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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**PALM BEACH GARDENS
POLICE OFFICERS' PENSION FUND**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Palm Beach Gardens Police Officers' Pension Fund
Palm Beach Gardens, Florida

Opinion

We have audited the financial statements of the Palm Beach Gardens Police Officers' Pension Fund (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 years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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 Palm Beach Gardens Police Officers' Pension Fund, a pension trust fund of the city of Palm Beach Gardens, 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
Palm Beach Gardens Police Officers' Pension Fund
Palm Beach Gardens, Florida

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 23 through 28 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 29 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 13, 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.



Tampa, Florida
March 13, 2025

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024 AND 2023

	2024	2023
Assets:		
Cash	\$ 1,152,564	\$ 495,073
Receivables:		
Plan member	-	690
Interest and dividends	153,161	152,044
State excise tax rebate	-	993,453
Total receivables	153,161	1,146,187
Prepaid expenses	408,172	378,681
Investments:		
U.S. Government obligations	5,337,486	4,241,743
U.S. Government agency obligations	6,178,256	5,410,997
Corporate bonds	5,103,450	3,914,565
Municipal bonds	797,749	879,673
Asset backed securities	11,620,904	10,629,344
Domestic stocks	20,211,882	12,086,306
International stocks	360,453	90,021
Domestic equity investment funds	54,416,363	57,452,730
International equity investment funds	22,986,960	8,420,897
Real estate investment funds	13,058,845	14,325,747
Temporary investment funds	4,113,141	2,505,152
Total investments	144,185,489	119,957,175
Total Assets	145,899,386	121,977,116
Liabilities:		
Accounts payable	68,447	31,537
Accounts payable, broker-dealers	-	196,559
Total Liabilities	68,447	228,096
Net Position Restricted for Pensions	\$ 145,830,939	\$ 121,749,020

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

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Additions:		
Contributions:		
Employer	\$ 5,205,649	\$ 4,719,149
Plan members	928,823	887,633
Buy back	95,472	652
Total contributions	<u>6,229,944</u>	<u>5,607,434</u>
Intergovernmental revenue:		
State excise tax rebate	<u>1,101,003</u>	<u>993,453</u>
Investment income:		
Net appreciation in fair value of investments	22,681,447	9,534,757
Interest and dividends	1,570,893	1,413,925
Class action revenue	151	647
Other income	-	938
Total investment income	<u>24,252,491</u>	<u>10,950,267</u>
Less investment expenses	<u>396,879</u>	<u>317,093</u>
Net investment income	<u>23,855,612</u>	<u>10,633,174</u>
Total additions	<u>31,186,559</u>	<u>17,234,061</u>
Deductions:		
Benefits:		
Age and service, beneficiaries	5,642,873	5,345,040
Disability	291,520	291,520
Share accounts	112,332	42,608
DROP accounts	741,927	1,353,914
Refunds of contributions	118,820	118,312
Administrative expenses	<u>197,168</u>	<u>159,161</u>
Total deductions	<u>7,104,640</u>	<u>7,310,555</u>
Net Increase in Net Position	24,081,919	9,923,506
Net Position Restricted for Pensions:		
Beginning of year	<u>121,749,020</u>	<u>111,825,514</u>
End of year	<u><u>\$ 145,830,939</u></u>	<u><u>\$ 121,749,020</u></u>

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

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of the Palm Beach Gardens Police Officers' Pension Fund (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Ordinance for more complete information.

The Plan is a defined benefit pension plan covering all full-time police officers of the city of Palm Beach Gardens, Florida (the "City"). Participation in the Plan is required as a condition of employment. The Plan provides for retirement, death and disability benefits. In addition, the Plan is a local law plan subject to provisions of Chapter 185 of the state of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five-member Board of Trustees (the "Board"). Two police officers, two City residents, and a fifth member elected by the other four members constitute the Board. 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:

Retirees and beneficiaries:

Currently receiving benefits	84
Terminated employees entitled to but not yet receiving benefits	9
DROP retirees	9

Total	<u>102</u>
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Current employees:

