Saltmarsh
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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

CITY OF BOYNTON BEACH

GENERAL EMPLOYEES' PENSION PLAN

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
City of Boynton Beach General Employees' Pension Plan
Boynton Beach, Florida

Opinion

We have audited the financial statements of the City of Boynton Beach General Employees' Pension Plan (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2024 and 2023, and the related statements of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, information regarding the fiduciary net position of the Plan as of September 30, 2024 and 2023, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibility

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 auditor's report that includes our opinion. 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 Plan'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 Plan'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.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the City of Boynton Beach General Employees' Pension Plan, a pension trust fund of the city of Boynton Beach, Florida (the "City") and are not intended to present fairly the financial position and changes in financial position of the City in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

The Board of Trustees
City of Boynton Beach General Employees' Pension Plan
Boynton Beach, Florida

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 21 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

The Plan has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The additional information on page 27 is presented for the purpose of additional analysis and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated March XX, 2025, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 Plan'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 Plan's internal control over financial reporting and compliance.

Saltmarsh Cleaveland & Gund

Tampa, Florida
March 12, 2025

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024 AND 2023

	2024	2023
Assets:		
Cash	$ 1,350,678	$ 589,438
Receivables:		
Interest	63,801	130,801
Broker-dealers	810,944	64,709
Plan member	-	83,085
Total receivables	874,745	278,595
Prepaid expenses	10,310	838,465
Investments:		
U.S. Government obligations	3,413,839	5,316,094
U.S. Government agency obligations	4,658,164	5,108,111
Corporate bonds	785,639	1,911,733
Equity securities	35,886,619	29,273,672
Equity investment funds	108,560,807	80,920,600
Fixed income investment funds	36,998,215	30,684,345
Real estate investment funds	38,532,071	40,430,672
Temporary investment funds	1,981,731	8,430,534
Total investments	230,817,085	202,075,761
Total Assets	233,052,818	203,782,259
Liabilities:		
Accounts payable	250,841	287,950
Accounts payable, broker-dealers	51,899	56,362
Total Liabilities	302,740	344,312
Net Position Restricted for Pensions	$ 232,750,078	$ 203,437,947

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

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Additions:		
Contributions:		
Employer	$ 5,471,502	$ 5,510,304
Plan member	2,468,561	2,077,280
Total contributions	7,940,063	7,587,584
Investment income:		
Net appreciation in fair value of investments	31,613,266	10,160,507
Interest	4,626,356	4,968,870
Class action revenue	4,134	9,090
Other income	6,080	30,946
Total investment income	36,249,836	15,169,413
Less investment expenses	1,221,094	912,428
Net investment income	35,028,742	14,256,985
Total additions	42,968,805	21,844,569
Deductions:		
Benefits:		
Age and service	11,633,645	11,921,018
DROP accounts	1,510,459	869,117
Refunds	361,991	391,140
Administrative expenses	150,579	171,801
Total deductions	13,656,674	13,353,076
Net Increase in Net Position	29,312,131	8,491,493
Net Position Restricted for Pensions:		
Beginning of year	203,437,947	194,946,454
End of year	$ 232,750,078	$ 203,437,947

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

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of the City of Boynton Beach General Employees' Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

The Plan is a single employer defined benefit pension plan covering all full time general employees of the city of Boynton Beach, Florida (the "City"). The Plan provides for retirement, death and disability benefits. In addition, the Plan is a local law plan subject to provisions of Chapter 112 of the state of Florida Statutes.

The Plan is managed by a seven-member Board of Trustees (the "Board") comprised of the Mayor, the City Manager, two members appointed by the Commission of the City, and three members elected by the Plan membership, one of whom must be a member of a bargaining unit of the City and one of whom must not be a member of a bargaining unit of the City. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations.

At October 1, 2023, the date of the most recent actuarial valuation, the Plan's membership consisted of:

Participants and beneficiaries:	
Currently receiving benefits	425
DROP	37
Terminated employees entitled to but not yet receiving benefits	73
Total	535
Current employees:	
Vested	103
Nonvested	337
Total	440

Pension Benefits - A member may retire with normal benefits after reaching age 62 with 5 years of credited service, age 55 with 25 years of credited service, or with 30 years of credited service regardless of age. Benefits are 3% of the member's final average monthly compensation ("FAMC") times the number of credited service years, up to a maximum of 75% of FAMC.

