TOWN OF LOXAHATCHEE GROVES, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2025

TOWN OF LOXAHATCHEE GROVES, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2025

Prepared by:

THE TOWN OF LOXAHATCHEE GROVES

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INTRODUCTORY SECTION

Town of Loxahatchee Groves

155 F Road, Loxahatchee Groves, FL • 33470 (561) • 793-2418 Fax (561) 793-2420
www.loxahatcheegrovesfl.gov

August 21, 2026

To: Honorable Mayor, Members of the Town Council, Citizens of the Town of Loxahatchee Groves, Florida
155 F Road
Loxahatchee Groves, Florida 33470

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for the Town of Loxahatchee Groves, Florida, for the fiscal year ending September 30, 2025, pursuant to Section 218.39 of the Florida Statutes, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and the Town Charter. The financial statements included in this report conform to generally accepted accounting principles in the United States of America ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. The financial statements have been audited by Caballero Fierman Llerena & Garcia, LLP, Certified Public Accountants. The independent auditor issued an unmodified opinion that this report fairly represents the financial position of the Town in conformity with GAAP. Management's Discussion & Analysis (MD&A) immediately follows the independent auditor's report and provides narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal; it should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Town of Loxahatchee Groves (the "Town") is a political subdivision of the State of Florida located in Palm Beach County (the "County"), initially incorporated in November 2006. The Town has a population estimated at 3,375 as of April 1, 2022, from the University of Florida, Bureau of Economic and Business Research ("BEBR") residents living within 12.5 square miles. The Town is a rural-residential-agricultural community with a very limited commercial district primarily along SR-80 (Southern Boulevard).

The Town operates under a Council-Manager form of government in which the Town elects five council members, one of whom is appointed Mayor. Council members are elected for staggered three-year terms. The Town Council determines policies that guide Town operations, hiring a Town Manager and Attorney to administer these policies on a full-time basis. From incorporation through May 2019, the Town functioned under a "Contract Form of Government" with a private management company supplying employees, services and Town administration management under the legislative direction and policies of the Town Council. The Town Attorney also serves the Town pursuant to contract rather than as an employee.

On June 26, 2018, the Loxahatchee Groves Water Control District became a dependent special district of the Town with $1,269,175 of fund balance transferred to the Roads and Drainage special revenue fund as of that date. The transition to a traditional full-service, albeit small, local government model is a multi-year all-encompassing endeavor including, but not limited to, a shift in service delivery models, revisiting Town standards, evaluating all contract services, establishing, and updating policies & procedures, implementing new processes, and so on to better serve the community. The Town's continued focus is addressing deferred maintenance and infrastructure needs; developing and implementing a comprehensive Capital Improvements Program (CIP) and related funding mechanisms; automating and streamlining administrative functions; increasing transparency and accountability; and achieving financial sustainability.

The annual budget serves as the foundation for the Town's financial planning and control. All departments of the Town are required to submit proposed budgets to the Town Manager, who then makes any necessary revisions. The Town Manager then presents to the Town Council for their review, a budget estimate of the expenditures and revenues of all the Town's departments. Two public hearings are then conducted to inform taxpayers of the proposed final budget, to receive their comments, and respond to their questions on the budget. A majority affirmative vote of the quorum is needed to adopt the budget, which is legally enacted prior to October 1st by the passage of a Resolution. The Town's budget is approved at the department function object.

The Town adopts annual appropriated budgets for each of its governmental funds, which include the General Fund, Transportation Fund, Local Option Sales Tax Fund, Roads and Drainage Fund, and Capital Improvement Program Fund. These annual budgets provide the legal authority for the expenditure of Town resources and serve as the basis for financial planning, control, and monitoring throughout the fiscal year.

Balancing competing needs drives the budget process which is a continuous cycle of predicting both long- and short-term needs. Budgetary needs are constantly prioritized with choices made within the framework of established policies and resources. Necessities like delivery of basic operational and maintenance services, personnel costs, insurance coverage, and debt service usually take initial priority whether provided in-house, inter-governmentally, and/or contractually. The Town strives to constantly address issues critical to serving our residents, maintaining or improving quality of life, and preserving richness of community character.

The Town Council must approve all budget amendments as well as any supplemental appropriations. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations. Transfers of funds assessed between the Town and its dependent district are approved by Council.

ECONOMIC CONDITION AND OUTLOOK

The growth and development of the Town of Loxahatchee Groves is dependent upon the economic environment of South Florida and particularly that of Palm Beach County and in the surrounding western communities. The major economic influences in this area are the housing market, the regional job market, new construction, weather events, any future tax reform and/or other legislative mandates.

Positive signs about the national and local economies are evidenced by the continuing annual increases in average residential market values and an influx of new residents we have experienced for the last several years. Stable employment in the area remains higher than national averages. The equestrian community and industry play a major role in the economy of the western communities of the County as approximately two-thirds of Palm Beach County's equestrian industry is in this region.

For the fiscal year ending September 30, 2025, the Town Council adopted a rate of 3.2564 mills out of a maximum levy of 10.0000 mills. The levied mills is an increase of 0.2564 mills as in prior fiscal years, resulting in total tax levy of $1,776,346 which is an increase of $248,679, or 16.28%, from FY2024. The benefit of the continued increase is to begin "rebuilding" the Town and its critical infrastructure and to properly position the Town for the future by building reserves. This is critical as the Town's undiversified tax base is primarily residential, with considerable agricultural exemptions and little commercial property. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently minimal, plus the value of new construction and new ownership of existing properties.

LONG-TERM FINANCIAL PLAN

The Town adopted a Comprehensive Plan. Within this plan, the Town will examine the growth opportunities for the Town over a 10-year horizon. Management will continue to review revenues received from other sources to verify that the Town is receiving those revenues to which it is entitled. The Town will also continue to pursue new revenue streams that have as little impact on residents as possible. In addition, the Town will continue to contract certain municipal services to keep taxes as low as possible.

FINANCIAL INFORMATION

Town Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, we are also responsible for ensuring that an adequate internal control structure is in place to document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the Town maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the fund level.

The Town's accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The type of funds used are generally determined by the Town Council upon the recommendations of the Town Manager, which is based upon established and accepted accounting policies and procedures as well as the number of funds required. The Town has established the following funds:

General Fund- a governmental fund that accounts for activity not accounted for elsewhere. It is the Town's primary fund.

Transportation Fund- a governmental special revenue fund that accounts for the revenues and expenditures related to the Town's share of the State's 5^{th} and 6^{th} cent gas tax funds.

Local Option Sales Tax Fund- a governmental special revenue fund that accounts for the revenues and expenditures related to the Town's share of the 1 percent voter-approved local option sales tax levied county-wide.

Roads And Drainage Fund- a governmental special revenue fund that accounts for the activities of the Town's dependent water control district.

Capital Improvement Program Fund- a governmental capital projects fund that accounts for the activity of long-lived capital improvements within the Town.

Solid Waste Fund- a proprietary fund that accounts for the enterprise operations related to residential solid waste operations.

INDEPENDENT AUDIT

In accordance with Florida Statutes Section 218.39, the Town has engaged the firm of Fierman PLLC, Certified Public Accountants, to perform the independent audit of the Town's financial statements for the year ended September 30, 2025. The Independent Auditors' Report is presented in the financial section of this Annual Comprehensive Financial Report.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Town and its auditing firm, Fierman PLLC, as well as key independent professional financial contractors. We wish to express our appreciation to the staff for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

In closing, it is an honor to serve the Town, its residents and landowners. The leadership and support of the Mayor and Town Council have made the accomplishments and anticipated successes noted in this report possible and provide a strong foundation for the Town's future.

Respectfully submitted,

Signed by:
Valerie Oakes
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Valerie Oakes
Acting Town Manager

TOWN OF LOXAHATCHEE GROVES

List of Elected Town Officials

September 30, 2025

Council – Manager Form of Government

TOWN COUNCIL

Lisa El-Ramey, Mayor

Manish Sood, Vice Mayor

Joe Stephens, Councilmember

Anita Kane, Councilmember

Paul Coleman, Councilmember

ADMINISTRATION

Valerie Oakes, Acting Town Manager

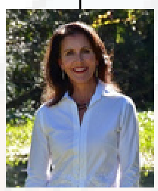
Gemma Torcivia, Town Attorney

Kenthia White, Acting Town Clerk

Town of Loxahatchee Groves Residents

Town Council

Joe Stephens
Councilmember - Seat 1



Lisa El-Ramey
Mayor - Seat 2

Anita Kane
Councilmember- Seat 3

Paul Coleman II
Councilmember - Seat 4

Manish Sood
Vice Mayor - Seat 5

Acting Town Manager
Valerie Oakes

Town Attorney
Gemma Torcivia,Esq

Acting Town Clerk

Finance

Community Standards

Code Compliance

Planning & Zoning

Building

Public Works

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Loxahatchee Groves
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Fierman PLLC
2255 Glades Road, Suite 324A
Boca Raton, FL 33431
O: 561.940.2011 | F: 786.288.0132

FIERMAN
ACCOUNTANTS | ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Town Council
Town of Loxahatchee Groves, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Loxahatchee Groves, Florida (the Town), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules on pages 3–15, 44–48, and 49–52, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Fierman PLLC

Fierman PLLC
Boca Raton, Florida
August 21, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Management's Discussion and Analysis
September 30, 2025

As management of the Town of Loxahatchee Groves, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Loxahatchee Groves (the Town) for the fiscal year ended September 30, 2025. Readers are encouraged to consider the information presented here in conjunction with the auditors' reports, the basic financial statements, the notes to the financial statements, and the supplementary information.

FINANCIAL HIGHLIGHTS

- At September 30, 2025, the assets plus deferred outflows of the Town of Loxahatchee Groves exceeded its liabilities plus deferred inflows by $14,568,929 of which $9,819,108 was the amount invested in capital assets, net of accumulated depreciation and $1,664,720 was restricted by law or agreements. The Town had $3,085,101 (*unrestricted net position*) which may be used to meet the Town's ongoing obligations to citizens and creditors.

- During the fiscal year 2025, net position increased by $1,057,862 from the prior year.

- At September 30, 2025, the Town of Loxahatchee Groves' General Fund reported an ending fund balance of $2,547,327, an increase of $78,637 as compared with the prior year. Of the total fund balance, 45.7% is available for spending at the government's discretion (*unassigned fund balance*). The unassigned fund balance represents approximately three months of General Fund operating expenditures and transfers and exceeds the Town's minimum target of 25%

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements* and *required supplementary information.* The basic financial statements include two kinds of statements that present different views of the Town

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the Town's overall financial status.

- The remaining statements are *fund financial statements* that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.

- The *governmental funds* statements show how general government services such as public safety were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information*, which further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and are related to one another.

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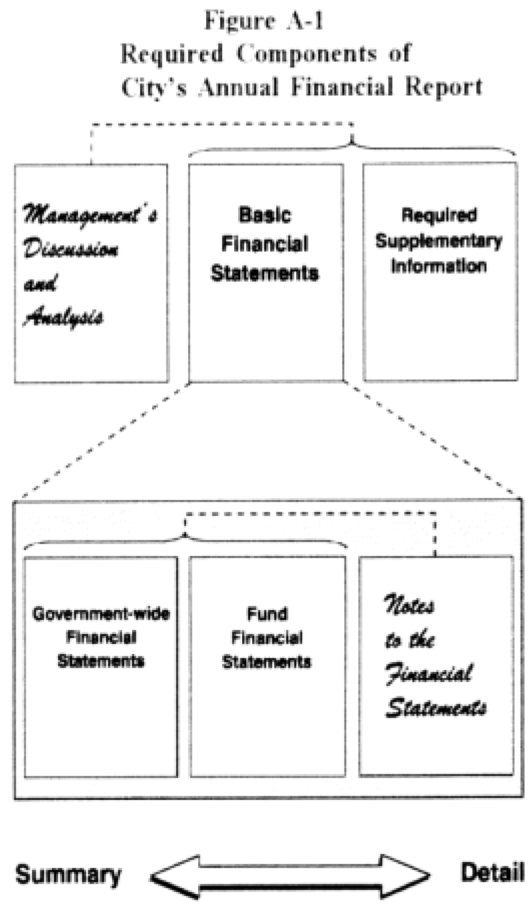
Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.



The *statement of net position* presents information on all the Town's assets deferred outflows/inflows, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The government activities of the Town include public works, police, and general administration services. The Town has one business-type activity for the provision of garbage and trash collection services.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out and with the balance remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

The Town maintains five governmental funds:

General Fund- a governmental fund that accounts for activity not accounted for elsewhere. It is the Town's primary fund.

Transportation Fund- a governmental special revenue fund that accounts for the revenues and expenditures related to the Town's share of the State's 5th and 6th cent gas tax funds.

Local Option Sales Tax Fund- a governmental special revenue fund that accounts for the revenues and expenditures related to the Town's share of the 1 percent voter-approved local option sales tax levied county-wide.

Road And Drainage Fund- a governmental special revenue fund that accounts for the activities of the Town's dependent water control district.

Capital Improvement Program Fund- a governmental capital projects fund that accounts for the activity of long-lived capital improvements within the Town.

The Town adopts an annual budget for each of its funds. A budgetary comparison statement has been provided for the General Fund, the Transportation Fund, the Local Option Sales Tax Fund, and the Roads and Drainage Fund to demonstrate compliance with the budget. The Capital Improvement Program Fund does not have a supplementary budgetary comparison statement in the Required Supplementary Information section because its activities generally occur over more than one fiscal period.

Enterprise funds. The Town has one enterprise fund, the Solid Waste Fund, which charges residential customers for the services provided. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, governmental activity assets plus deferred outflows exceeded liabilities plus deferred inflows by $14,359,303. Business-type activity assets plus deferred outflows exceeded liabilities plus deferred inflows by $209,626. The Town-wide total net position was $14,568,929 at the close of the fiscal year ended September 30, 2025.

The Town's investment in capital assets (e.g., land, buildings, equipment and vehicles, less accumulated depreciation and any related debt that is still outstanding that was used to acquire those assets) was $9,819,108 or about 70% of total net position at September 30, 2025. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional $1,664,720 portion of the net position, or about 11%, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of $3,085,101, or about 21%, may be used to meet the government's ongoing obligations to citizens and creditors. The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year.

