5,276,498	5,313,392	6,361,073	7,159,405	8,216,897
$ 7,914,019	$ 11,719,137	$ 11,386,961	$ 12,364,491	$ 22,601,090	$ 14,603,210

VILLAGE OF PALM SPRINGS, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Tax	Utility Service Taxes	Franchise Fees	Sales and Use Taxes (1)	Local Business Taxes (2)	Total
2016	$ 3,548,352	$ 2,756,176	$ 1,426,438	$ 2,095,247	$ 343,981	$ 10,170,194
2017	3,875,182	2,701,235	1,469,041	3,225,861	362,931	11,634,250
2018	4,326,702	2,746,260	1,523,434	3,984,756	395,733	12,976,885
2019	4,593,448	2,782,726	1,547,089	4,055,851	386,375	13,365,489
2020	4,905,214	2,790,188	1,505,749	3,792,719	394,669	13,388,539
2021	5,282,944	2,900,695	1,564,478	4,375,231	408,662	14,532,010
2022	5,440,257	3,044,674	1,831,837	5,214,492	419,767	15,951,027
2023	6,105,979	3,368,710	2,083,730	5,887,032	402,306	17,847,757
2024	6,428,042	3,445,247	1,911,214	5,799,893	395,383	17,979,779
2025	7,008,209	3,647,796	1,840,773	5,857,611	386,359	18,740,748

(1) In 2017 the Village began receiving the proceeds of a local option sales tax approved by voters for a 10 year period to finance local infrastructure capital projects.

(2) Includes occupational licenses and business permits now considered local business tax.

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

Fiscal Year	2016	2017	2018	2019	2020
General Fund					
Nonspendable:					
Inventory	$ 39,648	$ 69,969	$ 84,622	$ 85,456	$ 70,539
Prepaid	--	--	--	--	--
Leases	--	--	--	--	--
Advances from other funds	--	--	--	--	--
Restricted					
Sales tax capital projects	--	1,141,086	2,419,381	3,488,534	4,712,367
Assigned to:					
Disaster recovery	1,500,000	1,500,000	3,000,000	3,000,000	300,000
Capital projects	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Library	38,240	37,488	36,651	36,651	--
Storm water projects	--	--	--	--	--
Subsequent year's budget	1,227,384	1,625,101	1,471,258	2,338,399	1,183,000
Unassigned	4,208,075	4,523,176	5,741,431	6,307,593	8,095,194
Total General Fund	$ 8,513,347	$ 10,396,820	$ 14,253,343	$ 16,756,633	$ 15,861,100
All Other Governmental Funds					
Restricted for:					
Law enforcement	$ 73,907	$ 51,890	$ 44,309	$ 54,669	$ 54,669
Debt service	191,716	220,040	231,042	247,249	249,462
American Rescue Plan	--	--	--	--	--
Palm Springs CRA	--	--	--	--	--
Unassigned	--	--	--	--	--
Total All Other Governmental Funds	$ 265,623	$ 271,930	$ 275,351	$ 301,918	$ 304,131

2021	2022	2023	2024	2025
$ 91,665	$ 89,863	$ 96,319	$ 81,749	$ 69,976
--	--	--	9,039	10,528
--	--	--	4,064	2,334
--	--	--	--	1,437,068
5,819,242	7,809,275	9,843,285	11,786,547	11,786,547
3,000,000	3,000,000	3,000,000	3,000,000	--
1,500,000	1,500,000	7,000,000	7,000,000	--
--	--	--	--	--
--	--	--	--	--
1,443,578	693,503	1,889,611	1,612,210	1,612,210
9,523,008	13,990,330	11,997,706	17,439,868	13,317,583
$ 21,377,493	$ 27,082,971	$ 33,826,921	$ 40,933,477	$ 28,236,246
$ 44,670	$ 81,631	$ 87,703	$ 83,847	$ 91,786
250,842	252,673	265,655	283,212	299,117
--	51,281	584,672	1,070,640	1,150,197
73,728	145,399	508,053	1,166,601	1,056,037
--	(78,766)	--	--	(993,932)
$ 369,240	$ 452,218	$ 1,446,083	$ 2,604,300	$ 1,603,205