A member who has reached age 55 with 10 years of credited service or age 52 with 25 years of credited service is eligible for early retirement. Benefits are reduced 3% for each year by which the member's age at retirement precedes their normal retirement age.

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Disability Benefits - Disability benefits are calculated the same as normal retirement benefits based on the member's FAMC and years of credited service at the time of disability. The benefit is payable on the member's early or normal retirement date.

Death Benefits - Members with at least 5 years of credited service are eligible for death benefits. For members with less than 5 years of credited service at the date of death, the benefit is the return of the member's contributions, including interest at an annual rate of 5%.

Refund of Contributions - A participant who terminates employment and is ineligible for pension benefits is refunded his or her accumulated contributions, with interest.

Deferred Retirement Option Plan ("DROP") - Any member who is eligible to receive a normal retirement benefit may elect to participate in a DROP while continuing his or her active employment. Upon participation in the DROP, the member becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the member as a result of retirement are accumulated and invested in the DROP to be distributed to the member upon his or her termination of employment. Participation in the DROP ceases for a member after the earlier of 8 years (5 years prior to October 1, 2023) or 38 years of credited service.

Cost-of-Living Adjustments - The cost-of-living adjustment ("COLA") provides a 5% deferred COLA commencing 5 years after retirement and compounded with additional 5% increases every 3 years thereafter.

Supplemental Benefits - In lieu of receiving a COLA, a supplemental benefit may be paid in years that investment return exceeds the assumed rate of return and the Plan has experienced a cumulative gain. The amount that the investment return exceeds the assumed return will be divided equally among all participants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the Plan are prepared on the accrual basis of accounting.

Basis of Presentation:

The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement 67, *Financial Reporting for Defined Benefit Pension Plans*, and the Codification of Governmental Accounting and Financial Reporting Standards which covers the reporting requirements for defined benefit pensions established by a governmental employer.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Temporary Investment Funds:

The Plan considers money market and demand account bank and broker-dealer deposits as cash. Temporary investments shown on the statements of fiduciary net position are composed of investments in short-term custodial proprietary money market funds.

Valuation of Investments:

The Plan's investments are stated at fair value. See Note 12 for discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year. The net realized and unrealized investment appreciation (depreciation) for the year is reflected in the statements of changes in fiduciary net position.

Custody of Assets:

Custodial and investment services are provided to the Plan under contract with a national trust company having trust powers. The Plan's investment policies are governed by Florida State Statutes and ordinances of the City.

Authorized Plan Investments:

The Board recognizes that the obligations of the Plan are long-term and that its investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the prudent investor rule and Chapter 112 of the Florida Statutes.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, high capitalization common or preferred stocks, foreign stocks, convertible securities, pooled equity funds, high quality bonds or notes, fixed income funds, and real estate funds.

In addition, the Plan's investment limitations include the following:

a. No more than 20% of the Plan's equity securities are to be invested in small or mid-cap stocks.
b. No more than 5% (at cost) of an investment manager's equity portfolio may be invested in any single corporation.
c. No more than 5% (at cost) of an investment manager's fixed income portfolio may be invested in any single corporation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Actuarial Cost Method:

The Plan has elected the Entry Age Normal Cost Method for funding purposes. This method allocates the actuarial present value of each participant's projected benefit on a level basis over the participant's earnings from the date of entry into the Plan through the date of retirement.

Reporting Entity:

The financial statements presented are only for the Plan and are not intended to present the basic financial statements of the City.

The Plan is included in the City's Annual Comprehensive Financial Report ("ACFR") for the years ended September 30, 2024 and 2023, which are separately issued documents. Anyone wishing further information about the City is referred to the City's ACFR.

The Plan is a pension trust fund (fiduciary fund type) of the City which accounts for the single employer defined benefit pension plan for City employees.

Funding Policy:

Members are required to contribute 7% of their compensation to the Plan. Members who remain in DROP longer than 5 years are required to make contributions during years 6 through 8 at the rate of 3% of compensation.

The City's funding policy is to make actuarially computed contributions to the Plan in amounts, such that when combined with participants' contributions, all participants' benefits will be fully provided for by the time that they retire.

A rehired member may buy back no more than 5 years of continuous past service by paying into the Plan the amount of contributions that the participant would otherwise have paid for such continuous past service, plus the interest that would have been earned had such funds been invested by the Plan during that time.