Table 1
Town of Loxahatchee Groves
Summary of Net Position

	Governmental Activities		Business Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$ 6,570,603	$ 5,639,459	$ 590,557	$ 311,626	$ 7,161,160	$ 5,951,085
Capital assets	10,321,858	9,762,473	-	-	10,321,858	9,762,473
Total assets	16,892,461	15,401,932	590,557	311,626	17,483,018	15,713,558
Deferred outflows of resources	559,448	684,385	-	-	559,448	684,385
Liabilities:						
Long-term liabilities	1,435,679	1,802,131	-	-	$ 1,435,679	$ 1,802,131
Other liabilities	1,364,753	763,714	380,931	67,479	1,745,684	831,193
Total liabilities	2,800,432	2,565,845	380,931	67,479	3,181,363	2,633,324
Deferred inflows of resources	292,174	253,552	-	-	292,174	253,552
Net position:						
Net investment in capital assets	9,819,108	9,299,656	-	-	9,819,108	9,299,656
Restricted	1,664,720	1,655,389	-	-	1,664,720	1,655,389
Unrestricted	2,875,475	2,311,875	209,626	244,147	3,085,101	2,556,022
Total net position	$ 14,359,303	$ 13,266,920	$ 209,626	$ 244,147	$ 14,568,929	$ 13,511,067

Governmental Activities.

- During fiscal year 2025, governmental activities increased net position by $1,092,383, primarily due to increased capital grants and contributions and higher property tax revenues, partially offset by increases in operating expenses

Business Activities.

- The funding for the Town's solid waste operation is largely derived from a special assessment placed upon residential properties within the Town's jurisdiction.
- The Town assesses approximately 1,500 residential units at $450 per year for solid waste collection and disposal. The assessment rate remained unchanged in FY2025.
- Palm Beach County Property Appraiser notifies all affected property owners of the amount, public hearing date, and location of the meeting when the Town will adopt the Tentative Assessment.
- Palm Beach County Tax Collector receives all Town Ad Valorem tax and assessment payments and remits the funds to the Town.
- Services are provided through a residential solid waste collection and disposal contract.

The following is a summary of the changes in net position for the years ended September 30, 2025, and 2024. Key indicators, including revenues and expenditures by category, are presented herein for review:

Table 2
Town of Loxahatchee Groves
Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 2,299,240	$ 2,269,226	$ 652,950	$ 586,929	$ 2,952,190	$ 2,856,155
Grants and contributions	1,611,283	245,740	351,347	-	1,962,630	245,740
General revenues:						
Property taxes	1,776,346	1,527,667	-	-	1,776,346	1,527,667
Local option sales tax	344,768	335,791	-	-	344,768	335,791
Franchise fees	676,590	631,736	-	-	676,590	631,736
Utility taxes	642,738	575,043	-	-	642,738	575,043
Intergovernmental	801,347	819,734	-	-	801,347	819,734
Investment/other income	120,642	1,071,503	-	-	120,642	1,071,503
Total revenues	8,272,954	7,476,440	1,004,297	586,929	9,277,251	8,063,369
Expenses:						
General Government	2,128,961	1,962,627	-	-	2,128,961	1,962,627
Public safety	1,346,046	1,289,290	-	-	1,346,046	1,289,290
Physical environment	3,675,194	3,090,301	-	-	3,675,194	3,090,301
Solid Waste	-	-	1,038,818	714,311	1,038,818	714,311
Interest Expense	30,370	27,349	-	-	30,370	27,349
Total expenses	7,180,571	6,369,567	1,038,818	714,311	8,219,389	7,083,878
Increase (decrease) in net position before transfers	1,092,383	1,106,873	(34,521)	(127,382)	**1,057,862**	979,491
Transfers:		(118,000)		118,000	-	-
Increase (decrease) in net position	1,092,383	988,873	(34,521)	(9,382)	1,057,862	979,491
Net position, beginning	$ 13,266,920	$ 12,278,047	$ 244,147	$ 253,529	$ 13,511,067	$ 12,531,576
Net position, ending	$ 14,359,303	$ 13,266,920	$ 209,626	$ 244,147	$ 14,568,929	$ 13,511,067

Governmental Activities.

- For fiscal year 2025, total revenues increased from the prior year by $796,514, largely due to increased property taxes resulting from increased values and grant related revenues.

- Total expenses increased by $811,004 or about 13%, largely reflecting an increase in general government expenses and public works efforts.

Business Activities.

- Business-type activities generated total revenues of $1,004,297, approximately 11% of Town-wide revenues. This consisted of $652,950 in charges for solid waste services and $351,347 in intergovernmental grant revenue, primarily related to FEMA claims.
- Expenses of business-type activities arise from the Town's solid waste collection and recycling services contract which totaled $692,096 in fiscal year 2025. Overall expenses totaled $1,038,818, an increase of $324,507 primarily related to FEMA debris cleanup expenses.

Figure A-2
Town of Loxahatchee Groves
Revenues by Source – Governmental Activities
For the Fiscal Year Ended September 30, 2025

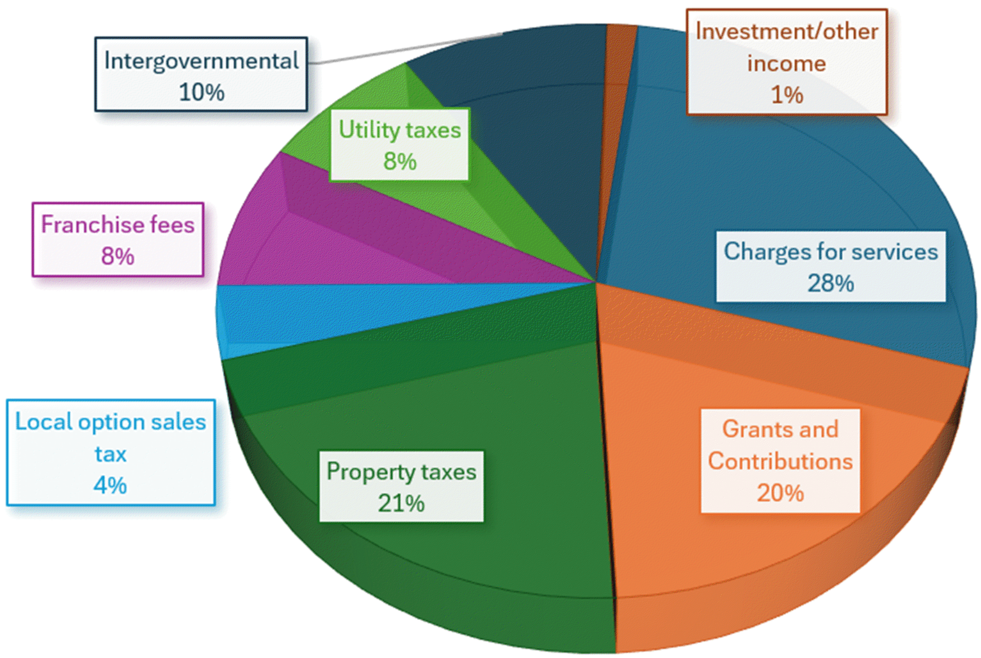
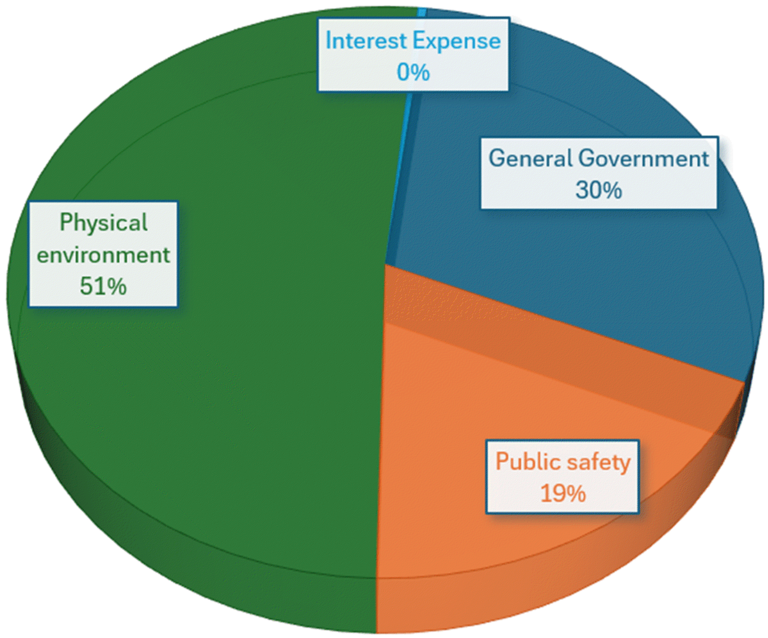


Figure A-3
Town of Loxahatchee Groves
Expenses – Governmental Activities
For the Fiscal Year Ended September 30, 2025



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Town maintains five governmental funds: the General Fund, the Roads and Drainage Fund, the Transportation Fund, the Local Option Sales Tax fund, and the Capital Improvement Program Fund.

The Town adopts an annual appropriated budget for the General Fund, the Transportation Fund, the Local Option Sales Tax fund, Roads and Drainage fund and The CIP fund. The General Fund provides revenues and resources for basic governmental services. The Roads and Drainage Fund is funded thru special assessments and accounts for the operations of the Town's dependent special district. The Transportation Fund is funded through a dedicated local option gas tax and can only be used for allowable transportation related expenses such as road, street maintenance, and construction. Likewise, the Local Option Sales Tax Fund is funded through an additional voter-approved local option sales tax dedicated for infrastructure projects to occur over the next decade.

As noted earlier, the Town of Loxahatchee Groves uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of the government's net resources available for spending at the end of a fiscal year.
General Fund. The General Fund is the primary operating fund of the Town. At the end of the fiscal year, the Town's General Fund reported an unassigned fund balance of $1,163,630, an increase of $58,978 in comparison with the prior fiscal year.

A summary of the General Fund's condensed balance sheet and statement of revenues, expenditures, and changes in fund balance for September 30, 2025, and 2024 are shown below:

Table 3
Town of Loxahatchee Groves
Summary of Balance Sheet Governmental Funds

	2025	2024	Change	% Change
Assets	$ 7,788,240	$ 6,803,007	$ 985,233	14%
Liabilites	$ 2,359,006	$ 1,796,718	$ 562,288	31%
Deferred inflows	1,531,249	334,203	1,197,046	358%
Fund balance				
Nonspendable fund balance	-	-	-	
Restricted fund balance	1,664,720	1,655,389	9,331	1%
Assigned fund balance	1,069,635	1,912,045	(842,410)	-44%
Unassigned fund balance	1,163,630	1,104,652	58,978	5%
Total fund balance	3,897,985	4,672,086	(774,101)	-17%
Total liabilities, deferred inflows, and fund balance	$ 7,788,240	$ 6,803,007	$ 985,233	14%

During fiscal year 2025, General Fund assets increased by $985,233, or 14%, primarily due to increases in receivables associated with intergovernmental revenues and other amounts due to the Town. General Fund liabilities increased by $562,288, or 31%, primarily as a result of an increase in deposits held by the Town. Despite the increase in total assets, the General Fund's total fund balance decreased by $774,101, or 17%, from the prior fiscal year. The decrease in fund balance was primarily attributable to current year's expenditure and other financing uses exceeding revenues and other financing sources.

(continued next page)

Table 4
Town of Loxahatchee Groves
Summary of General Fund Statement of Revenues,
Expenditures, and Changes in Fund Balance

	General Fund as of September 30,			
	2025	2024	Change	% Change
Revenues	$ 4,532,048	$ 4,885,080	$ (353,032)	-7%
Expenditures	3,428,918	3,181,715	247,203	8%
Other Financings Sources and (Uses)	(1,024,493)	(1,320,853)	296,360	-22%
Net change in fund balance	78,637	382,512	(303,875)	-79%
Fund balance, beginning	2,468,690	2,086,178	382,512	18%
Fund balance, ending	$ 2,547,327	$ 2,468,690	$ 78,637	3%

The Town of Loxahatchee Groves General Fund revenues decreased over the prior year by ($353,032) or -7%, mostly the result of the use of a one-time developer contribution of $746,865 in the prior year. Total expenditures increased over the prior year by $247,203 or 8%, largely related to an increase in general governmental. The Town's Other financing sources and uses decreased by 22%, largely due to reduced transfers to the Capital Improvements Fund.

General Fund

The Town adopts annual budgets by fund, department function and object in compliance with Florida State Statute Section 200.065 (commonly referred to as the Truth-in Millage Legislation). The law requires municipal organizations to prepare and adopt annual operating budgets for the General, Special Revenue and Debt Service Funds following uniform time frames related to property tax levies. The balanced budgets may be revised throughout the year. The Town's code allows for intra-department level budget transfers between expenditure categories without Council approval; however, inter-department and fund total changes require Council-approved budget amendments adopted by resolution.

The Town's policy is to adopt the budget following the second public hearing of each fiscal year, held in September for October 1st year. Budget amendments may be presented to Council at any time during the fiscal year and up to 60 days after the fiscal year ends.

The final General Fund budget reflected a $231,000 increase in General Government appropriations and a corresponding $231,000 budgeted transfer-in compared with the original budget. Actual revenues exceeded the final budget by $216,248, while expenditures were $93,389 below final appropriations. The General Fund ended the year with a $78,637 increase in fund balance

Transportation Special Revenue Fund

The fund balance of the Transportation Special Revenue Fund remained at $0.00, as was the prior year. All the funds were transferred out to support activities in other funds.

Local Option Sales Tax Special Revenue Fund

In 2016, a one-cent infrastructure surtax or Local Option Sales Tax was approved by the voters in Palm Beach County for no more than ten years. The distribution is 50% for the School Board, 30% for the County, and 20% to be distributed to the Municipalities. Accordingly, the Town established the Local Option Sales Tax Fund to account for these funds which will enable the Town to initiate at least a portion of long-overdue roadway improvement projects. In FY2025, total revenue of $382,084 was transferred to the Capital Improvement Fund. As a result, the Local Option Sales Tax Fund's ending fund balance remained unchanged at $52,243.

Capital Improvement Fund

The Capital Improvement Fund incurred $2,251,707 in capital outlay during FY2025. These expenditures were funded in part by $350,000 of intergovernmental revenue and $1,039,638 of transfers from other funds. As capital expenditures exceeded current-year revenues and transfers, fund balance decreased by $862,069, from $1,294,872 to $432,803. Capital improvement activity underway at year-end will continue into FY2026.