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

Fiscal Year	2016	2017	2018	2019	2020
Revenues					
Taxes	$ 7,869,639	$ 8,499,637	$ 9,083,377	$ 9,332,450	$ 9,595,820
Permits	665,536	690,965	909,219	1,265,557	617,014
Intergovernmental	3,261,846	4,597,449	5,176,714	5,983,674	5,918,164
Confiscated property	16,785	1,280	2,703	10,357	--
Charges for services	1,914,794	2,021,952	1,940,784	2,400,465	2,142,807
Fines and forfeitures	389,492	370,904	431,063	220,837	170,208
Contributions and donations	8,249	14,729	23,378	36,729	20,602
Investment income	3,933	21,112	107,903	233,021	110,534
Facility rental	288,091	291,873	266,395	274,923	260,495
Miscellaneous	90,042	73,782	149,544	131,419	105,112
Total Revenues	14,508,407	16,583,683	18,091,080	19,889,432	18,940,756
Expenditures					
General government	1,832,467	1,974,447	1,875,696	2,370,836	2,592,658
Public safety	8,344,900	8,679,630	8,935,301	9,725,185	8,992,315
Physical environment	966,071	1,119,815	1,067,111	1,075,033	1,173,626
Transportation	1,549,616	2,009,735	1,607,774	1,903,355	2,055,397
Economic environment	--	--	--	--	--
Culture/recreation	1,841,391	1,674,011	1,568,223	1,683,120	1,493,489
Capital outlay	608,924	1,285,469	1,180,940	2,630,253	3,484,721
Debt service					
Principal	277,800	284,480	291,319	298,323	305,496
Interest and other fiscal charges	130,890	124,211	131,962	134,138	125,420
Total Expenditures	15,552,059	17,151,798	16,658,326	19,820,243	20,223,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,043,652)	(568,115)	1,432,754	69,189	(1,282,366)
Other Financing Sources (Uses)					
Proceeds from the sale of capital assets	--	79,364	3,852	45,530	58,947
Lease (right-of-use asset) acquired	--	--	--	--	--
Initiation of Financed Purchases	--	--	--	--	--
Subscription arrangements issued	--	--	--	--	--
Transfers in	2,234,034	2,378,531	2,423,338	2,415,138	2,490,099
Transfers out	--	--	--	--	--
Total Other Financing Sources (Uses)	2,234,034	2,457,895	2,427,190	2,460,668	2,549,046
Net Change in Fund Balances	$ 1,190,382	$ 1,889,780	$ 3,859,944	$ 2,529,857	$ 1,266,680
Debt Service as a Percentage of Non-Capital Expenditures	2.73%	2.58%	2.73%	2.52%	2.57%

(1) The following calculation excludes capital outlay that was not capitalized.

2021	2022	2023	2024	2025
$ 10,225,087	$ 10,824,519	$ 12,174,110	$ 14,000,638	$ 14,149,005
808,381	1,712,304	1,772,609	1,672,777	1,119,027
5,987,404	8,182,678	8,843,227	4,829,744	10,908,198
--	31,882	741	58,409	5,323
2,596,331	2,689,482	3,106,868	3,454,300	3,336,838
327,518	279,918	408,091	254,200	296,656
28,164	45,970	54,851	7,366,300	36,325
14,685	172,763	1,721,284	1,924,797	1,788,370
265,865	322,407	333,080	295,907	351,086
141,047	148,164	74,314	154,601	663,841
20,394,482	24,410,087	28,489,175	34,011,673	32,654,669
3,074,577	3,429,229	3,571,219	3,953,590	4,745,210
9,052,444	9,482,747	10,167,936	11,835,139	13,301,283
1,317,299	1,456,330	1,586,290	1,720,917	1,842,162
2,170,808	2,252,731	2,546,234	2,889,146	3,419,821
63,160	343,657	204,210	251,841	877,534
1,476,280	1,758,484	2,004,560	2,521,425	2,750,611
2,058,602	1,758,633	2,396,280	5,659,765	19,019,593
312,841	386,738	429,550	460,967	461,729
116,494	114,105	103,880	94,373	84,436
19,642,505	20,982,654	23,010,159	29,387,163	46,502,379
751,977	3,427,433	5,479,016	4,624,510	(13,847,710)
20,373	30,306	5,187	21,560	15,729
--	35,590	38,755	49,156	--
--	294,712	--	--	--
--	--	117,961	--	--
2,717,733	2,935,026	3,122,591	8,613,988	4,189,000
(68,581)	(934,611)	(1,025,695)	(8,880,452)	(4,055,345)
2,669,525	2,361,023	2,258,799	(195,748)	149,384
$ 3,421,502	$ 5,788,456	$ 7,737,815	$ 4,428,762	$ (13,698,326)
2.44%	2.61%	2.66%	1.89%	1.17% (1)