Payment of Benefits:

Benefit payments to participants are recorded upon distribution.

Administrative Expenses:

Plan expenses, including fees and expenses connected with providing administrative services by external service providers, are paid from Plan assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Income Taxes:

A favorable determination letter indicating the Plan is qualified and exempt from federal income taxes has not been requested from the Internal Revenue Service. The Plan's administrator and the Plan's tax counsel believe the Plan is currently designed and is being operated in compliance with the applicable requirements of the Internal Revenue Service Code and, therefore, the Plan continues to qualify under Section 401(a). Therefore, no provision for income taxes is included in the Plan's financial statements.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications:

Certain figures in the financial statements for the fiscal year ended September 30, 2023 have been reclassified to conform to the presentation used in the financial statements for the fiscal year ended September 30, 2024.

Subsequent Events:

Management has considered subsequent events through March 12, 2025, which is the date the financial statements were available to be issued.

NOTE 3 - PLAN TERMINATION

Although it has not expressed an intention to do so, the City may terminate the Plan in accordance with the provisions of the Special Act governing the Plan and the provisions of Florida Statutes §175.361. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each employee in the Plan at such termination date would be non-forfeitable.

NOTE 4 - NET REALIZED AND UNREALIZED APPRECIATION OF INVESTMENTS

The Plan's investments appreciated in value during the years ended September 30, 2024 and 2023 as follows:

	2024	2023
Realized appreciation	$ 2,546,391	$ 2,660,894
Unrealized appreciation	29,066,875	7,499,613
	$ 31,613,266	$ 10,160,507

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits:

The Principal Custody Solutions ("Principal") may periodically hold uninvested cash in its capacity as custodian for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

Asset Allocation:

The Plan's adopted asset allocation policy as of September 30, 2024 is as follows:

Asset Class	Target
Large Cap Domestic Equity	35%
Small/Mid Cap Domestic Equity	15%
International Equity	10%
Real Estate	15%
Fixed Income	25%

The Plan's investments are segregated into separate accounts and managed under separate investment agreements. These accounts give Principal custodianship, but give the individual investment managers the authority to manage the investments.

The investment managers are monitored by the Board and an investment advisor.

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Foreign Tax Withholdings and Reclaims:

Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the United States of America and the applicable foreign jurisdiction, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statements of changes in fiduciary net position. Where treaties allow for a reclaim of taxes, the Fund will make a formal application for refund. Such reclaims are included as an addition to dividend income.

Rate of Return:

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2024 and 2023 the annual money-weighted rate of return was approximately 16.9% and 7.14% respectively.

NOTE 6 - INVESTMENTS

The Plan’s investments at both fair value and cost or adjusted cost as of September 30, 2024 and 2023 are summarized as follows:

	2024		2023	
Investment Type	Cost	Fair Value	Cost	Fair Value
U.S. Government obligations	$ 3,466,863	$ 3,413,839	$ 6,016,335	$ 5,316,094
Mortgage backed securities	4,555,991	4,658,164	5,493,084	5,108,111
Corporate bonds	833,037	785,639	2,258,630	1,911,733
Equity securities	20,519,008	35,886,619	21,272,326	29,273,672
Equity investment funds	71,102,762	108,560,807	66,706,786	80,920,600
Fixed income investment funds	38,270,512	36,998,215	34,477,902	30,684,345
Real estate investment funds	36,618,969	38,532,071	32,740,928	40,430,672
Temporary investment funds	1,981,731	1,981,731	8,430,534	8,430,534
Total investments	$ 177,348,873	$ 230,817,085	$ 177,396,525	$ 202,075,761

NOTE 6 - INVESTMENTS (Continued)

The Plan held the following fixed income investments as of September 30, 2024 and 2023:

Investment Type	Fair Value 2024	Fair Value 2023	Credit Rating	Effective Duration (Years)
U.S. Government obligations	$ 3,413,839	$ 5,316,094	AA+	9.64
U.S. Government agency obligations	4,658,164	5,108,111	AA+	10.17
Corporate bonds	785,639	1,911,733	A	5.62
Fixed income investment funds	36,998,215	30,684,345	N/A	N/A
Temporary investment funds	1,981,731	8,430,534	N/A	N/A
Total	$ 47,837,588	$ 51,450,817		