Capital Assets

As of September 30, 2025, the Town's capital assets amounted to $10,321,861 (net of accumulated depreciation). This was $559,388 more than the prior year.

More details relating to capital assets can be found on Note 6 of the Notes to the Financial Statements.

Long-Term Liabilities

As of the end of the fiscal year the only long-term liabilities of the Town were for accumulated compensated absences owed to employees upon separation from service, leases for equipment, and net pension liabilities owed to retirees, present and future. The Total amount of these liabilities amounted to $1,644,492, of which $208,813 was estimated to be due during FY2026. The Town's Lease Liability decreased, net, by ($112,340) due to the principal payments on heavy equipment financed by a lease. The Town's Net pension liability decreased by ($183,983) due to its share of activities in the Florida Retirement System.

Additional information on the City's long-term debt can be found in Note 4 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a state personal income tax and therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) primarily rely upon property taxes and a limited array of permitted other taxes (sales, telecommunication, gasoline, utilities services, etc.) and fees (franchise, building permits, occupational license, etc.) for funding of their governmental activities. In addition, there are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments.

During 2007 the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments. The maximum tax levy allowed by a majority vote of the governing body is based on a percentage reduction applied to the prior year property tax revenue. The percentage reduction is calculated based on the compound annual growth rate in the per capita property taxes levied. The law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the prior year rolled-back millage rate, plus an adjustment for growth in per capita personal income; 2) a two-thirds vote to adopt a rate equal to the prior year adjusted millage rate plus 10%; or 3) any millage rate approved by unanimous vote or referendum. Future property tax growth is limited to the annual growth rate of per capita personal income, which is currently 3% to 4%, plus the value of new construction.

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution related to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current $25,000 homestead exemption by another $25,000 (for property values between $50,000 - $75,000), except for school district taxes. Since the new $25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a $15,000 increase to the existing homestead exemption. Amendment 1 also allows property owners to transfer (make portable) up to $500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less.

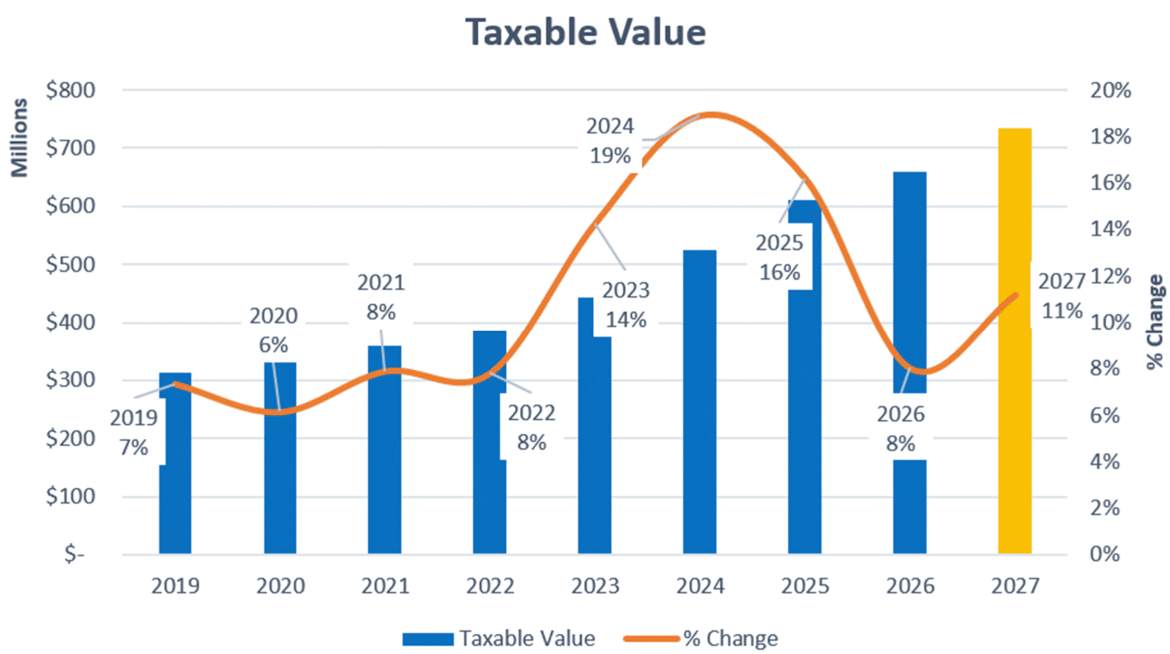
With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a $25,000 exemption for tangible personal property. Amendment 1 became effective on October 1, 2008, except for the ten percent (10%) assessment cap on non-homestead property which became effective on January 1, 2009.

Additional tax relief bills were introduced at the 2018 legislative session which could further limit the extent to which municipalities can levy taxes. Along with all Florida municipalities, the Town faces the unknown negative financial impact of a proposed constitutional amendment on November 8, 2018, ballot which was approved, which created an additional $25,000 exemption for homestead properties for the purposes of non-school (city, county and special district) property taxes. It has been estimated that the new homestead exemption will have a collective negative fiscal impact on all Florida cities, counties and special districts of roughly $750 million in the first year growing to nearly $820 million by the fifth year.

- In setting its fiscal 2025-2026 budgets, the Town preliminary adopted a millage rate of 3.2564.

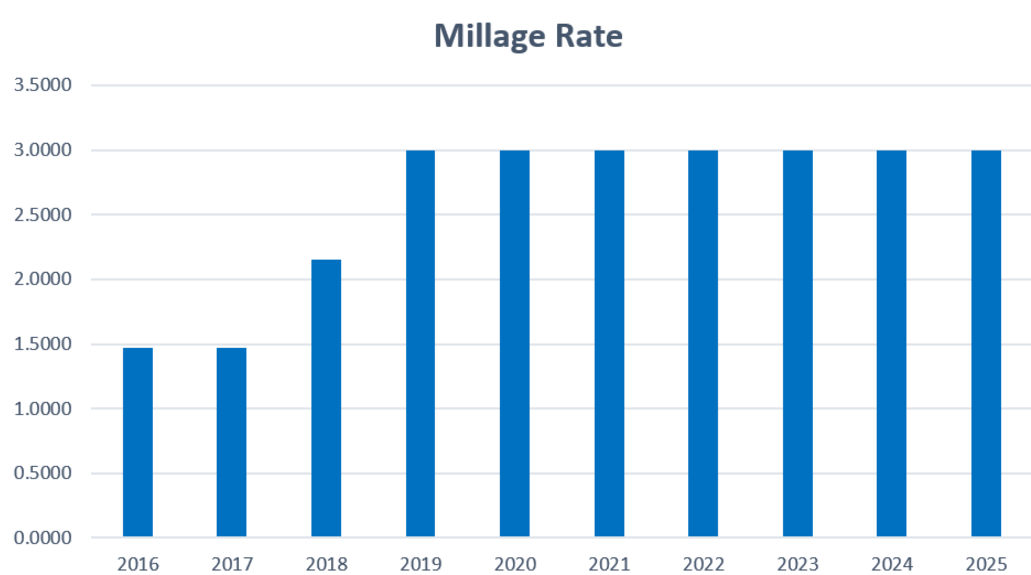
- The Town of Loxahatchee Groves enjoyed increases in total assessed property value of over 11.7% for fiscal year 2026.

Taxable Values
For the Fiscal Years ended September 30, 2019-2027



In 1995, the state of Florida limited all local governments' ability to increase property assessments of homestead property in any given year to 3 percent or cost of living, whichever is lower. The graph below shows the millage rates since 2016. The Town, just like many cities across the country, faces the challenge of keeping taxes and service charges as low as possible while providing residents with the level of service they have come to expect.

Town of Loxahatchee Groves Millage
For the Fiscal Years ended September 30, 2016-2025



The operating millage rate for tax year 2024, which is collected in fiscal year 2025, is 3.000 or $3 per thousand dollars of taxable value. The operating millage rate remains the same from the prior fiscal year and resulted in property tax revenue of $1,776,346 an increase of $248,679, or 16.28% over the prior year due to increased property values. Historically, the rollback rate has always been lower than the existing rate.

The Roads & Drainage Assessment increased to $200 per unit. The Solid Waste assessment rate remained at $450 per unit.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Loxahatchee Groves' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, 155 F Road, Loxahatchee Groves, Florida 33470.

FINANCIAL STATEMENTS

TOWN OF LOXAHATCHEE GROVES, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,976,685	$ 239,210	$ 2,215,895
Investments	1,100,056	-	1,100,056
Receivables:			
Planning and zoning	422,187	-	422,187
Franchise and utility taxes	2,000,872	-	2,000,872
Due from other governments	116,216	351,347	467,563
Prepaid Expenses	207,719	-	207,719
Restricted cash	746,865	-	746,865
Capital assets:			
Nondepreciable capital assets	573,337	-	573,337
Depreciable capital assets, net	9,748,524	-	9,748,524
Total assets	16,892,461	590,557	17,483,018
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources relating to pensions	559,448	-	559,448
LIABILITIES			
Accounts payable and accrued liabilities	807,406	380,931	1,188,337
Due to other governments	52,966	-	52,966
Deposits for planning and zoning	295,568	-	295,568
Noncurrent liabilities:			
Due within one year	208,813	-	208,813
Due in more than one year	1,435,679	-	1,435,679
Total liabilities	2,800,432	380,931	3,181,363
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources relating to pensions	260,925	-	260,925
Local business taxes	31,249	-	31,249
Total deferred inflows of resources	292,174	-	292,174
NET POSITION			
Net investment in capital assets	9,819,108	-	9,819,108
Restricted for:			
Roads and drainage	865,612	-	865,612
Tree Mitigation	746,865	-	746,865
Infrastructure	52,243	-	52,243
Unrestricted	2,875,475	209,626	3,085,101
Total net position	$ 14,359,303	$ 209,626	$ 14,568,929

TOWN OF LOXAHATCHEE GROVES, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs							
Governmental activities:							
General government	$ 2,128,961	$ 766,146	$ -	$ -	$ (1,362,815)	$ -	$ (1,362,815)
Public safety	1,346,046	-	-	-	(1,346,046)	-	(1,346,046)
Physical environment	3,675,194	1,533,094	-	1,611,283	(530,817)	-	(530,817)
Interest expense	30,370	-	-	-	(30,370)	-	(30,370)
Total governmental activities	7,180,571	2,299,240	-	1,611,283	(3,270,048)	-	(3,270,048)
Business-type activities:							
Solid Waste	1,038,818	652,950	351,347	-	-	(34,521)	(34,521)
Total business-type activities	$ 1,038,818	$ 652,950	$ 351,347	$ -	-	(34,521)	(34,521)
		General revenues:					
		Property taxes			1,776,346	-	1,776,346
		Local option sales tax			344,768	-	344,768
		Franchise fee			676,590	-	676,590
		Utility taxes			642,738	-	642,738
		Intergovernmental (unrestricted)			801,347	-	801,347
		Investment income (unrestricted)			116,085	-	116,085
		Miscellaneous revenue			4,557	-	4,557
		Total general revenues			4,362,431	-	4,362,431
		Change in net position			1,092,383	(34,521)	1,057,862
		Net position beginning of year			13,266,920	244,147	13,511,067
		Net position end of year			$ 14,359,303	$ 209,626	$ 14,568,929

See notes to basic financial statements

TOWN OF LOXAHATCHEE GROVES, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds					
	General Fund	Roads and Drainage	Transportation	Local Option Sales Tax	Capital Improvements	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 426,597	$ 966,534	$ 276,436	$ 1,216	$ 305,902	$ 1,976,685
Investments	159,456	-	-	940,600	-	1,100,056
Receivables						
Planning and zoning	422,187	-	-	-	-	422,187
Franchise and utility taxes	150,872	-	-	-	1,850,000	2,000,872
Due from other governments	34,076	30,509	31,191	20,440	-	116,216
Prepaid Expenses	207,719	-	-	-	-	207,719
Restricted cash	746,865	-	-	-	-	746,865
Due from other funds	1,217,640	-	-	-	-	1,217,640
Total assets	3,365,412	997,043	307,627	962,256	2,155,902	7,788,240
LIABILITIES						
Accounts payable and accrued liabilities	438,302	131,431	-	-	223,099	792,832
Due to other governments	52,966	-	-	-	-	52,966
Deposits for planning and zoning	295,568	-	-	-	-	295,568
Due to other funds	-	-	307,627	910,013	-	1,217,640
Total liabilities	786,836	131,431	307,627	910,013	223,099	2,359,006
DEFERRED INFLOWS OF RESOURCES						
Local business taxes leived	31,249	-	-	-	-	31,249
Unavailable revenues	-	-	-	-	1,500,000	1,500,000
Total deferred inflows of resources	31,249	-	-	-	1,500,000	1,531,249
FUND BALANCES						
Restricted for:						
Roads and drainage	-	865,612	-	-	-	865,612
Infrastructure	-	-	-	52,243	-	52,243
Tree Mitigation	746,865	-	-	-	-	746,865
Assigned for:						
Capital projects	-	-	-	-	432,803	432,803
Subsequent year's budget	636,832	-	-	-	-	636,832
Unassigned	1,163,630	-	-	-	-	1,163,630
Total fund balances	2,547,327	865,612	-	52,243	432,803	3,897,985
Total liabilities, deferred inflows of resources and fund balances	$ 3,365,412	$ 997,043	$ 307,627	$ 962,256	$ 2,155,902	$ 7,788,240

See notes to basic financial statements

TOWN OF LOXAHATCHEE GROVES, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total fund balances - governmental funds (Page 18)		$ 3,897,985
Amounts reported for governmental activities in the statement of net position are different as a result of:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the net position of the government as a whole.		
Cost of capital assets	$ 18,847,090	
Accumulated depreciation	(8,525,229)	
		10,321,861
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Net pension liability	(1,317,968)	
Lease payable	(279,654)	
Accrued interest	(14,574)	
Compensated absences	(46,870)	
		(1,659,066)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds		
Deferred outflow of resources relating to pensions	559,448	
Deferred inflow of resources relating to pensions	(260,925)	
		298,523
Revenue collected outside of the period of availability is not available to pay for current period expenditures and therefore, is a deferred inflow in the funds.	$ 1,500,000	
		1,500,000
Net position of governmental activities (Page 16)		$ 14,359,303