VILLAGE OF PALM SPRINGS, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Taxes	Utility Service Taxes	Franchise Fees	Sales Taxes [1]	Business Taxes	Total
2016	$ 3,548,352	$ 2,590,541	$ 1,386,765	$ 1,666,296	$ 343,981	$ 9,535,935
2017	3,875,182	2,718,868	1,542,656	2,775,694	362,931	11,275,331
2018	4,326,702	2,763,893	1,597,049	3,539,375	395,733	12,622,752
2019	4,593,448	2,787,134	1,565,493	3,593,496	386,375	12,925,946
2020	4,905,214	2,790,188	1,505,749	3,380,088	394,669	12,975,908
2021	5,282,944	2,900,695	1,564,478	3,947,486	408,662	14,104,265
2022	5,440,257	3,044,674	1,831,837	4,765,126	419,767	15,501,661
2023	6,105,979	3,368,709	2,083,730	5,408,686	402,306	17,369,410
2024	6,428,042	3,445,247	1,911,214	5,799,893	395,383	17,979,779
2025	7,008,209	3,647,796	1,840,773	5,857,611	386,359	18,740,748

(1) In 2017 the Village began receiving the proceeds of a local option sales tax approved by voters for a 10 year period to finance local infrastructure capital projects.

VILLAGE OF PALM SPRINGS, FLORIDA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Assessed Values Real Property	Assessed Values Personal Property	Total Taxable Assessed Value [1]	Total Direct Village Rate	Estimated Actual Taxable Value [1]
2016	$ 766,908,222	$ 54,396,561	$ 821,304,783	4.4484	$ 864,531,351
2017	861,187,815	52,677,032	913,864,847	4.3930	961,962,997
2018	1,054,443,560	55,112,685	1,109,556,245	4.0562	1,167,954,409
2019	1,160,721,571	60,657,553	1,221,379,124	3.8777	1,285,662,236
2020	1,255,996,692	68,819,182	1,324,815,874	3.8381	1,394,543,025
2021	1,365,342,503	72,853,251	1,438,195,754	3.8104	1,513,890,267
2022	1,410,052,742	75,122,778	1,485,175,520	3.7994	1,563,342,653
2023	1,594,937,543	83,441,381	1,678,378,924	3.7639	1,766,714,656
2024	1,808,641,226	94,018,755	1,902,659,981	3.7319	1,878,564,898
2025	1,985,017,104	86,692,464	2,071,709,568	3.6922	1,899,811,716

[1] The basis of assessed taxable value is approximately one hundred percent (100%) of actual taxable value, which is reduced for allowable exemptions. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

Source: Palm Beach County Property Appraiser's Office.

VILLAGE OF PALM SPRINGS, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	General Fund	Debt Service	Total Village Millage	School District	Palm Beach County	Palm Beach County Fire Rescue	Special Taxing Districts	Total All
2016	3.9000	0.5484	4.4484	7.5120	4.9277	3.4581	2.0974	22.4436
2017	3.9000	0.4930	4.3930	7.0700	4.9142	3.4581	1.9453	21.7806
2018	3.6500	0.4062	4.0562	6.7689	4.9024	3.4581	1.7817	20.9673
2019	3.5000	0.3777	3.8777	6.5720	4.8980	3.4581	1.6920	20.4978
2020	3.5000	0.3381	3.8381	7.1640	4.8500	3.4581	1.6800	20.9902
2021	3.5000	0.3104	3.8104	7.0100	4.8124	3.4581	1.6753	20.7662
2022	3.5000	0.2994	3.7994	6.8750	4.8149	3.4581	1.6386	20.5860
2023	3.5000	0.2639	3.7639	6.5190	4.7439	3.4581	1.5390	20.0239
2024	3.5000	0.2319	3.7319	6.4570	4.5188	3.4581	1.4258	19.5916
2025	3.5000	0.1922	3.6922	6.3210	4.5330	3.4581	0.7479	18.7522

Tax rate limits	- Ten mills per Florida Statute 200.81 (one mill equals $1 per $1,000 of assessed valuation).
Scope of tax rate limit	- No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.
Taxes assessed	- January 1
Taxes due	- March 31
Taxes delinquent	- April 1
Discount allowed	- 4% November; 3% December; 2% January; 1% February
Penalties for delinquent	- 2.5% after April 1, increase .5% each ten days; maximum 5%
Tax collector	- Palm Beach County
Tax collector's commission	- None

VILLAGE OF PALM SPRINGS, FLORIDA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	2025			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
2085 S Congress Owner LLC	$ 59,992,521	$ 1,233,895	1	1.97 %
Morguard Emerald Apartments LLC	49,849,658	1,054,557	2	1.64
Oxygen Holdings LLC	39,102,386	788,856	3	1.28
Coronado Springs LLC	33,549,686	747,605	4	1.10
Florida Power & Light Co	31,798,599	617,111	5	1.04
Phillips Lake Worth	26,086,125	592,350	6	0.86
Regency Centers LP	26,016,875	581,507	7	0.85
Jerjo, Inc	22,043,663	472,902	8	0.72
Four FLA Shopping Center Prop Ltd	20,406,682	470,840	9	0.67
Woodhaven LLC	18,794,688	443,012	10	0.62
555 Kirk LLC	--	--	-	-
Equity One, Inc	--	--	-	-
Walmart Stores East LP	--	--	-	-
Portofino Associates, Ltd	--	--	-	-
Advenir at Pines LLC	--	--	-	-
Totals	$ 327,640,883	$ 7,002,637		10.76%