NOTE 7 - RESTRICTIONS

A portion of the Plan's net position restricted for pensions is designated for benefits that accrue in relation to the DROP accounts. Allocations to the DROP accounts as of September 30, 2024 and 2023 are as follows:

	2024	2023
Restricted for DROP accounts (fully funded)	$ 24,643,132	$ 22,696,572
Restricted for defined benefits	208,106,946	180,741,375
Total net position restricted for pensions	$ 232,750,078	$ 203,437,947

NOTE 8 - PLAN AMENDMENTS

The Plan was amended during the fiscal year ended September 30, 2024, as follows:

Effective October 1, 2023, the maximum period of DROP participation is the earlier of 8 years (previously 5 years) or 38 years of service. Participants who remain in DROP longer than 5 years are required to make contributions during years 6 through 8 at the rate of 3% of compensation.

There were no amendments to the Plan during the fiscal year ended September 30, 2023.

NOTE 9 - ACTUARIAL ASSUMPTION CHANGES

The following assumptions were changed during the fiscal year ended September 30, 2024:

The assumed investment return assumption was reduced by 0.1% from 6.7% to 6.6%, compounded annually and net of investment expenses. This assumption is scheduled to be reduced by 0.1% one more time next year (to the target investment return assumption of 6.5%). This assumption change was accompanied by a change in the load on normal retirement liabilities from 1.6% to 2.2% for active members hired prior to 2020, and a change in the load on current DROP balances from 2.3% to 3% to value the additional liabilities resulting from having a 7% guaranteed interest crediting rate in the DROP (with an assumed rate of return in the Plan of 6.6%).

The above changes caused an increase in the required employer contribution of 1.08% of covered payroll, or $354,450.

The following assumptions were changed during the fiscal year ended September 30, 2023:

The assumed investment return assumption was reduced by 0.1% from 6.8% to 6.7%, compounded annually and net of investment expenses. This assumption is scheduled to be reduced by 0.1% per year each year until a target of 6.5% is reached. Results include a 0.9% load on normal retirement liabilities and a 2% load on DROP balances to value additional liabilities resulting from a 7% guaranteed interest crediting rate in the DROP (with an assumed rate of return in the Plan of 6.7%).

The above changes caused an increase in the required employer contribution of 1.15% of covered payroll, or $309,305.

NOTE 10 - ACTUARIAL METHOD CHANGES

There were no actuarial method changes during the fiscal years ended September 30, 2024 and 2023.

NOTE 11 - RISK AND UNCERTAINTIES

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

NOTE 11 - RISK AND UNCERTAINTIES (Continued)

Plan contributions are made and the actuarial present value of the net pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE

Fair Value Hierarchy:

GASB Statement 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices in inactive markets, and other inputs that are observable or corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Plan has the following recurring fair value measurements as of September 30, 2024 and 2023:

- *U.S. Government obligations, equity securities, equity investment funds, fixed income investment funds, temporary investment funds* - Valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.
- *U.S. Government agency obligations, corporate bonds, equity securities, equity investment funds* - Valued with Matrix pricing used by International Data Pricing and Reference Data, LLC.
- *Fixed income funds and real estate investment funds* - Valued at the NAV per unit of the Plan's ownership interest. The NAV is used as a practical expedient to estimate fair value. These funds are excluded from the fair value hierarchy.

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

Investment Type	Level 1	Level 2	Level 3	2024
U.S. Government obligations	$ 3,413,839	$ -	$ -	$ 3,413,839
U.S. Government agency obligations	-	4,658,164	-	4,658,164
Corporate bonds	-	785,639	-	785,639
Equity securities	33,357,743	2,528,876	-	35,886,619
Equity investment funds	81,013,994	27,546,813	-	108,560,807
Fixed income investment funds	21,583,104	-		21,583,104
Temporary investment funds	1,981,731	-	-	1,981,731
Total investments by fair value level	$ 141,350,411	$ 35,519,492	$ -	176,869,903
Investments Measured at NAV:				
Fixed income investment funds				15,415,111
Real estate investment funds				38,532,071
				53,947,182
Total, September 30, 2024				$ 230,817,085