TOWN OF LOXAHATCHEE GROVES, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Funds					
	General Fund	Roads and Drainage	Transportation	Local Option Sales Tax	Capital Improvements	Total Governmental Funds
Revenues:						
Property taxes	$ 1,776,346	$ -	$ -	$ -	$ -	$ 1,776,346
Local option sales tax	-	-	-	344,768	-	344,768
Utility service taxes	642,738	-	-	-	-	642,738
Franchise fees	793,501	-	-	-	-	793,501
Intergovernmental revenues	417,348	30,509	383,999	-	350,000	1,181,856
Charges for services	529,176	-	-	-	-	529,176
Licenses and permits	273,320	-	-	-	-	273,320
Special assessments	-	1,502,593	-	-	-	1,502,593
Fines and forfeitures	19,239	-	-	-	-	19,239
Miscellaneous revenues	-	6,758	-	-	-	6,758
Interest	80,380	1,008	-	37,316	-	118,704
Total revenues	4,532,048	1,540,868	383,999	382,084	350,000	7,188,999
Expenditures:						
Current:						
General government	1,973,436	-	-	-	-	1,973,436
Public safety	1,455,482	-	-	-	-	1,455,482
Physical environment	-	1,985,886	-	-	-	1,985,886
Debt service:						
Principal	-	112,340	-	-	-	112,340
Interest	-	27,158	-	-	-	27,158
Capital outlay	-	157,091	-	-	2,251,707	2,408,798
Total expenditures	3,428,918	2,282,475	-	-	2,251,707	7,963,100
Excess (deficiency) of revenues over (under) expenditures	1,103,130	(741,607)	383,999	382,084	(1,901,707)	(774,101)
Other financing sources:						
Transfers in	-	863,493	-	-	1,039,638	1,903,131
Transfers out	(1,024,493)	(112,555)	(383,999)	(382,084)	-	(1,903,131)
Total other financing sources	(1,024,493)	750,938	(383,999)	(382,084)	1,039,638	-
Net change in fund balances	78,637	9,331	-	-	(862,069)	(774,101)
Fund balance - beginning of year	2,468,690	856,281	-	52,243	1,294,872	4,672,086
Fund balance - ending	$ 2,547,327	$ 865,612	$ -	$ 52,243	$ 432,803	$ 3,897,985

See notes to basic financial statements

TOWN OF LOXAHATCHEE GROVES, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds (Page 18)		$ (774,101)
Amounts reported for governmental activities in the statement of activities are different as a result of:		
Governmental funds report capital outlay as an expenditure. However, the cost of those capital assets is eliminated in the statement of activities and capitalized in the statement of net position.		
Expenditures for capital assets	2,408,798	
Less current year depreciation	(1,486,805)	
Amounts reported as capital outlay not included in capital assets (not capitalized)	(362,605)	
		559,388
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabities in the statement of net position.		
Leases repayments	112,340	
		112,340
Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported when earned.	1,254,260	
		1,254,260
Some expenses reported in the statement of activities do not require the use of financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in net pension liability and related deferred amounts	183,983	
Deferred outflows of resources related to pensions	(95,836)	
Deferred inflow of resources related to pensions	(124,937)	
Accrued interest expense	(3,212)	
Current change in compensated absences	(19,502)	
		(59,504)
Change in net position of governmental activities (Page 17)		$ 1,092,383

TOWN OF LOXAHATCHEE GROVES, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND - SOLID WASTE
SEPTEMBER 30, 2025

ASSETS	
Current assets:	
Cash and cash equivalents	$ 239,210
Due from other governments	351,347
Total assets	590,557
LIABILITIES	
Current liabilities:	
Accounts payable	380,931
Total current liabilities	380,931
NET POSITION	
Unrestricted	209,626
Total net position	$ 209,626

See notes to basic financial statements

TOWN OF LOXAHATCHEE GROVES, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
PROPRIETARY FUND - SOLID WASTE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Operating revenues:	
Charges for services	$ 652,950
Total operating revenues	652,950
Operating expenses:	
Solid waste contractor	692,096
Other expenses	346,722
Total operating expenses	1,038,818
Operating loss	(385,868)
Non-operating revenues (expenses)	
Intergovernmental	351,347
Total operating expenses	351,347
Operating Loss	(34,521)
Change in net position	(34,521)
Net position, beginning of year	244,147
Net position, ending	$ 209,626

See notes to basic financial statements

TOWN OF LOXAHATCHEE GROVES, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Solid Waste Fund
Cash flows from operating activities:	
Receipts from customers and users	$ 652,950
Payments to suppliers	(725,366)
Operating grants	(347,747)
Net cash used in operating activities	(420,163)
Cash flows (used) by noncapital financing activities:	
Transfers from other funds	351,347
Net cash provided by noncapital financing activities	351,347
Net decrease in cash and cash equivalents	(68,816)
Cash and cash equivalents, October 1	308,026
Cash and cash equivalents, September 30	$ 239,210
Reconciliation of operating loss to cash and cash equivalents used in operating activities:	
Operating loss	$ (385,868)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in:	
Due from other governments	(347,747)
Increase (decrease) in:	
Accounts payable	313,452
Total adjustments	(34,295)
Net cash used in operating activities	$ (420,163)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Loxahatchee Groves, Florida (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Reporting Entity

The Town was incorporated on November 1, 2006, as a municipal corporation, in accordance with Chapter 2006-328 under the Laws of the State of Florida, and was established to conduct a government, perform municipal functions, and provide services to its citizens, as provided by the Constitution of the State of Florida. The Town operates under a Council-Manager form of government. The Town Council is responsible for legislative and fiscal control of the Town. A Town Manager is appointed by the Town Council and is responsible for the administration of all Town affairs placed in the manager's charge by charter or action of the Town Council.

As required by generally accepted accounting principles, these financial statements include the Town (the primary government) and its component units. Component units are legally separate entities for which the Town is financially accountable. The Town is financially accountable if:

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

   or

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

Organizations for which the Town is not financially accountable are also included when doing so is necessary in order to prevent the Town's financial statements from being misleading.

Based upon application of the above criteria, the Town of Loxahatchee Groves has determined that the Loxahatchee Groves Water Control District of Palm Beach County, Florida (District) is the only legally separate entities to consider as a potential component unit.

Although the District is legally separate from the Town, effective June 26, 2018, the District became a dependent district of the Town of Loxahatchee Groves, Florida with the Town Council acting as the Board of Supervisors, therefore the District meets the first test of financial accountability. The District does not issue separate financial statements and is reported as a blended component unit as the Roads and Drainage Fund, a special revenue fund type.

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements, except for inter-fund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. The Town does not accrue property tax revenues since the collection of these taxes coincides with the fiscal year in which levied, and since the Town consistently has no material uncollected property taxes at year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough afterwards to pay liabilities of the current period.

The Town considers revenues collected within 60 days of the year end to be available to pay liabilities of the current period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments are recorded only when payment is due. Property taxes, franchise taxes, licenses, interest revenue, intergovernmental revenues, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund -This fund is the Town’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Transportation Fund – This fund accounts for the revenues and expenditures related to the Town’s share of the State’s 5th and 6th cent gas tax funds.

Local Option Sales Tax Fund – This fund accounts for the revenues and expenditures related to the Town’s share of the 1 percent voter-approved local option sales tax levied county-wide.

Road and Drainage Fund – This fund accounts for the activities of the Town’s dependent water control district.

Capital Improvement Fund – This fund accounts for the activity of long-lived capital improvements within the Town.

Proprietary Fund

The Town reports one major proprietary fund, the Solid Waste Fund, to account for the Town’s residential solid waste operations, which are financed primarily by user charges.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Town’s Solid Waste Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in demand accounts, money market accounts and certificate of deposits.

Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all short-term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to a known amount of cash, and at the day of purchase, have a maturity date no longer than three months.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items in governmental funds are accounted for using the consumption method.

Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to" or "due from other funds". Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Transfers and interfund balances totally within governmental activities and those that are totally within business-type activities are eliminated and not presented in the government-wide financial statements. Transfers and balances between governmental and business-type activities are presented in the government-wide financial statements.

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets, excluding infrastructure assets, are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

Depreciation has been provided over the useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	4 to 10 years
Buildings	15 to 40 years
Infrastructure	5 to 50 years

Compensated Absences

It is the Town's policy to permit employees to accumulate, within certain limits, earned but unused paid time off benefits, which will be paid to employees upon separation from the Towns' service. The Town uses the vesting method to accrue paid time off for employees who are eligible to receive payments upon separation, as well as those expected to become eligible in the future. A liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows for pension items in connection with its participation in the Florida Retirement System in the government-wide statement of net position. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. There are three types of items that qualify for reporting in this category:

1. Pension items in connection with the Town's participation in the Florida Retirement System are reported in the government-wide statement of net position. These deferred pension charges are amortized in a systematic and rational method as pension expense in future periods.

2. Business tax receipts that are received by the Town prior to the period for which the taxes are levied are reported as deferred inflows on both the government-wide statement of net position and on the governmental funds balance sheet.

3. Special assessments that are not received within 60 days of the end of the fiscal year do not meet the availability criterion of the modified accrual basis of accounting, and therefore are reported as deferred inflows only on the governmental funds balance sheet.

Assessments

Maintenance assessments are non-ad valorem assessments on all platted lots within the District. Assessments are levied each November 1 on property as of the previous January 1 to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets, deferred outflows and inflows, liabilities, disclosure of contingent liabilities, revenues, and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectability of receivables and the useful lives of capital assets. Although those estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Net Position

Net position is the residual of all other elements presented in a statement of financial position. Net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, 3) unrestricted. Net position invested in capital assets consists of capital assets reduced by accumulated depreciation. Net position is reported as restricted when there are legal limitations imposed on their use by Town legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

Fund Balance

There are five possible classifications of fund balance:

- Nonspendable fund balance represents amounts that are not in spendable form or are legally or contractually required to be maintained intact.

- Restricted fund balance represents amounts that can be spent only for specific purposes stipulated by external providers (e.g. creditors, grantors, contributor, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

- Committed fund balance represents amounts that can be used only for the specific purposes pursuant to constraints imposed by Town Council by the adoption of an ordinance, the Town's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by the adoption of an ordinance.

- Assigned fund balance includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. In accordance with the Town's fund balance policy, the Town Council or Town Manager may make assignments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (continued)

- Unassigned fund balance is the residual fund balance classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. The Town will first use committed fund balance, then assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Unassigned Fund Balance/Unrestricted Net Position

Maintaining an adequate fund balance or net position is essential to the Town's financial health. The unassigned fund balance and unrestricted net position will be considered adequate between a minimum of 25% and a maximum of 30% of the current year's operating appropriations, including transfers, for the General Fund; and minimum of 0% and a maximum of 25% of the current year's operating appropriations, including transfers, will be considered adequate unrestricted net position for the Enterprise Funds.

In the event that sufficient unassigned fund balance/unrestricted net position targets are not met, a proposed revenue enhancement and/or service level reduction plan to achieve the target will be submitted to the Council for the subsequent year budget consideration. The replenishment to the expected minimum level shall be completed within five years.

Implementation of New Accounting Principles

During the fiscal year ended September 30, 2025, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences by requiring that liabilities for leave be recognized for leave that has not been used and for which the government has an obligation to pay employees. The Statement also establishes guidance for measuring the liability using the pay rates in effect as of the financial statement date and requires that certain salary-related payments associated with the payment of compensated absences be included in the measurement of the liability.

The implementation of GASB Statement No. 101 did not result in a significant change in the total liability reported for compensated absences by the City. Accordingly, no restatement of beginning net position/fund balance was required.

During the fiscal year ended September 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures. This Statement requires governments to disclose certain concentrations or constraints that make the government vulnerable to the risk of a substantial impact if an event associated with the concentration or constraint has occurred or is reasonably possible to occur.

Management evaluated the requirements of GASB Statement No. 102 and determined that no concentrations or constraints existed that met the criteria for disclosure under the provisions of the Statement as of September 30, 2025. Accordingly, no additional disclosures are required.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

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

2. Public hearings are conducted to obtain taxpayer comments.

3. Prior to October 1, the budget is legally enacted through passage of two resolutions – one establishing a milage rate and another adopting the final budget.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Data (Continued)

4. The Town prepares and adopts budgets for the General Fund, Roads and Drainage Fund, Local Option Sales Tax Fund, Transportation Fund, and Capital Improvement Fund. No differences exist between the budgetary and GAAP basis of accounting. Budgeted amounts are as originally adopted, or as amended by the Town Council. If, at any time during the fiscal year, it appears probable to the Town Manager that the revenues available will be insufficient to meet the amount appropriated, the Town Manager shall report to the Council without delay, indicating the estimated amount of the deficit, any remedial action taken, and recommendations as to any other steps that should be taken. The Council shall then take such further action as it deems necessary to prevent or minimize any deficit and, for that purpose, the council may by resolution reduce one or more appropriations accordingly. The legal level of control (level of which expenditures may not exceed the budget) is at the fund level for the General Fund, Roads and Drainage Fund, Local Option Sales Tax Fund, Transportation Fund, and Capital Improvement Fund.

5. During the fiscal year ended September 30, 2025, there were supplemental appropriations of $231,000.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide.

The tax levy of the Town is established by the Town Council prior to October 1 of each year, and the Palm Beach County Property Appraiser incorporates the Town's millages into the total tax levy, which includes Palm Beach County and Palm Beach County School Board tax requirements. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills ($10 per $1,000 of assessed taxable valuation). The tax rate for the Palm Beach County Fire/Rescue Municipal Service Taxing Unit (MSTU) is included in the 10 mills. On September 30, 2025, the MSTU millage rate was 3.4581 mills and the millage rate assessed by the Town was 3.0 for a total of 6.4581 mills ($6.4581 per $1,000 of taxable assessed valuation).

All property is reassessed according to its fair market value January 1 of each year, which is also the lien date. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for Ad Valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of state statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. Taxes may be paid less a discount beginning November 1. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February.

The taxes paid in March are without discount. All unpaid taxes become delinquent on April 1, following the year in which they are assessed. On or prior, to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After the sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

As of September 30, 2025, the carrying amounts of the Town's deposits and bank balances were $2,962,462. All cash deposits are covered by FDIC insurance or the multiple financial institution collateral pool administered by the State of Florida. The collateral pool was created pursuant to the Florida Security for Deposits Act, Chapter 280, Florida Statutes.