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

2016			
Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
$ --	$ --	-	- %
--	--	-	-
18,450,137	82,074	1	2.26
--	--	-	-
18,314,442	81,470	2	2.25
12,500,000	55,605	5	1.53
--	--	-	-
--	--	-	-
7,800,000	34,698	9	0.96
7,313,889	32,535	10	0.90
15,783,162	70,210	4	1.94
16,025,884	70,402	3	1.77
10,105,282	44,952	6	1.24
9,750,000	43,372	7	1.20
8,603,915	38,274	8	1.06
$ 124,646,711	$ 553,592		15.11%

VILLAGE OF PALM SPRINGS, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Net Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
2016	$ 3,626,644	$ 3,850,045	106.16	$ 25,137	$ 3,875,182	106.85 %
2017	3,998,600	4,321,159	108.07	5,543	4,326,702	108.21
2018	4,501,583	4,324,653	96.07	2,049	4,593,448	102.04
2019	4,737,097	4,567,270	96.41	26,178	4,593,448	96.97
2020	5,085,728	4,897,102	96.29	8,112	4,905,214	96.45
2021	5,480,928	5,265,848	96.08	17,096	5,282,944	96.39
2022	5,625,830	5,435,299	96.61	4,958	5,440,257	96.70
2023	6,318,133	6,092,566	96.43	13,413	6,105,979	96.64
2024	7,256,818	6,422,286	88.50	5,756	6,428,042	88.58
2025	7,248,691	6,945,217	95.81	62,992	7,088,209	96.68

Note: All property taxes are assessed and collected by Palm Beach County without charge to the Village.
Collections are distributed in full as collected.

(1) Tax levy, net of allowance for discounts.

VILLAGE OF PALM SPRINGS, FLORIDA
WATER AND SEWER REVENUE BASE
LAST TEN FISCAL YEARS

Fiscal Year Ended 30,	Water		Number of Active Water Customer Accounts	Wastewater		Number of Active Wastewater Customer Accounts
	Gallons Consumed (1)	Base Rate (2)		Gallons Treated (1)	Base Rate (3)	
2016	1,436,737	$ 21.88	12,588	1,051,102	$ 35.58	11,590
2017	1,560,048	22.85	12,604	1,058,776	37.19	11,653
2018	1,407,411	23.89	12,658	1,112,553	38.86	11,606
2019	1,397,500	24.47	13,569	1,097,192	39.85	12,501
2020	1,496,422	24.47	13,696	1,120,147	39.85	12,597
2021	1,402,821	24.71	13,829	1,117,364	40.24	12,741
2022	1,360,495	25.69	13,852	1,199,952	41.85	12,765
2023	1,400,505	27.79	13,167	1,240,751	45.24	12,225
2024	1,434,089	27.79	13,175	1,300,977	45.24	12,276
2025	1,464,745	27.79	14,281	1,374,605	45.24	12,720

(1) Gallons are in thousands.

(2) The base water rate is for a residential customer located inside the Village incorporated area consuming 4,000 gallons a month.

(3) The base wastewater rate is for a residential customer located inside the Village incorporated area using 4,000 gallons a month.

Source: Village of Palm Springs Utility Department.

VILLAGE OF PALM SPRINGS, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-type Activities					
Fiscal Year	General Obligation Note Payable	Leases (Right-of-use assets)	Financing Leases	Subscription Arrangements	Water & Sewer Notes Payable	Leases (Right-of-use assets)	Subscription Arrangements	Total [1] Primary Government	Percentage of Personal Income [2]	Per Capita
2016	$ 5,267,809	$ --	$ --	$ --	$ 12,622,479	$ --	$ --	$ 17,890,288	2.46	$ 803
2017	4,983,329	--	--	--	12,012,643	--	--	16,995,972	2.04	757
2018	4,692,010	--	--	--	11,408,224	--	--	16,100,234	1.94	694
2019	4,393,687	--	--	--	10,775,261	--	--	15,168,948	1.65	652
2020	4,088,191	--	--	--	10,141,450	--	--	14,229,641	1.48	607
2021	3,775,350	--	--	--	9,489,094	--	--	13,264,444	1.41	563
2022	3,454,987	25,564	238,363	--	8,817,652	7,016	--	12,543,582	1.20	526
2023	3,126,922	43,883	180,746	94,529	8,126,564	11,423	15,900	11,599,967	0.96	427
2024	2,790,970	62,811	121,833	58,655	7,415,256	16,016	--	10,465,541	0.95	222
2025	2,446,941	34,239	61,594	29,767	6,683,136	10,500	--	9,130,077	1.00	209

Note: Details about the Village's outstanding debt can be found in the notes to the financial statements. The debt for the business-type activities represents debt for our water treatment plants and wastewater collection and transmission system. These facilities serve our residents, as well as non-residents on our water and sewer utility system.