Vested	42
Nonvested	69

Total	<u>111</u>
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PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Pension Benefits - Members may retire with normal benefits after reaching age 52 with 10 years of credited service, or with 20 years of credited service, regardless of age. Effective September 13, 2012, for police officers with less than 10 years of credited service and police officers hired on or after that date, normal retirement for police officers who retired on or before September 30, 2019, was age 55 with 10 or more years of credited service or 25 years of credited service, regardless of age. Benefits are based on a member's years of credited service, average monthly earnings ("AME") and a pension multiplier. The pension multiplier is 3.5% for all years of credited service up to September 13, 2012, plus 2.75% for all years of credited service after that date and before October 1, 2019. The pension multiplier is 3% for all years of credited service earned on and after October 1, 2019. The benefit is limited to a maximum of 75% of AME. Participants who were eligible for normal retirement on September 13, 2012, were entitled to a 3.5% multiplier and were not subject to the 75% cap.

Members who have reached age 50 with 10 years of credited service are eligible for early retirement. Benefits are reduced 3% for each year by which the member's age at retirement precedes the normal retirement age.

Vesting - Vesting is based on years of credited service under a 10-year graded vesting schedule. Members with less than 5 years of service are not entitled to benefits. Members with 5 but less than 10 years of service are entitled to some or all benefits from the Plan. Members are 100% vested after 10 years of service.

Disability Benefits - Benefits for service-related disabilities are calculated at the greater of 60% of the member's salary or the accrued retirement benefit at the time of disability. Benefits for non-service related disabilities of members with at least 10 years of credited service are calculated at the greater of 25% of the member's AME or the accrued retirement benefit at the time of disability.

Death Benefits - Preretirement death benefits for service-related deaths are calculated at the greater of 50% of the member's AME or the accrued normal retirement benefit. Preretirement death benefits for non-service related deaths of members with at least 5 years of credited service are calculated in the same manner as early or normal retirement.

Supplemental Benefit - Retirees and beneficiaries are entitled to a monthly supplemental pension benefit equal to \$12.50 per year of service.

Refund of Participant Contributions - A member who terminates employment and is ineligible for pension benefits is refunded his or her accumulated contributions without interest.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Deferred Retirement Option Plan ("DROP") - Any member who is eligible to receive a normal retirement pension may elect to participate in a DROP while continuing his or her active employment as a police officer. The election to enter the DROP must be made prior to completing 25 years of credited service. A participant who is eligible to enter the DROP may delay entry into the DROP until the time the participant has accrued the maximum benefit percentage of 75%. 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 Plan member after 5 years or completion of 30 years of credited service. However, a participant who delays election to participate in the DROP until attaining the 75% maximum benefit may participate for the full 5 years even if the time takes participation beyond 30 years of credited service.

Supplemental Benefit - Share Plan - There is a separate member "Share account" created for each eligible member of the Plan. At retirement, termination (vested), disability or death, there shall be an additional benefit paid to the member. The Share Plan is funded solely with state excise tax rebates. Eligible participants include all participants with at least one year of credited service who are contributing to and participating in the Plan on or after November 1, 2017, and police officers who retire on or after November 1, 2017. Participants who retired before November 1, 2017, participants who were participating in the DROP on that date, former participants who left City employment before November 1, 2017, and beneficiaries of any participant are not eligible to participate in the Share Plan. Each year, the Share accounts of each actively employed participants are credited with interest at the rate of 6.5%. Share accounts of terminated participants are not credited with interest. An eligible member with less than 5 years of credited service who is not eligible for payment of benefits after termination of employment, other than for disability or death, forfeits their Share account. An eligible member who terminates City employment with more than 5 years of credited service but less than 10 years of credited service, other than for disability or death, will forfeit the non-vested portion of their Share account. Forfeited amounts are allocated to the other Share accounts.

Annual Pension Adjustments - Retired participants (including DROP participants) and beneficiaries who have been in receipt of a pension benefit for at least one year on the distribution date may receive an adjustment to their pension benefit amount as of July 1st of each year if the Plan assets have earned more than 8.5% as of September 30th and the Plan has positive actuarial experience. All pension recipients' monthly benefits will be increased on a percentage basis and the percentage will be the same for all pension recipients. The percentage increase will be determined by the actuary and will equal the earnings above 8.5% on the assets reserved to pay pension recipients. The distribution is limited to a 4% increase in any one year. The investment return on the market value of assets was greater than 8.5% during the fiscal years ended September 30, 2024 and 2023, but since the cumulative actuarial experience since fiscal year 2001 is a net loss, no adjustments were made under this provision.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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.