The collateral pool consists of assets pledged to the State Treasurer by financial institutions that comply with the requirements of Florida Statutes and have been thereby designated as "qualified public depositories". Therefore, the Town's entire bank balance $2,962,462 is insured either by Federal depository insurance or is collateralized with securities pursuant to the Florida Security for Public Deposits Act. The Town's deposits at year end are considered insured for custodial credit risk purposes.

Investments

The Town adopted an investment policy on August 5, 2008, which is consistent with the requirements of State Statute 218.415. In accordance with Section 218.415 of the Florida Statutes, the Town is authorized to invest in obligations of the U.S. Treasury, its agencies and instrumentalities and in the Local Government Surplus Trust Funds administered by the State Board of Administration (SBA). The policy was subsequently amended to include the Florida Municipal Investment Trust administered by the Florida League of Cities.

The Florida Municipal Investment Trust (FMIvT) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust.

The FMIvT is a Local Government Investment Pool and is considered an external investment pool for GASB reporting purposes. The Town reports its investment in the FMIvT at fair value in accordance with the GASB 72 fair value hierarchy.

GASB 72 requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three tier fair value hierarchy. The hierarchy is based on valuation inputs used to measure the fair value as follows:

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

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

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

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

As of September 30, 2025, the Town had $1,100,056 invested in the FMIvT 0-2 Year High Quality Bond Fund, which was categorized as Level 2 and was valued using a matrix pricing technique. Matrix pricing values securities based on the securities relationship to benchmark quoted prices. The weighted average maturity was 0.9 years and the fund was rated AAAf/S1 by Fitch.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's investment policy states that interest rate risk will be minimized by:

1. Structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

2. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

NOTE 4 – LONG–TERM LIABILITIES

Changes in Long-Term Liabilities

The following is a summary of changes in the long-term liabilities during the fiscal year.

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 27,368	$ 79,476	$ (59,974)	$ 46,870	$ 14,061
Net pension liability	1,501,951	-	(183,983)	1,317,968	-
Lease liability	391,994	-	(112,340)	279,654	194,752
	$ 1,921,313	$ 79,476	$ (356,297)	$ 1,644,492	$ 208,813

Compensated absences and net pension liabilities are expected to be paid out of the General and Roads and Drainage funds.

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

At September 30, 2025, management has determined the amount of OPEB liabilities of the Town were not significant, therefore no liability or expense was recorded.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated nor amortized:				
Land	$ 573,337	$ -	$ -	$ 573,337
Total capital assets, not being depreciated nor amortized	573,337	-	-	573,337
Capital assets, being depreciated and amortized:				
Building	563,256	-	-	563,256
Equipment	1,593,977	95,897	-	1,689,874
Equipment - leases	645,543	-	-	645,543
Infrastructure	13,424,784	1,950,296	-	15,375,080
Total capital assets, being depreciated and amortized	16,227,560	2,046,193	-	18,273,753
Less: accumulated depreciation and amortization for:				
Building	(189,947)	(13,923)	-	(203,870)
Equipment	(1,186,599)	(68,588)	-	(1,255,187)
Equipment - leases	(268,540)	(103,444)	-	(371,984)
Infrastructure	(5,393,338)	(1,300,850)	-	(6,694,188)
Total accumulated depreciation and amortization	(7,038,424)	(1,486,805)	-	(8,525,229)
Total capital assets, being depreciated and amortized, net	9,189,136	559,388	-	9,748,524
Governmental activities capital assets, net	$ 9,762,473	$ 559,388	$ -	$ 10,321,861

Depreciation expense of $14,696 was charged to the general government function and $1,472,109 was charged to the physical environment functions of the Town.

NOTE 7 – FLORIDA RETIREMENT SYSTEM

General Information

All full-time employees participate in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees.

The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site www.dms.myflorida.com.

Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deduction from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Senior Management Service Class

Employees enrolled in FRS prior to July 1, 2011, vest at six years of creditable service and employees enrolled in FRS on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under FRS to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Plan

Benefits Provided

Benefits under FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following table shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age / Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or with 34 years of service	1.63
Retirement up to age 67 or with 35 years of service	1.65
Retirement up to age 68 or with 36 or more years of service	1.68
Special Risk Class	
Service from December 1,1970 through September 30,1974	2.00
Service on or after October 1,1974	3.00
Senior Management Service Class	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

The employer contribution rates by job class for the fiscal year ended September 30, 2025 were as follows:

Class	July 1, 2024 through June 30, 2025	July 1, 2025 through September 30, 2025
Regular class	13.63%	14.03%
Senior management service class	34.52%	33.24%
Special risk class	32.79%	35.19%
DROP	21.13%	22.02%

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Plan (Continued)

Contributions (continued)

Except for the DROP, the employer contribution rates include a 2.00% HIS Plan subsidy. The rates also include 0.06% for administrative costs of the Public Employee Optional Retirement Program.

For the fiscal year ended September 30, 2025, the Town made contributions of $178,989 to the Pension Plan and the Town's employees made contributions of $27,650, for total contributions of $206,639.

Pension Liabilities and Pension Expense

At September 30, 2025, the Town reported a liability of $879,232 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Town's proportionate share of the net pension liability was based on the Town's 2024-2025 plan year contributions relative to the 2024-2025 plan year contributions of all participating members. At June 30, 2025, the Town's proportionate share was 0.002833021 percent, which was an increase of 0.000201325 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the Town recognized pension expense of $188,706 related to FRS.

Deferred Outflows and Inflows of Resources Related to Pensions

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 93,911	$ -
Change of assumptions	102,102	-
Net difference between projected and actual earnings on FRS pension plan investments	-	146,797
Changes in proportion and differences between Authority FRS contributions and proportionate share of contributions	135,897	-
Authority FRS contributions subsequent to measurement date	38,807	-
Total	$ 370,717	$ 146,797

The deferred outflows of resources totaling $38,807 resulting from Town contributions to FRS subsequent to the measurement date but before the end of the Town's reporting period will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year End	Deferred Outflows/(Inflows), net
2026	$ 194,192
2027	18,398
2028	(10,089)
2029	(17,388)
2030	-
Total	$ 185,113

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Plan (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2025
Measurement date	June 30, 2025
Inflation	2.40%
Salary Increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Mortality	PUB-2010 base table varies by member category and sex; projected generationally with Scale MP-2021
Actuarial cost method	Individual Entry Age

The actuarial assumptions used in the July 1, 2025, valuation were based on the certain results of an actuarial experience study of the FRS for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return assumption of 6.70% consists of two building block components: 1) a real return of 4.20%; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2025 by the FRS Actuarial Assumption Conference.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation [1]	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
	100%			
Assumed inflation-Mean			2.4%	1.5%

Note: (1) As outlined in the Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability was 6.70%. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Pension Plan (Continued)

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Town's proportionate share of the net pension liability	$ 1,725,479	$ 879,232	$ 169,750

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2025, the Town did not have a payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2025.

Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Retiree Health Insurance Subsidy (HIS) Program

Benefits Provided

For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the HIS contribution was 2.00%. The Town contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Town's contributions to the HIS Plan totaled $31,537 for the fiscal year ended September 30, 2025.

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Retiree Health Insurance Subsidy (HIS) Program (Continued)

Pension Liabilities and Pension Expense

At September 30, 2025, the Town reported a liability of $438,736 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025.

The Town's proportionate share of the net pension liability was based on the Town's 2024-2025 plan year contributions relative to the 2024-2025 plan year contributions of all participating members. At June 30, 2025, the Town's proportionate share was 0.003422961 percent, which was an increase of 0.000197256 percent from its proportionate share measured as of June 30, 2025.

For the fiscal year ended September 30, 2025, the Town recognized pension expense of $57,208.

Deferred Outflows and Inflows of Resources Related to Pensions

In addition, the Town reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,619	$ 696
Change of assumptions	3,883	106,119
Net difference between projected and actual earnings on FRS pension plan investments	-	365
Changes in proportion and differences between Authority FRS contributions and proportionate share of contributions	175,125	6,948
Authority FRS contributions subsequent to measurement date	7,104	
	$ 188,731	$ 114,128

The deferred outflows of resources totaling $7,104 resulting from Town contributions to HIS subsequent to the measurement date but before the end of the Town's reporting period will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year End	Deferred Outflows/(Inflows), net
2026	$ 28,872
2027	13,614
2028	11,967
2029	12,761
2030	285
Thereafter	-
Total	$ 67,499

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Retiree Health Insurance Subsidy (HIS) Program (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	July 1, 2024
Measurement date	June 30, 2025
Inflation	2.40%
Salary Increases	3.50%, average, including inflation
Municipal bond rate	5.20%
Investment rate of return	N/A
Mortality	Generational PUB-2010 base table varies by member category and sex; projected generationally with Scale MP-2021
Actuarial cost method	Individual Entry Age

For the July 1, 2025 valuation date the municipal bond rate changed from 3.93% to 5.20%.

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

Discount Rate

The discount rate used to measure the total pension liability was 5.20%, which increased from the discount rate of 3.93% as of June 30, 2024. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date.

Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the Town's proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Town's proportionate share of the net pension liability	$ 494,746	$ 438,736	$ 391,762

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2025, the Town did not have a payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2025.

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Summary Data

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2025.

Plan	NET PENSION LIABILITY	DEFERRED OUTFLOW OF RESOURCES	DEFERRED INFLOW OF RESOURCES	PENSION EXPENSE
Florida Retirement System (FRS)	$ 879,232	$ 370,717	$ (146,797)	$ 188,706
Florida Retirement System (HIS)	438,736	188,731	(114,128)	57,208
Totals	$ 1,317,968	$ 559,448	$ (260,925)	$ 245,914

Investment Plan

Plan Description

The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the plan during the 2000 legislative session, and amendments to the plan can only be made by an act of the Florida Legislature. The Investment Plan is administered by the State Board of Administration of Florida. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Town employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

Funding Policy

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), as the defined benefit Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

Participating employers are required to make contributions based upon statewide contributions rates. The contribution rates by job class for the Town's employees for the fiscal year ended September 30, 2025, are as follows:

Class	July 1, 2024 through June 30, 2025	July 1, 2025 through September 30, 2025
Regular class	13.63%	14.03%
Senior management service class	34.52%	33.24%

NOTE 7 – FLORIDA RETIREMENT SYSTEM (CONTINUED)

Investment Plan (Continued)

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Town.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options.

Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The Town's Investment Plan pension expense totaled $74,622 for the fiscal year ended September 30, 2025.

NOTE 8 – INTERFUND ACTIVITY

Receivables and Payables

The composition of interfund balances as of September 30, 2025 is as follows:

Receivable Fund	Payable Fund		Amount
General	Transportation		$ 307,627
General	Local Option Sales Tax		910,013
		Total	$ 1,217,640

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of the above amounts are expected to be repaid shortly after year-end from available current assets and next year funding.

Transfers

Interfund transfers during the year ended September 30, 2025, are as follows:

Transfers Out	Transfers In	Amount	Purpose
General	Capital Improvements	$ 429,000	To provide capital funds
Transportation	Roads and Drainage	268,000	To provide operational funds
Transportation	Capital Improvements	115,999	To provide capital funds
Roads and Drainage	Capital Improvements	112,555	To provide capital funds
Local Option Sales Tax	Capital Improvements	382,084	To provide capital funds
		$ 1,903,131	

NOTE 9 – LEASES

In July 10, 2021, the Town entered into a three (3) year lease as lessee for a utility tractor. A lease liability was recorded as of July 10, 2021 in the amount of $157,812. The Town is required to make annual fixed payments of $55,426. The lease has a fixed interest rate of 3.54%.

In January 1, 2023, the Town entered into a three (3) year lease as lessee for a motor grader. A lease liability was recorded as of January 1, 2023 in the amount of $236,620. The Town is required to make annual fixed payments of $49,021. The lease has an imputed interest rate of 7.50%.

In June 18, 2019, the Town entered into a five (5) year lease as lessee for a copier. A lease liability was recorded as of October 1, 2021 in the amount of $11,765. The Town is required to make monthly fixed payments of $365. The lease has an imputed interest rate of 1.77%.

In January 10, 2024, the Town entered into a three (3) year lease as lessee for a utility vehicle. An initial lease liability was recorded in the amount of $239,346. The Town is required to make monthly fixed payments of $90,476. The lease has an imputed interest rate of 6.56%.

The following schedule details minimum lease payments to maturity for the Town's leases payable at September 30, 2025:

Year Ending September 30,	Principal	Interest	Total Debt Service
2026	$ 194,752	$ 19,433	$ 214,185
2027	84,902	5,575	90,477
	$ 279,654	$ 25,008	$ 304,662

NOTE 10 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town has joined with other municipalities in the State participating in the Florida League of Cities Municipal Self Insurance Program, (the Program) a public entity risk pool currently operating as a common risk management and insurance program. The inter-local agreement with the Florida League of Cities Municipal Self Insurance Program provides that the Program will be self-sustaining through member premiums and will reinsure through commercial companies.

Florida Statues limit the Town's maximum loss for most liability claims to $200,000 per person and $300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature. The limits addressed in Florida Statutes do not apply to claims filed in Federal courts. There have been no significant reductions in insurance coverage in the prior year. No settlements exceeded insurance coverage for the past three years.

The Town is a defendant in various lawsuits arising in the ordinary course of normal operations. Although the ultimate outcome of these lawsuits cannot be determined at the present time, it is the opinion of legal counsel that the likelihood of unfavorable outcome and the amounts of potential losses cannot be reasonably determined for all claims at this time.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Agreement with Palm Beach County for Law Enforcement Services

On June 6, 2017, the Town executed a new agreement with Palm Beach County for law enforcement services, for an annual amount of $610,000 for the fiscal year ending September 30, 2018. Absent a notice of termination, the agreement renews annually subject to the costing proposal by the Sheriff. Effective October 1, 2018, the first amendment to the contract was for an annual amount of $622,200 for the fiscal year ending September 30, 2020. The second amendment was approved September 27, 2019 for an additional twelve months at the same amount. The third amendment was approved September 8, 2020 for an additional twelve months at the same amount. The fourth amendment was approved August 8, 2021 for an additional twelve months at the same amount. The agreement is effective until September 30, 2027.

NOTE 11– COMMITMENTS AND CONTINGENCIES (CONTINUED)

Fire Protection and Emergency Medical Services

The Town has opted into the County's Fire-Rescue Municipal Services Taxing Unit ("MSTU") for the provision of fire rescue, fire protection, and related services from the County. The tax for the MSTU is included in the maximum 10 mills the Town is legally allowed to assess. On September 30, 2025, the MSTU millage rate was 3.4581 mills.