Investments Measured at NAV	2024 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed income investment funds:				
Serenitas Credit Gamma Fund	$ 10,918,266	$ -	Quarterly	60 days
ATEL Private Debt Partners III Fund	2,210,761	2,800,000	Quarterly	60 days
PennantPark Credit Opportunities Fund IV, LP	2,286,084	2,182,039	Quarterly	60 days
	15,415,111	4,982,039		
Real estate investment funds:				
Affiliated Housing Impact Fund	5,610,293	1,076,156	Quarterly	60 days
Cohen & Steers Opportunities TE Fund	2,323,473	2,138,468	Quarterly	60 days
J.P. Morgan Strategic Property Fund	17,605,720	-	Quarterly	60 days
J.P. Morgan Special Situation Property Fund	11,435,714	-	Quarterly	60 days
Principal Green Property Fund III, LP	1,556,871	3,425,373	Quarterly	60 days
	38,532,071	6,639,997		
Total investments measured at NAV	$ 53,947,182	$ 11,622,036		

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

Investment Type	Level 1	Level 2	Level 3	2023
U.S. Government obligations	$ 5,316,094	$ -	$ -	$ 5,316,094
U.S. Government agency obligations	-	5,108,111	-	5,108,111
Corporate bonds	-	1,911,733	-	1,911,733
Equity securities	27,795,578	1,478,094	-	29,273,672
Equity investment funds	59,853,473	21,067,127	-	80,920,600
Fixed income investment funds	18,781,883	-	-	18,781,883
Temporary investment funds	8,430,534	-	-	8,430,534
Total investments by fair value level	$ 120,177,562	$ 29,565,065	$ -	149,742,627
Investments Measured at NAV:				
Fixed income investment funds				11,902,462
Real estate investment funds				40,430,672
				52,333,134
Total, September 30, 2023				$ 202,075,761

Investments Measured at NAV	2023 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed income investment funds:				
Serenitas Credit Gamma Fund	$ 10,348,398	$ -	Quarterly	60 days
PennantPark Credit Opportunities Fund IV, LP	1,554,064	2,182,039	Quarterly	60 days
	11,902,462	2,182,039		
Real estate investment funds:				
Affiliated Housing Impact Fund	2,578,690	-	Quarterly	60 days
Cohen & Steers Opportunities TE Fund	1,821,305	-	Quarterly	60 days
J.P. Morgan Strategic Property Fund	21,304,835	-	Quarterly	60 days
J.P. Morgan Special Situation Property Fund	14,725,842	-	Quarterly	60 days
	40,430,672	-		
Total investments measured at NAV	$ 52,333,134	$ 2,182,039		

NOTE 13 - NET PENSION LIABILITY OF THE CITY

The components of the net pension liability of the City as of September 30, 2024 and 2023, were as follows:

	2024	2023
Total pension liability	$ 252,418,896	$ 235,246,966
Plan fiduciary net position	(232,750,078)	(203,437,947)
City's net pension liability	$ 19,668,818	$ 31,809,019
Plan fiduciary net position as a percentage of total pension liability	92.21%	86.48%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2023, using the following actuarial assumptions applied to all measurement periods.

Inflation	2.5%
Salary increases	3.25% to 8.10%, depending on years of service, including inflation
Investment rate of return	6.6%

Mortality Rate Pre-Retirement:
Female: PUB-2010 Headcount Weighted General Below Median Employee Mortality Table
Male: PUB-2010 Headcount Weighted General Below Median Employee Mortality Table, set back 1 year
Mortality Rate Post-Retirement:
Female: PUB-2010 Headcount Weighted General Below-Median Healthy Retiree Mortality Table
Male: PUB-2010 Headcount Weighted General Below-Median Healthy Retiree Mortality Table, set back 1 year
Mortality Rate Disabled Retirees:
PUB-2010 Headcount Weighted General Disabled Retiree Table, with ages set forward 3 years

All rates for pre-retirement and post-retirement lives are projected generationally with Mortality Improvement Scale MP-2018. The previously described mortality assumption rates were mandated by Florida Statutes Chapter 112.63. This law mandates the use of assumptions used in either of the two most recent valuations of the Florida Retirement System (“FRS”). The above rates are outlined in the July 1, 2022, FRS valuation report for regular class members.