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 185 of the Florida Statutes.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Authorized Plan Investments (Continued):

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, high quality bonds or notes, asset backed securities, domestic stocks, foreign stocks, convertible securities, pooled equity funds, fixed income funds, and real estate funds. In addition, the Board requires that Plan assets be invested with no more than 70% in corporate common stock, international equities, convertible bonds and convertible preferred stock. The Plan's investments are subject to certain other limitations.

Actuarial Cost Method:

The Plan has elected the Individual Entry Age Actuarial Cost Method for funding purposes. This method has the following characteristics: (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

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 all City police officers.

Funding Policy:

Members are required to contribute 8.6% of their compensation to the Plan. The City's funding policy is to make actuarially computed contributions to the Plan in amounts, such that when combined with members' contributions and the state insurance excise tax rebate, all members' benefits will be fully provided for by the time that they retire.

A rehired member may buy back one or more years of continuous past service by paying into the Plan the amount of contributions that the member 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.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Federal Income Taxes:

The Plan has not applied for a favorable determination letter from the Internal Revenue Service indicating that the Plan is qualified and exempt from federal income taxes. The Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code.

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 13, 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 §185.361. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each police officer in the Plan at such termination date would be non-forfeitable.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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:

	<u>2024</u>	<u>2023</u>
Realized appreciation	\$ 2,420,286	\$ 876,823
Unrealized appreciation	<u>20,261,161</u>	<u>8,657,934</u>
	<u><u>\$ 22,681,447</u></u>	<u><u>\$ 9,534,757</u></u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits:

The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Security for Public Deposits Act.

Salem Trust Company ("Salem") periodically holds uninvested cash in its respective 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:

<u>Asset Class</u>	<u>Target</u>
Domestic equity	47.5%
International equity	10.0%
Domestic bonds	22.5%
International bonds	0.0%
Real estate	12.5%
Alternative assets	7.5%
	<u><u>100%</u></u>

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Asset Allocation (Continued):

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

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

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 annual 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 19.45% and 9.63%, respectively.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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:

Investment Type	2024		2023	
	Cost	Fair Value	Cost	Fair Value
U.S. Government obligations	\$ 5,465,594	\$ 5,337,486	\$ 4,577,977	\$ 4,241,743
U.S. Government agency obligations	6,357,242	6,178,256	5,961,232	5,410,997
Corporate bonds	5,766,824	5,103,450	4,993,270	3,914,565
Municipal bonds	946,320	797,749	1,132,568	879,673
Asset backed securities	12,144,256	11,620,904	11,874,679	10,629,344
Domestic stocks	11,448,575	20,211,882	7,485,456	12,086,306
International stocks	302,918	360,453	101,667	90,021
Domestic equity investment funds	17,536,518	54,416,363	28,252,683	57,452,730
International equity investment funds	17,723,129	22,986,960	10,000,000	8,420,897
Real estate investment funds	12,466,824	13,058,845	12,466,823	14,325,747
Temporary investment funds	4,113,141	4,113,141	2,505,152	2,505,152
Total investments	<u>\$ 94,271,341</u>	<u>\$ 144,185,489</u>	<u>\$ 89,351,507</u>	<u>\$ 119,957,175</u>

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

Investment Type	Fair Value		Moody's Rating	Range of Effective Duration (Years)
	2024	2023		
U.S. Government obligations	5,337,486	4,241,743	Aaa	0.1-18.6
U.S. Government agency obligations	6,178,256	5,410,997	Aaa	0.1-11.9
Corporate bonds	5,103,450	3,914,565	Aaa - Baa3	0.4-17
Municipal bonds	797,749	879,673	Aaa - A1	0.6-15.5
Asset backed securities	11,620,904	10,629,344	Aaa - A1	0.1-5.8
Temporary investment funds	4,113,141	2,505,152	N/A	N/A
Total	<u>\$ 33,150,986</u>	<u>\$ 27,581,474</u>		