(1) The Village does not have a legal debt margin.

(2) Based on personal income information for Palm Beach County, Florida. Personal income information is not available for the Village.

VILLAGE OF PALM SPRINGS, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Assessed Value of Taxable Property	Percentage of Assessed Value of Taxable Property	Population	Per Capita
2016	$ --	$ --	$ --	$ 821,304,783	0.00	22,282	$ --
2017	--	--	--	913,864,847	0.00	22,458	--
2018	--	--	--	1,109,556,245	0.00	23,193	--
2019	--	--	--	1,221,379,124	0.00	23,250	--
2020	--	--	--	1,324,815,874	0.00	23,448	--
2021	--	--	--	1,438,195,754	0.00	23,560	--
2022	--	--	--	1,485,175,520	0.00	23,867	--
2023	--	--	--	1,678,378,924	0.00	26,904	--
2024	--	--	--	1,902,659,981	0.00	26,924	--
2025	--	--	--	2,071,709,568	0.00	28,548	--

Note: The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

VILLAGE OF PALM SPRINGS, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2024

	Total Outstanding	Percentage Applicable to Village of Palm Springs [1]	Amount Applicable to Village of Palm Springs
Direct:			
Village of Palm Springs	$ 2,572,541	100.00%	$ 2,572,541
Overlapping:			
Palm Beach County	15,943,706	0.54%	86,096
Palm Beach County School District	--	0.54%	--
Total overlapping debt	15,943,706		86,096
Total Direct and Overlapping Debt Payable from Ad Valorem Taxes			$ 2,658,637
Estimated population			26,924
Total Direct and Overlapping Debt Per Capita			**$ 98.75**

[1] Estimates based on 2025 ratio of assessed taxable values.

Note: The Village of Palm Springs has no legal debt margin.

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

VILLAGE OF PALM SPRINGS, FLORIDA
WATER AND SEWER UTILITY PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Gross Revenue*	Operating Expenses**	Revenue Available for Debt Coverage	Current Debt Service	Current Coverage
2016	$ 20,194,481	$ 9,828,868	$ 10,365,613	$ 907,891	11.42
2017	20,126,145	10,628,234	9,497,911	907,891	10.46
2018	20,750,821	11,253,134	9,497,687	907,891	10.46
2019	22,076,264	12,244,926	9,831,338	959,410	10.25
2020	21,443,640	12,295,481	9,148,159	942,237	9.71
2021	22,353,835	11,727,646	10,626,189	942,237	11.28
2022	23,021,705	12,878,916	10,142,789	942,237	10.76
2023	26,951,484	14,909,743	12,041,741	942,237	12.78
2024	27,639,806	22,566,489	5,073,317	942,237	5.38
2025	27,007,892	22,197,071	4,810,821	942,237	19.59

* Includes investment revenues, miscellaneous revenue and capital contributions.

** Excludes depreciation and amortization expense.

VILLAGE OF PALM SPRINGS, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population[1]	Per Capita Personal Income[2]	Estimated Total Personal Income[3]	Median Age[2]	Education Level in Years of Formal Schooling	School Enrollment[2]	Unemploy-ment Rate[2]
2016	22,458	$ 37,047	$ 832,001,526	37.1	N/A	193,000	4.4
2017	23,193	35,732	828,732,276	44.5	N/A	174,000	3.0
2018	23,250	39,508	918,561,000	44.7	N/A	176,000	2.9
2019	23,448	40,888	958,741,824	44.8	N/A	169,250	7.0
2020	23,560	39,933	940,821,480	44.9	N/A	167,378	5.0
2021	23,867	43,733	1,043,775,511	45.0	N/A	167,560	6.5
2022	23,867	43,733	1,043,775,511	45.0	N/A	167,560	6.5
2023	26,904	44,257	1,190,690,328	45.4	N/A	209,325	2.9
2024	26,924	50,998	1,072,908,000	45.2	N/A	209,706	3.3
2025	27,928	50,180	1,799,479,900	45.2	N/A	202,614	4.5

Data Sources:

(1) The population for 2013 through 2022 was obtained from the University of Florida, Bureau of Economic Business Administration.