NOTE 13 - NET PENSION LIABILITY OF THE CITY (Continued)

The long-term expected rate of return on Plan investments was determined by the investment advisor. Best estimates of real rates of return for each major asset class included the Plan's target asset allocation as of September 30, 2024 are as follows:

Asset Class	Target	Long Term Expected Real Rate
Large Cap Domestic Equity	35%	4.52%
Small/Mid Cap Domestic Equity	15%	5.06%
International Equity	10%	5.08%
Real Estate	15%	3.73%
Fixed Income	25%	2.44%

Discount Rate:

The discount rate used to measure the total pension liability was 6.6%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the differences between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the net pension liability of the City, calculated using the discount rate of 6.6%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.6%) or 1-percentage-point higher (7.6%) than the current rate:

	1% Decrease 5.6%	Current Single Discount Rate 6.6%	1% Increase 7.6%
City's net pension liability (asset)	$ 50,597,865	$ 19,668,818	$ (3,741,213)

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Certain members of the Plan are entitled to refunds of their accumulated contributions, with interest, upon termination of employment with the City prior to being eligible for pension benefits. The portion of these contributions which are refundable to participants who may terminate with less than 5 years of service has not been determined.

REQUIRED SUPPLEMENTAL SCHEDULES

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CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2024	2023	2022	2021
Total pension liability:				
Service cost	$ 5,052,115	$ 4,050,362	$ 3,826,048	$ 4,091,360
Interest	15,647,584	15,374,660	14,922,024	14,926,445
Benefit changes	402,464	-	-	-
Difference between expected and actual experience	6,746,691	(2,137,078)	1,624,038	(301,927)
Assumption changes	2,803,751	2,474,774	2,340,599	(474,328)
Benefit payments	(13,144,104)	(12,790,135)	(12,666,641)	(11,689,646)
Refunds	(361,991)	(391,140)	(412,986)	(369,098)
Other (contributions toward elective benefits)	25,420	27,313	30,150	28,660
Net change in total pension liability	17,171,930	6,608,756	9,663,232	6,211,466
Total pension liability, beginning	235,246,966	228,638,210	218,974,978	212,763,512
Total pension liability, ending (a)	$ 252,418,896	$ 235,246,966	$ 228,638,210	$ 218,974,978
Plan fiduciary net position:				
Contributions - employer	5,471,502	5,510,304	7,134,561	$ 7,468,676
Contributions - members	2,468,561	2,077,280	1,878,542	1,789,284
Net investment income (loss)	35,028,742	14,256,985	(30,006,741)	38,062,305
Benefit payments	(13,144,104)	(12,790,135)	(12,666,641)	(11,689,646)
Refunds	(361,991)	(391,140)	(412,986)	(369,098)
Administrative expenses	(150,579)	(171,801)	(153,564)	(161,047)
Net change in plan fiduciary net position	29,312,131	8,491,493	(34,226,829)	35,100,474
Plan fiduciary net position - beginning	203,437,947	194,946,454	229,173,283	194,072,809
Plan fiduciary net position - ending (b)	$ 232,750,078	$ 203,437,947	$ 194,946,454	$ 229,173,283
Net pension liability (asset) (a) - (b)	$ 19,668,818	$ 31,809,019	$ 33,691,756	$ (10,198,305)

2020	2019	2018	2017	2016	2015
$ 3,594,993	$ 3,461,314	$ 3,435,186	$ 3,115,194	$ 2,990,326	$ 2,954,646
14,494,818	14,109,905	13,626,918	12,836,669	12,699,614	11,691,291
-	-	-	-	-	5,680,646
244,463	(276,923)	484,186	2,006,523	(4,891,541)	1,191,720
1,947,549	2,245,392	1,800,889	4,538,235	-	-
(11,459,963)	(10,299,754)	(9,810,800)	(9,609,277)	(8,304,937)	(7,593,403)
(199,848)	(261,878)	(158,309)	(139,840)	(211,319)	(191,378)
28,902	28,664	30,897	34,453	36,826	40,842
8,650,914	9,006,720	9,408,967	12,781,957	2,318,969	13,774,364
204,112,598	195,105,878	185,696,911	172,914,954	170,595,985	156,821,621
$ 212,763,512	$ 204,112,598	$ 195,105,878	$ 185,696,911	$ 172,914,954	$ 170,595,985
$ 7,289,319	$ 7,320,463	$ 7,110,298	$ 6,951,693	$ 7,615,053	$ 7,273,068
1,687,097	1,564,653	1,532,846	1,520,068	1,450,369	1,439,239
12,885,168	6,115,140	15,250,355	17,730,273	16,354,236	1,605,790
(11,459,963)	(10,299,754)	(9,810,800)	(9,609,277)	(8,304,937)	(7,593,403)
(199,848)	(261,878)	(158,309)	(139,840)	(211,319)	(191,378)
(147,348)	(141,005)	(137,738)	(144,179)	(141,114)	(142,577)
10,054,425	4,297,619	13,786,652	16,308,738	16,762,288	2,390,739
184,018,384	179,720,765	165,934,113	149,625,375	132,863,087	130,472,348
$ 194,072,809	$ 184,018,384	$ 179,720,765	$ 165,934,113	$ 149,625,375	$ 132,863,087
$ 18,690,703	$ 20,094,214	$ 15,385,113	$ 19,762,798	$ 23,289,579	$ 37,732,898