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 7 - RESTRICTIONS

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

	2024	2023
Restricted for Share accounts (fully funded)	\$ 1,869,164	\$ 1,575,355
Restricted for DROP accounts (fully funded)	18,360,723	17,084,135
Total restricted for Share and DROP	20,229,887	18,659,490
 Restricted for defined benefits	 125,601,052	 103,089,530
 Total net position restricted for pensions	 \$ 145,830,939	 \$ 121,749,020

NOTE 8 - PLAN AMENDMENTS

There were no amendments during the fiscal years ended September 30, 2024 and 2023.

NOTE 9 - ACTUARIAL ASSUMPTION CHANGES

There were no changes in actuarial assumptions for the fiscal year ended September 30, 2024.

The actuarial assumptions for the fiscal year ended September 30, 2023 were changed as follows:

The investment return assumption was lowered from 6.15% to 6%. Because the investment return assumption is lower than the guaranteed interest rate credited to the DROP accounts, the liability load being applied to active members' normal retirement liabilities was increased from 2.5% to 3.6%, and the liability load being applied to the liabilities of retirees who currently have a DROP balance was increased from 0.7% to 0.9%. These assumption changes caused the required City contribution to increase by 3.64% of covered payroll (or \$386,830).

NOTE 10 - ACTUARIAL METHOD CHANGES

There were no changes in actuarial methods for the fiscal years ended September 30, 2024 and 2023.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
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.

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.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

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, domestic stocks, international stocks, temporary investment funds* - Valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.
- *U.S. Government obligations, U.S. government agency obligations, corporate bonds, municipal bonds, asset backed securities* - Valued with Matrix pricing used by International Data Pricing and Reference Data, LLC.
- *Domestic equity investment funds, international equity investment funds, 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.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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	\$ 128,171	\$ 5,209,315	\$ -	\$ 5,337,486
U.S. Government agency obligations	-	6,178,256	-	6,178,256
Corporate bonds	-	5,103,450	-	5,103,450
Municipal bonds	-	797,749	-	797,749
Asset backed securities	-	11,620,904	-	11,620,904
Domestic stocks	20,211,882	-	-	20,211,882
International stocks	360,453	-	-	360,453
Temporary investment funds	4,113,141	-	-	4,113,141
Total investments by fair value level	<u>\$ 24,813,647</u>	<u>\$ 28,909,674</u>	<u>\$ -</u>	<u>53,723,321</u>

Investments Measured at NAV:

Domestic equity investment funds	54,416,363
International equity investment funds	22,986,960
Real estate investment funds	13,058,845
Total investments measured at NAV	<u>90,462,168</u>

Total, September 30, 2024 \$ 144,185,489

Investments Measured at NAV	2024 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Domestic equity investment funds:				
RhumbLine Russell 1000 Value Index Pooled Trust Fund	\$ 6,374,282	\$ -	Daily	Daily
RhumbLine S&P Mid Cap 400 Index Pooled Trust Fund	16,087,011	-	Daily	Daily
RhumbLine S&P 500 Index Pooled Trust Fund	12,800,032	-	Daily	Daily
RhumbLine S&P Small Cap 600 Index Pooled Trust Fund	13,169,873	-	Daily	Daily
Aristotle Value Equity Collective Trust Fund	5,985,165	-	Daily	Daily
	<u>54,416,363</u>	<u>-</u>		
International equity investment funds:				
RhumbLine International Equity Index Pooled Trust Fund	14,028,254	-	Daily	Daily
IFM Global Infrastructure Fund	8,958,706	-	Quarterly	90 days
	<u>22,986,960</u>	<u>-</u>		
Real estate investment funds:				
American Strategic Value Realty Fund	2,216,780	-	Quarterly	60 days
American Core Realty Fund	10,842,065	-	Quarterly	60 days
	<u>13,058,845</u>	<u>-</u>	Quarterly	60 days
Total investments measured at NAV	<u>\$ 90,462,168</u>	<u>\$ -</u>		