(2) Information provided by the Business Development Board of Palm Beach County. Information is for Palm Beach County, Florida. Information is not available for the Village.

(3) Total personal income information estimated based on per capita personal income for Palm Beach County, Florida.

N/A - Not Available.

VILLAGE OF PALM SPRINGS, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2025[1]			2016[1]		
Employer	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Palm Beach County School District	22,801	1	N/A	21,656	1	N/A
Baptist Health South Florida	6,773	2	N/A	--	--	--
Florida Atlantic University	6,335	3	N/A	2,529	6	N/A
NextEra Energy (formerly FPL)	6,139	4	N/A	4,005	4	N/A
Palm Beach County	6,130	5	N/A	5,507	2	N/A
Tenet Healthcare Corp.	5,734	6	N/A	4,595	3	N/A
Veterans Health	2,948	7	N/A	--	--	--
Hospital Corp of America - HCA	2,850	8	N/A	3,476	5	N/A
Jupiter Medical Center	2,495	9	N/A	2,195	8	N/A
The Breakers	2,400	10	N/A	2,000	10	N/A
Office Depot	--	--	--	--	--	--
Boca Raton Regional Hospital	--	--	--	2,500	7	N/A
Bethesda Health Inc	--	--	--	2,150	9	N/A
Totals	64,605			50,613		

[1] Source: Business Development Board of Palm Beach County. Data is for Palm Beach County, Florida. Employment information for the Village is not available.

N/A - Not Available.

VILLAGE OF PALM SPRINGS, FLORIDA
FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	15.5	15.5	11.5	17.5	18	21.5	19	23	24	24
Public safety **(a)**										
Building official	1	1	-	-	-	-	-	-	1	1
Planning, zoning & building	6	6	6.5	7	6	6	6	8	7	
Police officers	42	42	43	38	43	43	39	42	46	49
Civilian police	19	21	19	25	23.5	21	23	23	27	26.5
Transportation	12	18	16	19	18	20	21	22	25	25
Culture/recreation										
Library	10.5	10	10.5	9	9	7	9	8.5	8.5	12.5
Parks & recreation	6	7	7.5	6.5	6	6	6	6	10	11
Economic Development	-	-	-	-	-	-	-	1	1	
Water & Sewer Utility	65	59.5	59.5	59.5	60	61	55	55	62.5	63.5
Stormwater Utility	-	-	-	-	-	-	-	1	1	2
Total	177.0	180.0	173.5	181.5	183.5	185.5	178.0	189.5	213.00	214.80

Sources: Village departments
(a) The Village contracted with Palm Beach County for fire-rescue services effective October 1, 2009.

VILLAGE OF PALM SPRINGS, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year Function	2016	2017	2018	2019
Public Safety				
Police				
Physical arrests	1,005	815	759	543
Parking violations	19	38	16	15
Traffic violations	10,501	5,928	4,153	4,612
Fire (a)				
Sanitation (b)				
Roads and Streets				
Street resurfacing (miles)	3.93	3.1	2.1	1.3
Pot holes repaired	973	52	48	35
Culture/Recreation				
Library				
Circulation	49,159	37,613	31,175	26,519
Active cardholders	3,475	3,245	3,262	4,001
Reference questions	40,945	32,736	39,272	36,024
Programs offered	335	360	350	242
Program attendance	876	9,170	9,329	5,174
Total library visitors	80,498	78,896	70,553	61,505
Parks and Recreation				
Baseball participants	80	83	68	52
Soccer participants	165	161	147	101
Flag football participants	234	187	156	156
Cheerleading participants	--	--	--	--
Basketball participants	255	220	170	162
Youth athletic participants	734	651	541	471
Adult flag football	--	--	--	--
Camp program participants	486	394	696	892
Travel Club members	196	115	146	119
Special event participants	7,380	2,610	6,085	6,480
Facility rentals	1,150	237	133	157
Water/Sewer Utility				
Water accounts	12,588	12,604	12,658	12,982
Water customers	20,152	20,178	19,985	20,251
Water main breaks	4	10	3	--
Sewer accounts	11,590	11,653	11,606	12,043
Sewer customers	18,921	19,028	18,770	19,274
Avg daily water consumption (thousands of gallons)	3,926	3,960	3,627	3,561

Sources: Village departments

N/A: Not available.

(a) The Village contracted with Palm Beach County for fire-rescue services effective October 1, 2009.

(b) The Village privatized sanitation operations effective April 1, 2008.