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF RATIOS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2015	77.88%	$ 19,977,100	188.88%
2016	86.53%	20,193,471	115.33%
2017	89.36%	21,223,071	93.12%
2018	92.11%	21,456,414	71.70%
2019	90.16%	21,942,700	91.58%
2020	91.22%	23,688,500	78.90%
2021	104.66%	25,151,771	-40.55%
2022	85.26%	26,405,600	127.59%
2023	86.48%	29,285,243	108.62%
2024	92.21%	34,902,014	56.35%

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	$ 7,273,067	$ 7,273,068	$ (1)	$ 19,977,100	36.41%
2016	7,608,338	7,615,053	(6,715)	20,193,471	37.71%
2017	6,951,693	6,951,693	-	21,223,071	32.76%
2018	7,110,298	7,110,298	-	21,456,414	33.14%
2019	7,320,463	7,320,463	-	21,942,700	33.36%
2020	7,289,319	7,289,319	-	23,688,500	30.77%
2021	7,468,676	7,468,676	-	25,151,771	29.69%
2022	7,134,561	7,134,561	-	26,405,600	27.02%
2023	5,510,304	5,510,304	-	29,285,243	18.82%
2024	5,471,502	5,471,502	-	34,902,014	15.68%

*Actual contribution as shown in the actuarial report.

Valuation Date:	October 1, 2022

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2022 actuarial valuation prepared by Gabriel, Roeder, Smith & Company.

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
CALCULATION OF THE SINGLE DISCOUNT RATE
SEPTEMBER 30, 2024

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the total pension liability. This rate considers the ability of the Plan to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan net position (assets) in future years can then be determined and compared to the obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (“SDR”) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on Plan investments (during the period in which fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on the Bond Buyer 20-Bond Index of general obligation bonds, with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the September 30, 2024 valuation of the total pension liability, the expected rate of return on Plan investments is 6.6% and the resulting single discount rate is 6.6%.

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2015	0.80%
2016	12.60%
2017	12.50%
2018	9.70%
2019	3.80%
2020	7.30%
2021	19.90%
2022	-12.80%
2023	7.14%
2024	16.90%

ADDITIONAL INFORMATION

CITY OF BOYNTON BEACH GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024		2023	
	Investment*	Administrative	Investment*	Administrative
Actuary fees	$ -	$ 24,744	$ -	$ 31,828
Administrator fees	-	65,053	-	64,789
Audit fees	-	19,600	-	18,300
Administrative expenses	-	8,366	-	8,784
Education and dues	-	-	-	-
Insurance	-	9,515	-	9,241
Investment expenses	1,221,094	-	912,428	-
Legal fees	-	12,894	-	33,947
Seminar and travel expenses	-	10,407	-	4,911
Total investment and administrative expenses	$ 1,221,094	$ 150,579	$ 912,428	$ 171,800
Percentage of Plan net position	0.52%	0.06%	0.45%	0.08%

*Investment expenses do not include management fees withheld from investment fund revenues.

OTHER REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
City of Boynton Beach General Employees' Pension Plan
Boynton Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Boynton Beach General Employees' Pension Plan (the "Plan"), a pension trust fund of the city of Boynton Beach, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated March 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

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

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

Board of Trustees
City of Boynton Beach General Employees' Pension Plan
Boynton Beach, Florida

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Saltmarsh Cleaveland & Gund

Tampa, Florida
March 12, 2025