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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	\$ 116,139	\$ 4,125,604	\$ -	\$ 4,241,743
U.S. Government agency obligations	-	5,410,997	-	5,410,997
Corporate bonds	-	3,914,565	-	3,914,565
Municipal bonds	-	879,673	-	879,673
Asset backed securities	-	10,629,344	-	10,629,344
Domestic stocks	12,086,306	-	-	12,086,306
International stocks	90,021	-	-	90,021
Temporary investment funds	2,505,152	-	-	2,505,152
Total investments by fair value level	<u>\$ 14,797,618</u>	<u>\$ 24,960,183</u>	<u>\$ -</u>	<u>39,757,801</u>

Investments Measured at NAV:

Domestic equity investment funds	46,220,504
International equity investment funds	19,653,123
Real estate investment funds	14,325,747
Total investments measured at NAV	<u>80,199,374</u>

Total, September 30, 2023 \$ 119,957,175

Investments Measured at NAV	2023 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Domestic equity investment funds:				
RhumbLine Russell 1000 Value Index Pooled Trust Fund	\$ 4,991,188	\$ -	Daily	Daily
RhumbLine S&P Mid Cap 400 Index Pooled Trust Fund	12,687,641	-	Daily	Daily
RhumbLine S&P 500 Index Pooled Trust Fund	12,491,532	-	Daily	Daily
RhumbLine S&P Small Cap 600 Index Pooled Trust Fund	11,388,576	-	Daily	Daily
Aristotle Value Equity Collective Trust Fund	4,661,567	-	Daily	Daily
	<u>46,220,504</u>	<u>-</u>		
International equity investment funds:				
RhumbLine International Equity Index Pooled Trust Fund	11,232,226	-	Daily	Daily
IFM Global Infrastructure Fund	8,420,897	-	Quarterly	90 days
	<u>19,653,123</u>	<u>-</u>		
Real estate investment funds:				
American Strategic Value Realty Fund	2,408,507	-	Quarterly	60 days
American Core Realty Fund	11,917,240	-	Quarterly	60 days
	<u>14,325,747</u>	<u>-</u>		
Total investments measured at NAV	<u>\$ 80,199,374</u>	<u>\$ -</u>		

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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:

	<u>2024</u>	<u>2023</u>
Total pension liability	\$ 145,981,435	\$ 140,766,549
Plan fiduciary net position	<u>(145,830,939)</u>	<u>(121,749,020)</u>
City's net pension liability	<u>\$ 150,496</u>	<u>\$ 19,017,529</u>
Plan fiduciary net position as a percentage of total pension liability	<u>99.90%</u>	<u>86.49%</u>

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2023 updated to September 30, 2024 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.25%
Salary increases	5.5% to 6.75% depending on service, including inflation
Investment rate of return	6%
Discount rate	6%

Mortality Rate Healthy Pre-Retirement:

Female: PUB-2010 Headcount Weighted Safety Employee Female Table, set forward 1 year

Male: PUB-2010 Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year

Mortality Rate Healthy Post-Retirement:

Female: PUB-2010 Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year

Male: PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward
1 year

Mortality Rate Disabled Lives:

80% PUB-2010 Headcount Weighted General Disabled Retiree Table

20% PUB-2010 Headcount Weighted Safety Disabled Retiree Table

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

Actuarial Assumptions (Continued):

The previously described mortality assumption rates were mandated by Chapter 112.63(1)(f), Laws of Florida. 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 Milliman's July 1, 2022, FRS valuation report for special risk employees, with appropriate adjustments made based on Plan demographics.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 weighing 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 the Plan's target asset allocation as of September 30, 2024 are as follows:

Asset Class	Target	Long Term Expected Real Rate of Return
Domestic equity	47.5%	7.50%
International equity	10.0%	8.50%
Domestic bonds	22.5%	2.50%
International bonds	0.0%	3.50%
Real estate	12.5%	4.50%
Alternative assets	7.5%	5.99%
	<u>100%</u>	

Discount Rate:

The discount rate used to measure the total pension liability was 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.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

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

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%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5%) or 1 percentage point higher (7%) than the current rate.