2020	2021	2022	2023	2024	2025
434	457	517	608	493	476
23	95	146	73	106	102
5,000	6,392	6,167	9,336	10,848	7,511
1.2	1.32	1.04	1.04	1.1	1
27	17	20	29	30	15
13,642	15,913	21,796	27,236	32,386	3,919
6,380	18,682	14,119	6,535	6,440	3,435
17,942	5,386	5,806	9,093	8,668	3,074
268	197	354	425	409	228
6,495	4,227	5,318	10,298	12,090	7,176
31,102	26,035	39,673	35,783	40,513	18,749
--	--	--	--	--	--
210	154	--	156	200	367
141	70	15	42	60	56
--	--	--	--	--	--
--	93	72	57	64	61
351	317	87	255	224	484
--	--	--	--	400	420
272	374	597	229	256	140
59	38	55	54	184	48
3,750	3,000	5,000	6,500	51	18,000
79	130	710	713	16,500	285
13,037	13,089	13,851	13,167	13,175	14,281
20,300	20,413	20,334	20,561	20,829	21,068
3	6	5	4	5	6
12,100	12,152	12,765	12,225	12,276	12,720
19,239	19,332	19,279	19,540	19,772	19,526
3,397	3,843	3,727	3,837	3,929	4,013

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

Fiscal Year Function	2016	2017	2018	2019
Public Safety				
Police				
Stations	1	1	1	1
Patrol units	61	61	63	64
Fire (a)				
Sanitation (b)				
Garbage trucks	1	1	1	1
Trash trucks	1	1	1	1
Roads and Streets				
Street lights	81	81	81	81
Lane miles	78.08	77.76	77.76	77.76
Culture/Recreation				
Library				
Books	51,928	44,420	53,738	40,878
Leisure Services				
Ballfields - lighted	4	4	4	4
Basketball courts	3	3	3	3
Soccer fields	4	4	4	4
Tennis courts	4	4	4	4
Pickleball courts	-	-	-	-
Futsal courts	-	-	-	-
Volleyball Courts	-	-	-	-
Mini-golf course	1	1	1	1
Outdoor Fitness Areas	-	-	-	-
Parks	10	10	11	11
Water/Sewer Utility				
Water mains (miles)	130.11	135.3	135.3	135.3
Sanitary sewers (miles)	105.6	114.8	114.8	105.27
Storm sewers (miles)	25.66	14.6	14.6	14.74
Fire hydrants	993	984	984	984
Maximum daily water treatment capacity (thousands of gallons)	10,000	10,000	10,000	10,000

Sources: Village departments
N/A: Not available.
(a) The Village contracted with Palm Beach County for fire-rescue services effective October 1, 2009.
(b) The Village privatized sanitation operations effective April 1, 2008.

2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
65	70	73	74	79	82
1	1	-	-	-	
1	1	1	1	-	1
82	82	82	82	82	132
77.76	77.76	77.76	77.76	77.76	77.76
34,816	34,411	39,854	39,661	39,110	31,215
4	4	4	2	2	3
3	3	3	3	3	3
4	4	4	4	4	4
2	2	2	2	2	3
1	4	2	2	2	4
1	1	1	1	1	1
-	-	-	2	2	2
1	1	1	1	1	1
-	-	-	3	3	3
12	12	12	10	10	10
135.57	137.07	137.07	139	139	139
105.82	107.82	107.82	118	118	118
14.8	14.8	14.8	22	22	23.5
993	985	985	993	993	993
10,000	10,000	10,000	10,000	10,000	10,000

VILLAGE OF PALM SPRINGS, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2025

Company	Policy Number	Type of Coverage	Property Covered	Amount of Coverage
FMIT#0459	U711-50850 General & Police	Fiduciary liability	Pension trustees	$1,000,000
FMIT#0459	PROP DEC 1013 PROP02-1013	Property inland marine	Village property	$22,248,869
FMIT#0459	SEGL 1013	General liability	Village property	$1,000,000 $2,000,000
FMIT#0459	AL 1019 APD 1016	Automobile liability Physical damage	Any Village- Owned vehicles	$1,000,000 per schedule
FMIT#0459	ECLE1021	Crime	Employee theft, dishonesty, forgery	$1,000,000
FMIT#0459	105185397	Fiduciary bond	Chief Financial Officer	$1,000,000
FMIT#0459	EO 1009 LE 1007	Professional liability Professional liability	Public officials Law enforcement	$1,000,000
Hartford Fire Insurance Company	20-GTA-101194	Statutory Accidental Death & Dismemberment	Village employees	$75,000/ $225,000
FMIT#0459	WC EL 1015	Workers compensation	Village employees	Florida Statutes
Allied World Assurance Company	0310-3272	Pollution liability	Village property	$1,000,000/ $20,000,000

REPORTING SECTION

CBIZ CPAs P.C.