Solid Waste and Recycling Collection Franchise Agreement

In September 2019, the contract for waste and recycling collection services was awarded to Coastal Waste & Recycling of Palm Beach County, LLC effective October 1, 2019 through December 31, 2026. On October 1, 2024, an amendment was approved to change the termination date to September 30, 2026. There are two renewal options in this agreement each for an additional two-year period. The contract also grants the contractor the exclusive right to provide service directly to commercial operations.

Lines of Credit

On December 10, 2020, the Town entered into a $500,000 Emergency Revolving Line of Credit with BankUnited. The line of credit bears interest at a variable rate equal to the BankUnited Prime Rate, subject to a minimum interest rate of 3.25%, with the rate adjusted on the first day of each month. The line of credit was established to provide interim financing for emergency expenditures pending receipt of Federal Emergency Management Agency (FEMA) or State reimbursement proceeds. If such reimbursements are not received, the outstanding balance is to be repaid from budgeted non-ad valorem revenues. The original agreement had a twelve-month term, subject to renewal.

On June 7, 2022, the Town renewed the line of credit for an additional thirty-six-month term at a variable interest rate equal to the BankUnited Prime Rate.

On July 1, 2025, the Town extended the line of credit for an additional thirty-six-month term under the same interest rate provisions.

As of September 30, 2025, there were no outstanding borrowings under the line of credit.

Approved Bonds

On March 15, 2017, a referendum to use gas tax funds and if necessary, infrastructure sales tax funds, in support of issuing bonds in an amount not to exceed $6,000,000 for new road construction was approved. On June 6, 2017, the Town Council approved Resolution No. 2017-31 authorizing the issuance of Roadway Improvement Revenue Bonds not exceeding $6,000,000 and pledging the Town's Gas Tax Revenues and Sales Surtax Revenues; however, no Bonds have been issued as of August 21, 2026.

On March 12, 2019, a referendum authorizing the issuance of Bonds not to exceed $4,000,000 to finance the fifty percent owner contribution portion of the costs of roadway improvements to be repaid by special assessments from the affected property owners, known as the 50% bonds; however, no Bonds have been issued as of August 21, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LOXAHATCHEE GROVES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEUDLE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive/(Negative)
Revenues:				
Property taxes	$ 1,727,000	$ 1,727,000	$ 1,776,346	$ 49,346
Utility service taxes	541,000	541,000	642,738	101,738
Franchise fees	709,000	709,000	793,501	84,501
Intergovernmental revenues	425,300	425,300	417,348	(7,952)
Charges for services	469,500	469,500	529,176	59,676
Licenes and permits	368,000	368,000	273,320	(94,680)
Fines and forfeitures	16,000	16,000	19,239	3,239
Miscellaneous revenues	1,000	1,000	-	(1,000)
Interest	59,000	59,000	80,380	21,380
Total revenues	4,315,800	4,315,800	4,532,048	216,248
Expenditures:				
General government	1,860,887	2,091,887	2,016,586	75,301
Law enforcement	668,000	668,000	666,281	1,719
Planning, zoning, and code enforcement	762,420	762,420	746,051	16,369
Total expenditures	3,291,307	3,522,307	3,428,918	93,389
Excess of revenues over expenditures before other financing sources (uses)	1,024,493	793,493	1,103,130	309,637
Other financing sources (uses):				
Transfer in	-	231,000	-	231,000
Transfer out	(1,024,493)	(1,024,493)	(1,024,493)	-
Total other financing sources (uses)	(1,024,493)	(793,493)	(1,024,493)	231,000
Net change in fund balance	$ -	$ -	78,637	$ (78,637)
Fund balance - beginning of year			2,468,690	
Fund balances - ending			$ 2,547,327	

TOWN OF LOXAHATCHEE GROVES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEUDLE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - ROADS AND DRAINAGE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive/(Negative)
Revenues:				
Intergovernmental revenues	-	-	30,509	30,509
Special assessments	$ 1,530,757	$ 1,530,757	$ 1,502,593	$ (28,164)
Miscellaneous revenues	20,000	20,000	6,758	(13,242)
Interest	18,250	18,250	1,008	(17,242)
Total revenues	1,569,007	1,569,007	1,540,868	(28,139)
Expenditures:				
Public works	2,317,500	2,317,500	2,047,080	270,420
Debt service				
Principal	-	-	112,340	(112,340)
Interest	-	-	27,158	(27,158)
Capital outlay	-	-	95,897	(95,897)
Total expenditures	2,317,500	2,317,500	2,282,475	35,025
Deficiency of revenues under expenditures before other financing uses	(748,493)	(748,493)	(741,607)	6,886
Other financing sources (uses):				
Transfer in	863,493	863,493	863,493	-
Transfers out	(115,000)	(115,000)	(112,555)	(2,445)
Total other financing sources (uses)	748,493	748,493	750,938	(2,445)
Net change in fund balance	$ -	$ -	9,331	$ (9,331)
Fund balance - beginning of year			856,281	
Fund balances - ending			$ 865,612	

TOWN OF LOXAHATCHEE GROVES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEUDLE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND - TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive/(Negative)
Revenues:				
Intergovernmental revenues	$ 396,000	$ 396,000	$ 383,999	$ (12,001)
Total revenues	400,000	400,000	383,999	(16,001)
Expenditures:	-	-	-	-
Excess of revenues over expenditures before other financing uses	400,000	400,000	383,999	(16,001)
Other financing uses:				
Transfers out	(400,000)	(400,000)	(383,999)	(16,001)
Total other financing uses	(400,000)	(400,000)	(383,999)	(16,001)
Net change in fund balance	$ -	$ -	-	$ -
Fund balance - beginning of year			-	
Fund balances - ending			$ -	

TOWN OF LOXAHATCHEE GROVES, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEUDLE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL - SPECIAL REVENUE FUND - LOCAL OPTION SALES TAX

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive/(Negative)
Revenues:				
Local option sales tax	$ 329,800	$ 329,800	$ 344,768	$ 14,968
Interest	6,500	6,500	37,316	30,816
Total revenues	336,300	336,300	382,084	45,784
Expenditures:	-	-	-	-
Excess of revenues over expenditures before other financing uses	336,300	336,300	382,084	45,784
Other financing uses:				
Transfers out	(383,300)	(383,300)	(382,084)	(1,216)
Total other financing uses	(336,300)	(336,300)	(382,084)	45,784
Net change in fund balance	$ -	$ -	-	$ -
Fund balance - beginning of year			52,243	
Fund balances - ending			$ 52,243	

Note 1 - Basis of Accounting

Budgetary comparison schedules are presented for the General, Roads and Drainage, Local Option Sales Tax, and Transportation Funds, as required by generally accepted accounting principles. The budgetary process is described in Note 2 to the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Note 2 - Stewardship, Compliance, and Accountability

Appropriations are legally controlled at the fund level for all funds. Expenditures may not legally exceed budgeted appropriations at that level. During the fiscal year ended September 30, 2025, expenditures exceeded appropriations in the following:

Roads and Drainage Fund	
Principal	$ 112,340
Interest	27,158
Capital Outlay	130,829

The adopted budgets are prepared on the modified accrual basis of accounting in accordance with GAAP, except that transactions related to Statement No. 87, *Leases*, are not budgeted. In addition, debt service principal and interest expenditures related to lease and subscription liabilities are not budgeted.

The over-expenditures in capital outlay was largely attributable to the purchase of a new vehicle. The over-expenditure was funded by available fund balance in the Road and Drainage Fund.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required FRS contribution	$ 34,576	$ 10,252	$ 7,440	$ 18,804	$ 31,920	$ 39,460	$ 78,346	$ 98,784	$ 155,527	$ 178,989
FRS contributions in relation to the contractually required contribution	(34,576)	(10,252)	(7,440)	(18,804)	(31,920)	(39,460)	(78,346)	(98,784)	(155,527)	(178,989)
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	226,503	172,507	101,638	194,113	208,324	259,237	486,879	586,004	843,243	1,032,787
FRS contribution as a percentage of covered payroll	15.27%	5.94%	7.32%	9.69%	15.32%	15.22%	16.09%	16.86%	18.44%	17.33%

Note: Additional years will be presented as they become available. The Loxahatchee Water Control District became a dependent special district of the Town effecticve June 26, 2018, fiscal year 2018 and earlier are for the District as the Town did not have any employees.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN (FRS)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Town's proportion of the FRS net pension liability	0.001291%	0.001154%	0.000988%	0.000639%	0.001917%	0.001944%	0.002223%	0.002461%	0.002632%	0.002833%
Town's proportionate share of the FRS net pension liability	$ 326,010	$ 341,211	$ 297,710	$ 220,163	$ 830,747	$ 146,815	$ 827,034	$ 980,776	$ 1,018,064	$ 879,232
Town's covered payroll	246,765	172,507	137,170	126,272	164,358	186,642	456,111	517,012	863,052	987,683
Town's proportionate share of the FRS net pension liability as a percentage of covered payroll	132.11%	197.80%	217.04%	174.36%	505.45%	78.66%	181.32%	189.70%	117.96%	89.02%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%	87.26%
Assumption changes discount rate	7.60%	7.10%	7.00%	6.90%	6.80%	6.80%	6.70%	6.70%	6.70%	6.70%

Note: The above amounts are as of the plan fiscal year, which ends on June 30.

The Loxahatchee Water Control District became a dependent special district of the Town effective June 26, 2018, fiscal year 2018 and earlier are for the District as the Town did not have any employees. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Annual Comprehensive Financial Report.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required HIS contribution	$ 3,760	$ 2,863	$ 4,666	$ 7,696	$ 11,377	$ 11,906	$ 13,929	$ 16,894	$ 27,734	$ 31,537
HIS contributions in relation to the contractually required contribution	(3,760)	(2,863)	(4,666)	(7,696)	(11,377)	(11,906)	(13,929)	(16,894)	(27,734)	(31,537)
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered payroll	226,503	172,507	281,084	463,608	685,328	717,238	839,121	954,324	1,386,694	1,576,839
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.77%	2.00%	2.00%

Note: The Loxahatchee Water Control District became a dependent special district of the Town effecticve June 26, 2018, fiscal year 2018 and earlier are for the District as the Town did not have any employees.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Town's proportion of the HIS net pension liability	0.001433%	0.001379%	0.001063%	0.000925%	0.001982%	0.001860%	0.002193%	0.002295%	0.003226%	0.003423%
Town's proportionate share of the HIS net pension liability	$ 167,037	$ 147,409	$ 112,557	$ 103,460	$ 241,949	$ 228,185	$ 232,314	$ 364,485	$ 483,887	$ 438,736
Town's covered payroll	246,765	172,507	347,343	305,943	530,083	503,314	815,814	909,241	1,372,707	1,545,063
Town's proportionate share of the HIS net pension liability as a percentage of covered payroll	67.69%	85.45%	32.41%	33.82%	45.64%	45.34%	28.48%	40.09%	35.25%	28.40%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%	6.36%
Assumption changes discount rate	2.85%	3.58%	3.87%	3.50%	2.21%	2.16%	3.54%	3.65%	3.93%	5.20%

Note: The above amounts are as of the plan fiscal year, which ends on June 30.

The Loxahatchee Water Control District became a dependent special district of the Town effective June 26, 2018, fiscal year 2018 and earlier are for the District as the Town did not have any employees. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Annual Comprehensive Financial Report.

STATISTICAL SECTION

TOWN OF LOXAHATCHEE GROVES, FLORIDA

Net Position By Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2016	2017	2018	2019	2020
Governmental activities:					
Net investment in capital assets	$ 3,165,292	$ 3,962,198	$ 4,652,258	$ 4,989,272	$ 4,793,434
Restricted	1,035,067	1,163,010	1,973,806	2,481,866	2,675,011
Unrestricted	2,101,301	1,302,320	331,416	560,522	575,736
Total governmental activities net position	$ 6,301,660	$ 6,427,528	$ 6,957,480	$ 8,031,660	$ 8,044,181
Business-type activities					
Unrestricted	$ 28,097	$ (20,435)	$ (8,655)	$ 83,372	$ 129,307
Primary government:					
Net investment in capital assets	$ 3,165,292	$ 3,962,198	$ 4,652,258	$ 4,989,272	$ 4,793,434
Restricted	1,035,067	1,163,010	1,973,806	2,481,866	2,675,011
Unrestricted	2,129,398	1,281,885	322,761	643,894	705,043
Total primary government net position	$ 6,329,757	$ 6,407,093	$ 6,948,825	$ 8,115,032	$ 8,173,488

	2021	2022	2023	2024	2025
Governmental activities:					
Net investment in capital assets	6,675,768	7,991,594	8,673,364	9,299,656	9,819,108
Restricted	2,412,085	2,308,278	1,112,530	1,655,389	1,664,720
Unrestricted	427,730	1,493,951	2,492,153	2,311,875	2,875,475
Total governmental activities net position	$ 9,515,583	$ 11,793,823	$ 12,278,047	$ 13,266,920	$ 14,359,303
Business-type activities					
Unrestricted	$ 211,883	$ 246,550	$ 253,529	$ 244,147	$ 209,626
Primary government:					
Net investment in capital assets	$ 6,675,768	7,991,594	8,673,364	9,299,656	9,819,108
Restricted	2,412,085	2,308,278	1,112,530	1,655,389	1,664,720
Unrestricted	639,613	1,740,501	2,745,682	2,556,022	3,085,101
Total primary government net position	$ 9,727,466	$ 12,040,373	$ 12,531,576	$ 13,511,067	$ 14,568,929