	1% Decrease 5%	Current Single Discount Rate 6%	1% Increase 7%
	<u> </u>	<u> </u>	<u> </u>
City's net pension liability	\$ 14,756,796	\$ 150,496	\$ (11,998,382)
	<u> </u>	<u> </u>	<u> </u>

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Certain members of the Plan are entitled to refunds of their accumulated contributions, without interest, upon termination of employment with the City prior to being eligible for pension benefits. The portion of these contributions which are refundable to members who may terminate with less than 10 years of service has not been determined.

REQUIRED SUPPLEMENTAL SCHEDULES

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PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2024	2023	2022	2021
Total pension liability:				
Service cost	\$ 3,809,457	\$ 3,575,569	\$ 3,164,702	\$ 2,828,584
Interest on the total pension liability	8,476,723	8,239,125	7,974,687	7,867,652
Benefit changes	-	-	-	
Difference between expected and actual experience of the total pension liability	(476,716)	(516,108)	135,387	751,163
Assumption changes	-	2,520,154	2,589,296	288,169
Benefit payments	(6,788,652)	(7,033,082)	(7,042,743)	(6,279,976)
Refunds	(118,820)	(118,312)	(31,153)	(32,533)
Other (net decrease in state contribution reserve)	312,894	259,119	190,649	135,474
Net change in total pension liability	5,214,886	6,926,465	6,980,825	5,558,533
Total pension liability, beginning	140,766,549	133,840,084	126,859,259	121,300,726
Total pension liability, ending (a)	<u>\$ 145,981,435</u>	<u>\$ 140,766,549</u>	<u>\$ 133,840,084</u>	<u>\$ 126,859,259</u>
Plan fiduciary net position:				
Employer and state contributions	6,306,652	5,712,602	5,272,631	\$ 4,865,777
Employee contributions	1,024,295	888,285	854,303	882,102
Net investment income (loss)	23,855,612	10,633,174	(14,576,176)	23,717,145
Benefit payments	(6,788,652)	(7,033,082)	(7,042,743)	(6,279,976)
Refunds	(118,820)	(118,312)	(31,153)	(32,533)
Pension plan administrative expense	(197,168)	(159,161)	(159,383)	(154,039)
Net change in plan fiduciary net position	24,081,919	9,923,506	(15,682,521)	22,998,476
Plan fiduciary net position - beginning	121,749,020	111,825,514	127,508,035	104,509,559
Plan fiduciary net position - ending (b)	<u>\$ 145,830,939</u>	<u>\$ 121,749,020</u>	<u>\$ 111,825,514</u>	<u>\$ 127,508,035</u>
Net pension liability (asset) (a) - (b)	<u>\$ 150,496</u>	<u>\$ 19,017,529</u>	<u>\$ 22,014,570</u>	<u>\$ (648,776)</u>

2020	2019	2018	2017	2016	2015
\$ 2,593,244	\$ 2,000,321	\$ 1,673,425	\$ 1,490,207	\$ 1,355,530	\$ 1,206,826
7,586,544	7,238,249	7,039,556	6,909,106	6,784,226	6,504,741
-	1,667,089	-	-	-	-
626,257	395,555	569,580	56,862	976,528	344,110
1,095,424	1,035,169	989,170	1,015,319	573,052	875,147
(5,982,441)	(6,283,515)	(6,137,826)	(6,532,546)	(3,938,855)	(3,297,505)
(61,754)	(56,045)	(12,573)	(13,857)	(8,046)	-
133,929	219,362	94,711	74,487	(70,233)	(426,717)
5,991,203	6,216,185	4,216,043	2,999,578	5,672,202	5,206,602
115,309,523	109,093,338	104,877,295	101,877,717	96,205,515	90,998,913
<u>\$ 121,300,726</u>	<u>\$ 115,309,523</u>	<u>\$ 109,093,338</u>	<u>\$ 104,877,295</u>	<u>\$ 101,877,717</u>	<u>\$ 96,205,515</u>
\$ 4,428,951	\$ 4,480,064	\$ 3,499,567	\$ 3,467,611	\$ 3,541,013	\$ 3,532,259
755,910	694,166	599,553	515,513	452,421	422,145
7,131,158	2,046,222	9,658,544	10,747,480	8,107,238	925,753
(5,982,441)	(6,283,515)	(6,137,826)	(6,532,546)	(3,938,855)	(3,297,504)
(61,754)	(56,045)	(12,573)	(13,857)	(8,046)	-
(147,675)	(144,764)	(134,667)	(121,211)	(132,973)	(116,088)
6,124,149	736,128	7,472,598	8,062,990	8,020,798	1,466,565
98,385,410	97,649,282	90,176,684	82,113,694	74,092,896	72,626,331
<u>\$ 104,509,559</u>	<u>\$ 98,385,410</u>	<u>\$ 97,649,282</u>	<u>\$ 90,176,684</u>	<u>\$ 82,113,694</u>	<u>\$ 74,092,896</u>
<u>\$ 16,791,167</u>	<u>\$ 16,924,113</u>	<u>\$ 11,444,056</u>	<u>\$ 14,700,611</u>	<u>\$ 19,764,023</u>	<u>\$ 22,112,619</u>