2255 Glades Road
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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, Village Council and Village Manager
Village of Palm Springs, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("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 Village of Palm Springs, Florida (the "Village"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated March 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Village of Palm Springs, Florida's (the "Village") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Village's major federal program for the fiscal year ended September 30, 2025. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026

VILLAGE OF PALM SPRINGS
Schedule of Expenditures and Federal Awards
Fiscal Year Ended September 30, 2025

Federal Agency, Pass-Through Entity, Clusters Federal Program	ALN	Contract/ Grant No.	Total Expenditures
U.S. Department of Homeland Security			
Indirect Program:			
Passed through Florida Division of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z5111	$ 4,144
Total U.S. Department of Homeland Security			4,144
U.S. Department of Housing and Urban Development			
Indirect Program:			
Passed through Palm Beach County			
Community Development Block Grant/Entitlement Grants	14.218	R2023-1464	125,051
Community Development Block Grant/Entitlement Grants	14.218	R2024-1572	132,850
Total Community Development Block Grant Entitlement/Special Purpose Grants Cluster			257,901
Total U.S. Department of Housing and Urban Development			257,901
U.S. Department of Justice			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	2019-LEBG-PALM-12L4-113	5,060
Total U.S. Department of Justice			5,060
U.S. Department of Transportation			
Direct Program:			
Safe Streets and Roads for All (SS4A)	20.939	693JJ32440338	200,000
Total U.S. Department of Transportation			200,000
U.S. Department of Treasury			
Indirect Program:			
Passed through State of Florida - Florida Division of Emergency Management			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Y5254	2,500,204
Total United States Department of the Treasury			2,500,204
Total Expenditures of Federal Awards			**$ 2,967,309**

Note: No amounts were provided to subrecipients.

See notes to Schedule of Expenditures of Federal Awards.

VILLAGE OF PALM SPRINGS, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the expenditures activity of all federal awards of the Village of Palm Springs, Florida (the "Village") for the fiscal year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the Village.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – SUBRECIPIENTS

No amounts were provided to subrecipients during the fiscal year ended September 30, 2025.

VILLAGE OF PALM SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified Opinion*
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiency(ies) identified?	____ Yes _X_ None reported
Non-compliance material to financial statements noted?	____ Yes _X_ No

Federal Awards

Internal control over major federal program:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiency(ies) identified?	____ Yes _X_ None reported
Type of auditors' report issued on compliance for Major federal program:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes _X_ No

Identification of Federal Major Program:

ALN	Federal Program:
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B federal programs:	$1,000,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	_X_ Yes ____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

VILLAGE OF PALM SPRINGS, 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 FINDINGS AND QUESTIONED COSTS

None.

CBIZ CPAs P.C.

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

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

Report on the Financial Statements

We have audited the financial statements of the Village of Palm Springs, Florida (the "Village"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 27, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; 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 March 27, 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 made 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 of the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Village has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Village did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Village. It is management's responsibility to monitor the Village's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. The financial condition assessment was performed as of fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Village's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2025, the PACE program did not operate within the Village'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 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 have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor, Village Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 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, Village Council and Village Manager
Village of Palm Springs, Florida

We have examined the Village of Palm Springs, Florida (the "Village") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2025. Management of the Village is responsible for the Village's compliance with the specified requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Village complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Village complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the Village's compliance with specified requirements.

In our opinion, the Village complied, in all material respects, with Section 218.415, Florida Statutes, for the fiscal year ended September 30, 2025.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

CBIZ CPAs P.C.

Boca Raton, Florida
March 27, 2026

VILLAGE OF PALM SPRINGS
FINANCE DEPARTMENT

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Mara Frederiksen, who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of the Village of Palm Springs which is a local governmental entity of the State of Florida.

2. The governing body of the Village of Palm Springs adopted Ordinance No 2021-03 on June 10, 2021 implementing an impact fee or authorized Village of Palm Springs to receive and expend proceeds of an impact fee implemented by the Village of Palm Springs; after holding two noticed public workshops on May 13, 2021 and June 10, 2021 to discuss the extent to which extraordinary circumstances necessitate and justify the need for an increase in impact fees; and

3. The Village of Palm Springs has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT

Mara Frederiksen

Mara Frederiksen, Finance Director

STATE OF FLORIDA

COUNTY OF PALM BEACH COUNTY

SWORN TO AND SUBSCRIBED before me this 9 day of January, 2026.

NOTARY PUBLIC

Print Name Andrea Medero

Personally known ✓ or produced identification______

ANDREA MEDERO
Notary Public - State of Florida
Commission # HH 610730
My Comm. Expires Nov 7, 2028
Bonded through National Notary Assn.

Type of identification produced: ________________

My Commission Exp November 7, 2028

1 Pursuant to Section 163.31801(8), Florida Statutes, if there is no chief financial officer, the executive officer must sign the affidavit

226 Cypress Lane
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