The Loxahatchee Groves Water Control District became a dependent special district on June 26, 2018, transferring in $1,269,175 of net position as of that date.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXPENSES										
Governmental activities:										
General government	$ 914,583	$ 963,530	$ 1,042,085	$ 1,452,992	$ 1,111,638	$ 1,129,525	$ 1,352,540	$ 1,711,966	$ 1,962,627	$ 2,128,961
Public safety (1)	290,048	294,621	610,000	622,412	1,002,044	1,119,128	1,346,755	1,442,314	1,289,290	1,346,046
Physical environment	1,061,666	805,928	1,030,000	1,417,732	2,449,872	1,227,929	2,068,776	2,690,070	3,090,301	3,675,194
Interest expense	-	-	9,272	33,024	26,973	2,709	-	3,721	27,349	30,370
Total governmental activities	2,266,297	2,064,079	2,691,357	3,526,160	4,590,527	3,479,291	4,768,071	5,848,071	6,369,567	7,180,571
Business-type activities:										
Solid Waste	435,614	553,265	814,671	550,288	703,481	699,311	673,203	714,111	714,311	1,038,818
Total primary government expenses	2,701,911	2,617,344	3,506,028	4,076,448	5,294,008	4,178,602	5,441,274	6,562,182	7,083,878	8,219,389
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	204,519	110,820	104,397	160,658	181,640	337,781	798,632	797,706	755,577	766,146
Physical environment	-	-	-	1,543,093	1,554,737	1,520,542	1,546,426	1,532,766	1,513,649	1,533,094
Operating grants and contributions	-	-	45,178	-	70,741	40,141	1,439,774	359,793	-	-
Capital grants and contributions	1,997,697	260,404	-	92,897	20,000	92,406	-	-	245,740	1,611,283
Total governmental activities program revenues	2,202,216	371,224	149,575	1,796,648	1,827,118	1,990,870	3,784,832	2,690,265	2,514,966	3,910,523
Business-type activities:										
Charges for services-Sanitation	339,620	357,835	364,869	642,315	645,523	653,665	660,895	585,725	586,929	652,950
Operating grants and contributions	-	54,351	51,582	-	103,893	50,272	(675)	-	-	351,347
Total business-type program revenues	339,620	412,186	416,451	642,315	749,416	703,937	660,220	585,725	586,929	1,004,297
Total primary government program revenues	2,541,836	783,410	566,026	2,438,963	2,576,534	2,694,807	4,445,052	3,275,990	3,101,895	4,914,820
Net (expense) revenue										
Governmental activities	(64,081)	(1,692,855)	(2,541,782)	(1,729,512)	(2,763,409)	(1,488,421)	(983,239)	(3,157,806)	(3,854,601)	(3,270,048)
Business-type activities	(95,994)	(141,079)	(398,220)	92,027	45,935	4,626	(12,983)	(128,386)	(127,382)	(34,521)
Total primary government net (expenses) revenue	(160,075)	(1,833,934)	(2,940,002)	(1,637,485)	(2,717,474)	(1,483,795)	(996,222)	(3,286,192)	(3,981,983)	(3,304,569)
General revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	315,454	361,816	612,844	913,924	972,399	1,042,008	1,119,902	1,291,263	1,527,667	1,776,346
Local option sales tax	-	160,446	219,920	244,142	233,775	272,580	315,075	330,728	335,791	344,768
Utility taxes	353,221	372,182	388,641	474,036	442,683	442,871	469,441	531,900	575,043	642,738
Franchise fees based on gross receipts	312,064	262,181	214,497	321,215	321,674	372,660	524,169	649,469	631,736	676,590
Unrestricted intergovernmental revenue	722,300	741,009	748,944	755,583	754,758	834,038	848,230	846,416	819,734	801,347
Interest and other	436	13,636	27,713	94,792	50,641	35,356	32,332	182,342	1,071,503	120,642
Transfers	(94,497)	(92,547)	(410,000)			(77,950)	(47,650)	(135,365)	(118,000)	-
Total governmental activities	1,608,978	1,818,723	1,802,559	2,803,692	2,775,930	2,921,563	3,261,499	3,696,753	4,843,474	4,362,431
Business-type activities:										
Transfers	94,497	92,547	410,000	-	-	77,950	47,650	135,365	118,000	-
Total business-type activities	94,497	92,547	410,000	-	-	77,950	47,650	135,365	118,000	-
Total primary government	1,703,475	1,911,270	2,212,559	2,803,692	2,775,930	2,999,513	3,309,149	3,832,118	4,961,474	4,362,431
Change in Net Position										
Governmental activities	1,544,897	125,868	(739,223)	1,074,180	12,521	1,433,142	2,278,260	538,947	988,873	1,092,383
Business-type activities	(1,497)	(48,532)	11,780	92,027	45,935	82,576	34,667	6,979	(9,382)	(34,521)
Total primary government	$ 1,543,400	$ 77,336	$ (727,443)	$ 1,166,207	$ 58,456	$ 1,515,718	$ 2,312,927	$ 545,926	$ 979,491	$ 1,057,862

(1) In 2020 Code Enforcement and Planning and Zoning were moved from General Government to Public Safety.

TOWN OF LOXAHATCHEE GROVES, FLORIDA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
General Fund					
Nonspendable-prepaids	$ 28,293	$ 3,750	$ -	$ 82,256	$ 62,342
Restricted for tree mitigation	-	-	-	75,635	153,635
Restricted for transportation	-	-	-	-	60,000
Assigned for capital projects	-	-	-	-	-
Assigned for subsquent year's budget	-	-	-	-	53,803
Unassigned	307,413	425,225	485,224	638,242	729,646
Total general fund	$ 335,706	$ 428,975	$ 485,224	$ 796,133	$ 1,059,426
All other governmental funds					
Nonspendable-prepaids	$ -	$ -	$ 50,000	$ 50,000	$ 100,298
Restricted for infrastructure	160,446	380,366	624,508	624,508	861,528
Restricted for transportation	1,002,564	886,474	1,007,764	1,007,764	1,244,226
Restricted for roads and drainage	-	608,773	670,368	670,368	242,271
Restricted for road resurfacing	-	103,927	-	-	
Restricted for debt service	-	-	107,943	107,943	114,587
Assigned for capital projects	862,642	162,667	162,668	162,668	214,452
Total all other governmental funds	$ 2,025,652	$ 2,142,207	$ 2,623,251	$ 2,623,251	$ 2,777,362

	2021	2022	2023	2024	2025
General Fund					
Nonspendable-prepaids	$ 1,623	$ -	$ -	$ -	$ -
Restricted for tree mitigation	153,635	-	-	746,865	746,865
Restricted for transportation	60,000	-	-	-	
Assigned for capital projects	-	-	-	-	-
Assigned for subsquent year's budget	53,803	-	506,059	617,173	636,832
Unassigned	1,218,558	2,202,374	1,580,119	1,104,652	1,163,630
Total general fund	$ 1,487,619	$ 2,202,374	$ 2,086,178	$ 2,468,690	$ 2,547,327
All other governmental funds					
Nonspendable-prepaids	$ -	$ -	$ -	$ -	$ -
Restricted for infrastructure	197,196	309,176	-	52,243	52,243
Restricted for transportation	914,479	336,667	-	-	
Restricted for roads and drainage	1,058,331	1,370,076	1,736,643	856,281	865,612
Restricted for road resurfacing	28,444	-	-	-	
Restricted for debt service	114,587	-	-	-	
Assigned for capital projects	(391,669)	292,359	664,549	1,294,872	432,803
Total all other governmental funds	$ 1,921,368	$ 2,308,278	$ 2,401,192	$ 2,203,396	$ 1,350,658

The Loxahatchee Groves Water Control District became a dependent special district on June 26, 2018, transferring in $1,185,017 of restricted fund balance as of that date.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
REVENUES					
Property taxes	$ 315,454	$ 361,816	$ 612,844	$ 913,924	$ 972,399
Local option sales tax	-	160,446	219,920	244,142	233,775
Utility taxes	353,221	372,182	388,641	474,036	442,683
Franchise fees	312,064	262,181	214,497	321,214	321,674
Intergovernmental revenue	722,300	741,009	748,944	790,155	805,363
Charge for services	158,546	64,727	43,258	240,539	322,544
Licenses and permits	34,622	23,524	51,897	39,209	28,596
Special assessments	-	-	-	1,814,093	1,825,737
Fines and forfeitures	11,351	22,569	9,242	36,911	500
Contributions from private sources	926,942	260,404	-	-	47,908
Interest and other	436	4,686	27,713	187,689	22,733
Total revenues	2,834,936	2,273,544	2,316,956	5,061,912	5,023,912
EXPENDITURES					
Current:					
General government	900,292	948,468	1,027,261	1,576,510	1,208,515
Public safety	290,048	294,621	610,000	622,412	1,002,044
Physical environment	768,167	454,017	672,401	1,440,482	1,472,757
Capital outlay	1,191,967	519,777	322,842	313,525	280,303
Debt service:					
Principal	-	-	263,000	271,000	611,000
Interest	-	-	21,227	34,406	30,089
Other debt service costs	-	-	2,438	11,625	1,800
Total expenditures	3,150,474	2,216,883	2,919,169	4,269,960	4,606,508
OTHER FINANCING SOURCES (USES)					
Transfers in	378,638	-	1,086,898	-	490,683
Transfers out	(473,135)	(92,547)	(1,496,898)	-	(490,683)
	(94,497)	(92,547)	(410,000)	-	-
Net change in fund balances	$ (410,035)	$ (35,886)	$ (1,012,213)	$ 791,952	$ 417,404
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	12.41%	8.71%	17.45%

	2021	2022	2023	2024	2025
REVENUES					
Property taxes	$ 1,042,008	$ 1,119,902	$ 1,291,263	$ 1,527,667	$ 1,776,346
Local option sales tax	272,580	315,075	330,728	335,791	344,768
Utility taxes	442,871	469,441	531,900	575,043	642,738
Franchise fees	337,993	524,169	649,469	701,794	793,501
Intergovernmental revenue	904,920	2,360,262	1,271,294	819,734	1,181,856
Charge for services	479,185	418,655	423,837	514,075	529,176
Licenses and permits	63,263	290,719	201,978	316,888	273,320
Special assessments	1,762,917	1,511,193	1,504,651	1,517,154	1,502,593
Fines and forfeitures	-	17,000	106,806	773,921	19,239
Contributions	88,178	-	-	-	-
Interest and other	4,336	67,565	210,457	158,380	125,462
Total revenues	5,398,251	7,093,981	6,522,383	7,240,447	7,188,999
EXPENDITURES					
Current:					
General government	1,289,923	1,338,357	1,329,409	1,572,114	1,973,436
Public safety	1,119,128	1,332,244	1,645,519	1,596,191	1,455,482
Physical environment	1,071,158	1,239,168	1,613,629	2,155,802	1,985,886
Capital outlay	2,059,813	1,983,856	1,894,813	1,908,938	2,408,798
Debt service:					
Principal	242,375	56,797	105,007	91,745	112,340
Interest	3,945	6,009	3,820	15,987	27,158
Total expenditures	5,786,342	5,956,431	6,592,197	7,340,777	7,963,100
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	-	-	-	163,700	
Issuance of debt- leases	-	11,765	236,820	239,346	
Transfers in	1,644,500	1,835,861	2,426,741	2,404,538	1,903,131
Transfers out	(1,722,450)	(1,883,511)	(2,562,106)	(2,522,538)	(1,903,131)
	(77,950)	(35,885)	101,455	285,046	-
Net change in fund balances	$ (466,041)	$ 1,101,665	$ 31,641	$ 184,716	$ (774,101)
Debt service as a percentage of noncapital expenditures	7.1%	1.6%	2.4%	2.0%	2.6%

TOWN OF LOXAHATCHEE GROVES, FLORIDA
General Governmental Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ad-Valorem Taxes General Purpose	$ 315,454	$ 361,816	$ 612,844	$ 913,924	$ 972,399	$ 1,042,008	$ 1,119,902	$ 1,291,263	$ 1,527,667	1,776,346
Local Option Sales Tax (1)	-	160,446	219,920	244,142	233,775	272,580	315,075	330,728	335,791	344,768
Utility Tax	353,221	372,182	388,641	474,036	442,683	442,871	469,441	531,900	575,043	642,738
Intergovernmental	722,300	741,009	748,944	790,155	805,363	904,920	2,360,262	1,271,294	436,740	1,181,856
Franchise Tax	312,064	262,181	214,497	321,214	321,674	337,993	524,169	649,469	701,794	793,501
Charges for Service	158,546	64,727	43,258	240,539	322,544	479,185	418,655	423,837	514,075	529,176
License and Permits	34,622	23,524	51,897	39,209	28,596	63,263	290,719	201,978	316,888	273,320
Special Assessments	-	-	-	1,814,093	1,825,737	1,762,917	1,511,193	1,504,651	1,517,154	1,502,593
Fines and Forfeitures	11,351	22,569	9,242	36,911	500	-	17,000	106,806	773,921	19,239
Contributions	926,942	260,404	-	-	47,908	13,686	-	-	-	
Interest/ Other	436	4,686	27,713	187,689	22,733	78,828	67,565	210,457	158,380	125,462

(1) The tax was started in 2017 and it will last ten years with the proceeds restricted for Infrastructure expenditures

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

	Real Property								
Fiscal Year	Residential Property	Commercial/ Industrial Property	Agricultural Property	Gov't/Institutional Property	Personal Property	Net Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Net Assessed Value as a Percentage of Estimated Actual Value
2016	$ 161,229,749	$ 21,299,409	$ 63,489,636	$ 1,308,383	$ 15,502,799	$ 262,829,976	1.4718	$ 320,014,496	82.13%
2017	161,247,624	38,232,930	78,706,972	1,528,433	13,364,823	293,080,782	1.4718	356,117,093	82.30%
2018	160,049,414	37,400,435	78,664,760	2,360,928	13,380,833	291,856,370	2.1500	373,032,241	78.24%
2019	182,223,067	40,739,695	92,887,986	1,676,098	15,010,899	332,537,745	3.0000	425,594,621	78.13%
2020	188,930,066	53,869,260	97,564,863	1,787,150	16,017,731	358,169,070	3.0000	455,495,454	78.63%
2021	235,596,079	53,665,680	119,387,351	54,956,128	20,265,577	483,870,815	3.0000	671,723,234	72.03%
2022	257,979,104	58,507,552	141,511,200	60,883,580	26,537,152	545,418,588	3.0000	975,107,679	55.93%
2023	304,615,556	65,091,514	164,286,450	69,362,836	28,550,229	631,906,585	3.0000	1,158,497,734	54.55%
2024	339,342,612	89,808,501	185,541,870	75,111,118	32,738,371	722,542,472	3.0000	1,258,586,064	57.41%
2025	380,234,457	110,106,003	242,397,599	80,197,179	45,296,243	858,231,481	3.0000	1,403,896,115	61.13%

Note: Property in the Town is reassessed each year. State law requires the Property Appraiser to appraise property at 100% of market value. The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with homestead exemption to 3% per year or the amount of the Consumer Price Index, whichever is less. The increase is not automatic since no assessed value shall exceed market value. Tax rates are per $1,000 of assessed value.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

		OVERLAPPING RATES				OVERLAPPING RATES				
Fiscal Year	Town Operating Millage	Palm Beach County School District	Palm Beach County General Government	Palm Beach County Fire Rescue	County Health Care District	Palm Beach County Library System	South Florida Water Management District	South Florida Children's Services Council	Florida Inland Navigation District	Total Direct and Overlapping Rates
2016	1.4718	7.0700	4.9277	3.4581	1.0426	0.5933	0.3551	0.6677	0.0320	19.6183
2017	1.4718	6.7690	4.9142	3.4581	0.7808	0.5891	0.3307	0.6833	0.0320	19.0290
2018	2.1500	6.5720	4.9023	3.4581	0.7261	0.5901	0.3100	0.6590	0.0320	19.3996
2019	3.0000	7.1640	4.8980	3.4581	0.7261	0.5870	0.2936	0.6403	0.0320	20.7991
2020	3.0000	7.0100	4.8580	3.4581	0.7261	0.5833	0.2795	0.6497	0.0320	20.5967
2021	3.0000	7.0100	4.8124	3.4581	0.7261	0.5824	0.2675	0.6497	0.0320	20.5382
2022	3.0000	6.8750	4.8149	3.4581	0.7261	0.5833	0.2572	0.6233	0.0320	20.3699
2023	3.0000	6.4570	4.5188	3.4581	0.6761	0.5599	0.2301	0.4908	0.0288	19.4196
2024	3.0000	6.3140	4.5396	3.4581	0.6561	0.5589	0.2301	0.4908	0.0288	19.2764
2025	3.2564	6.3210	4.5330	3.4581	0.6561	0.5491	0.0948	0.4908	0.0270	19.3863

Note: All millage rates are based are per $1,000 of assessed value.
Source: Town of Loxahatchee Groves Finance Department and Palm Beach Property Appraiser's Office.