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
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	77.02%	\$ 4,908,663	450.48%
2016	80.60%	5,260,709	375.69%
2017	85.98%	5,994,337	245.24%
2018	98.51%	6,971,547	164.15%
2019	85.32%	8,071,698	209.67%
2020	86.16%	8,789,651	191.03%
2021	100.51%	9,501,186	-6.83%
2022	83.55%	9,933,756	221.61%
2023	86.49%	10,321,314	184.25%
2024	99.90%	10,800,267	1.39%

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
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	\$ 3,357,659	\$ 3,420,424	\$ (62,765)	\$ 4,908,663	69.68%
2016	3,316,250	3,456,991	(140,741)	5,260,709	65.71%
2017	3,256,067	3,393,124	(137,057)	5,994,337	56.61%
2018	3,394,168	3,404,856	(10,688)	6,971,547	48.84%
2019	3,754,169	4,260,702	(506,533)	8,071,698	52.79%
2020	4,295,022	4,295,022	-	8,789,651	48.86%
2021	4,730,303	4,730,303	-	9,501,186	49.79%
2022	5,025,262	5,081,982	(56,720)	9,933,756	51.16%
2023	5,329,838	5,453,483	(123,645)	10,321,314	52.84%
2024	5,871,513	5,993,758	(122,245)	10,800,267	55.50%

* Actual contribution as shown in the actuarial report.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
NOTES TO SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2024

Valuation Date:

October 1, 2022

Actuarially determined contribution rates are calculated as of October 1, two years prior to the beginning 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.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
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 fund 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, which 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).

A single discount rate of 6% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total 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 (6%) was applied to all periods of projected benefit payments to determine the total pension liability.

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2015	1.29%
2016	10.96%
2017	13.60%
2018	11.27%
2019	1.34%
2020	7.73%
2021	23.01%
2022	-11.25%
2023	9.63%
2024	19.45%

ADDITIONAL INFORMATION

PALM BEACH GARDENS POLICE OFFICERS' PENSION FUND
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024		2023	
	Expenses		Expenses	
	Investment*	Administrative	Investment*	Administrative
Actuary fees	\$ -	\$ 52,371	\$ -	\$ 42,792
Administrator fees	-	61,257	-	58,936
Audit fees	-	19,200	-	17,950
Administrative expenses	-	5,111	-	2,427
Education and dues	-	1,055	-	290
Insurance	-	14,129	-	10,363
Investment expenses	396,879	-	317,093	-
Legal fees	-	16,405	-	14,219
Seminar and travel expenses	-	27,640	-	12,184
Total investment and administrative expenses	<u>\$ 396,879</u>	<u>\$ 197,168</u>	<u>\$ 317,093</u>	<u>\$ 159,161</u>
Percentage of Plan net position	<u>0.27%</u>	<u>0.14%</u>	<u>0.26%</u>	<u>0.13%</u>

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

OTHER REPORTS

**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**

Board of Trustees
Palm Beach Gardens Police Officers' Pension Fund
Palm Beach Gardens, 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 Palm Beach Gardens Police Officers' Pension Fund (the "Plan"), a pension trust fund of the city of Palm Beach Gardens, 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 13, 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
Palm Beach Gardens Police Officers' Pension Fund
Palm Beach Gardens, 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.



Tampa, Florida
March 13, 2025