TOWN OF LOXAHATCHEE GROVES, FLORIDA

Principal Property Taxpayers

Last year and nine years ago

2025				2016			
Taxpayer	Taxable Valuation	Taxes Paid Rank	Percentage Total Taxable Valuation	Taxpayer	Taxable Valuation	Taxes Paid Rank	Percentage Total Taxable Valuation
ATLANTIC LAND INVESTMENTS LLC	23,081,443	1	3.51%	GROVES MEDICAL PLAZA LLC	4,164,002	1	1.88%
PRIME STORAGE LOXAHATCHEE LLC	16,082,613	2	2.45%	ZDARSKY SONSTANTIN	3,244,400	2	1.47%
C & C LOADER SERVICES	9,618,397	3	1.46%	FLORIDA POWER & LIGHT CO	2,864,272	3	1.30%
FLORIDA POWER AND LIGHT CO	6,781,383	4	1.03%	R BROKE NOW LLC	2,752,092	4	1.24%
HEMINGWAY JOAN LLC	4,959,352	5	0.75%	WPB DEVELOPMENT LLC	2,253,433	5	1.02%
R BROKE NOW LLC	5,144,302	6	0.78%	7 ELEVEN INC	1,955,988	6	0.88%
OAK SPRINGS GORILLA FARM LLC	4,594,295	7	0.70%	YEES CORP	1,882,146	7	0.85%
SOLAR SUNSPORTS INC	1,957,426	8	0.30%	LANTANA HOLDINGS LLC	1,875,267	8	0.85%
YEES CORP	3,885,442	9	0.59%	EVERGLADES FARM EQUIP DO	1,860,212	9	0.84%
DBE UTILITY SERVICES	4,883,556	10	0.74%	DUCK PUDDLE SOUTH LP	444,853	10	0.20%
			0.00%				
	$ 80,988,209		12.31%		$ 23,296,665		10.53%

Taxes Paid Rank lists the taxes and assessments paid during the tax year. Taxes are based upon the taxable value of the property, which is the assessed value less any exemptior

Assessments on property are derived from the special benefit afforded the property and are in addition to property taxes.

source: Palm Beach County Tax Collector and Palm Beach County Property Appraiser

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Taxes Levied for Fiscal Year	Collected Within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	$ 311,616	$ 315,454	101.23%	n/a	$ 315,454	101.23%
2017	374,285	361,093	96.48%	n/a	361,093	96.48%
2018	627,445	612,844	97.67%	n/a	612,844	97.67%
2019	939,870	913,924	97.24%	n/a	913,924	97.24%
2020	1,000,138	972,399	97.23%	n/a	972,399	97.23%
2021	1,079,361	1,042,008	96.54%	n/a	1,042,008	96.54%
2022	1,166,479	1,119,902	96.01%	n/a	1,119,902	96.01%
2023	1,331,565	1,291,263	96.97%	n/a	1,291,263	96.97%
2024	1,747,852	1,527,667	87.40%	n/a	1,527,667	87.40%
2025	1,837,536	1,776,346	96.67%	n/a	1,776,346	96.67%

Source: Palm Beach County Property Appraiser and Town of Loxahatchee Groves Finance Department

TOWN OF LOXAHATCHEE GROVES, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Government Activities		Percentage of	
Fiscal Year	Lease Liability	Total Government	Personal Income	Per Capita
2016	$ -	$ -	0.0000%	-
2017	-	-	0.0000%	-
2018	-	-	0.0000%	-
2019	-	-	0.0000%	-
2020	-	-	0.0000%	-
2021	-	-	0.0000%	-
2022	-	-	0.0000%	-
2023	244,393	244,393	0.1463%	72.42
2024	391,994	391,994	0.2172%	116.86
2025	279,654	279,654	0.1869%	82.62

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Population data provided by American Community Surveys, U.S. Census Bureau

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Direct and Overlapping Governmental Activities Debt
Fiscal year ended September 30, 2025

Government Unit	Net Debt Outstanding	Estimated Percentage Applicable(1)	Amount Applicable to Town of Loxahatchee Groves
Debt repaid with property taxes:			
Palm Beach County School District	$ 2,701,000	0.17%	$ 4,592
Palm Beach County	$ 95,609,000	0.17%	$ 162,535
Subtotal, overlapping debt	$ 98,310,000		$ 167,127
Other debt:			
Town of Loxahatchee Groves direct debt	$ 139,498	100.00%	$ 139,498
Total direct and overlapping debt	$ 98,449,498		$ 306,625

Sources: FY2024 and FY2025 Annual Comprehensive Financial Reports

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Loxahatchee Groves. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values by taking the value that is within the Town's boundaries and dividing it by the County's and School Boards total taxable assessed value. This approach was also used for the other debt.

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Average Houshold Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2016	3,271	93,063	31,639	10.0%
2017	3,342	97,669	31,369	11.1%
2018	3,384	99,332	33,041	not available
2019	3,593	105,473	34,251	not available
2020	3,661	114,497	41,645	8.63%
2021	3,426	124,771	43,184	7.23%
2022	3,379	104,792	47,093	5.10%
2023	3,375	137,363	49,504	2.10%
2024	3,355	113,654	53,805	6.50%
2025	3,384	130,162	44,208	7.50%

(1) Population estimate as published by the University of Florida, Bureau of Economic and Business Research.

(2) American Community Surveys, U.S. Census Bureau

(3) Esri 2025

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Principal Employers - Palm Beach County
Last year and ten years ago
September 30, 2025

	2025			2016		
Employer	EMPLOYEES	RANK	Percentage of Total County Employment	EMPLOYEES	RANK	Percentage of Total County Employment
Palm Beach County School District	22,801	1	2.92%	21,656	1	3.08%
Palm Beach County Government	13,020	2	1.67%	11,587	2	1.65%
Florida Atlantic University	6,335	3	0.81%	2,529	7	0.36%
NextEra Energy (Florida Power & Light)	6,139	4	0.79%	4,005	4	0.57%
Tenet Healthcare Corp.	5,734	5	0.73%	4,595	3	0.65%
Baptist Health/Bethesda Memorial	6,773	6	0.87%	2,500	8	0.36%
Veterans Health Administration	2,948	7	0.38%	2,700	6	0.38%
Jupitor Medican Center	2,850	8	0.37%	3,476	5	0.50%
The Breakers	2,495	9	0.32%	2,195	9	0.31%
Bethesda Hospital	2,400	10	0.31%	2,150	10	0.31%
	71,495		9.17%	57,393		9.93%

Wackenhut

Source: Business Development Board of Palm Beach County

Note: The Town is not a significant area for employment but rather a residential community. Therefore, Palm Beach County statistics were used.

TOWN OF LOXAHATCHEE GROVES, FLORIDA

Full-Time Equivalent Town Government Employees by Function

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020
Legislative	(1)	(1)	(1)	(1)	-
Clerk	(1)	(1)	(1)	(1)	1
General government	(1)	(1)	(1)	(1)	4
Community Development	(1)	(1)	(1)	(1)	2
Public Works	(1)	(1)	(1)	(1)	5
Parks	(1)	(1)	(1)	(1)	-
Public Safety:					
Police	(2)	(2)	(2)	(2)	(2)

Function	2021	2022	2023	2024	2025
Legislative	-	-	-	-	-
Clerk	1	1	1	1	1
General government	4	4	4	4	4
Community Development	2	2	2	2	2
Public Works	7	7	10	10	10
Parks	-	-	-	-	-
Public Safety:					
Police	(2)	(2)	(2)	(2)	(2)

(1) - Town Manager and Town Clerk as well as other managerial services are provided by a private management company.

(2) - Police services contracted through Palm Beach County.

Source: Town of Loxahatchee Groves Finance Department

TOWN OF LOXAHATCHEE GROVES, FLORIDA
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020
Public Safety					
Police:					
Number of emergency calls for service	(1)	(1)	(1)	(1)	(1)
Number of non-emergency calls for service	(1)	(1)	(1)	(1)	(1)
Number of arrests	(1)	(1)	(1)	(1)	(1)
Number of uniformed officers	(1)	(1)	(1)	(1)	(1)
	(1)	(1)	(1)	(1)	(1)
Building and Zoning:	(1)	(1)	(1)	(1)	(1)
Number of building permits issued	(1)	(1)	(1)	(1)	(1)
Number of certificates of use issued	(1)	(1)	(1)	(1)	(1)
Number of occupational licenses issued	(1)	(1)	(1)	(1)	(1)
Culture and Recreation					
Number of parks	(2)	(2)	(2)	(2)	(2)

Function/Program	2021	2022	2023	2024	2025
Public Safety					
Police:					
Number of emergency calls for service	(1)	(1)	(1)	(1)	(1)
Number of non-emergency calls for service	(1)	(1)	(1)	(1)	(1)
Number of arrests	(1)	(1)	(1)	(1)	(1)
Number of uniformed officers	(1)	(1)	(1)	(1)	(1)
	(1)	(1)	(1)	(1)	(1)
Building and Zoning:	(1)	(1)	(1)	(1)	(1)
Number of building permits issued	(1)	(1)	(1)	(1)	(1)
Number of certificates of use issued	(1)	(1)	(1)	(1)	(1)
Number of occupational licenses issued	(1)	(1)	(1)	(1)	(1)
Culture and Recreation					
Number of parks	(2)	(2)	(2)	(2)	(2)

(1) - The Town contracts with the County for these services.

(2) - The Town does not own any parks at this time.

Source: Town Clerk

OTHER INFORMATION SECTION

TOWN OF LOXAHATCHEE GROVES, FLORIDA

Information Required by Section 218.39(3)(c), Florida Statutes

For the Fiscal Year Ended December 31, 2025

Unaudited

As required by Section 218.39(3)(c), Florida Statutes, the Loxahatchee Groves Water Control District of Palm Beach Counth, Florida reported

Required Information		Reported
The total number of district employees compensated in the last pay period of the District's fiscal year 2025:		11
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year 2025:		9
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2025:		700,660
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2025:		643,924
Each construction project with a total cost of at least $65,000 approved by the District that was scheduled to begin on or after October 1 of the fiscal year 2025, together with the total expenditures for such project:		
Project	Budget	
none		
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year 2023 being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes:		See Page 44
The millage rate of ad valorem taxes imposed by the District for fiscal year 2025:		Not Applicable
The rate of non-ad valorem special assessments imposed by the District for fiscal year 2025:		200.00 to 827.16
The total amount of special assessments collected by or on behalf of the District for fiscal year 2025:		1,502,593
The total amount of outstanding bonds issued by the district and the terms of such bonds:		-

COMPLIANCE SECTION

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Boca Raton, FL 33431
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Town Council
Town of Loxahatchee Groves, 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 governmental activities, the business-type activities and each major fund of Town of Loxahatchee Groves, Florida, (the Town), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated August 21, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-01 and 2025-02 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-03, 2025-04, and 2025-05.

Town's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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

Fierman PLLC

Fierman PLLC
Boca Raton, Florida
August 21, 2026

I. Current Year Financial Statement Findings

Significant Deficiencies

2025-01 Bank Reconciliations

Criteria:

Sound financial internal controls require all bank accounts to be reconciled monthly. These reconciliations should be completed and independently reviewed within 45 days of month-end. Formal signatures or digital timestamps must document this review to establish accountability and timely oversight.

Condition:

During our planning procedures for the 2025 fiscal year, we reviewed the bank reconciliations for the months of January, May and September of 2025 and noted that they lacked sign-offs and dates by the preparer and reviewer evidencing timely preparation and management approval.

Cause:

Staff turnover resulting in breaks in the continuity of established procedures.

Effect:

Without timely preparation and review of bank reconciliations, the Town is unaware of the accuracy of cash balances and the existence of errors, fraud, or misuse of funds.

Recommendation:

We recommend the implementation of controls to properly document the preparation and review of bank reconciliations to ensure that proper and timely preparation and review occur.

Views of Responsible Officials and Planned Corrective Action:

The Town concurs with the recommendation and recognizes the importance of timely preparation, review, and documentation of monthly bank reconciliations as a fundamental component of an effective system of internal financial controls.

To strengthen the Town’s financial management framework and address the continuity issues resulting from prior staff turnover, the Town is in the process of hiring a full-time, permanent Senior Financial Analyst and has engaged a new professional financial consulting firm to provide supplemental accounting and financial oversight services.

The implementation of this hybrid financial management model is intended to enhance segregation of duties, establish clear accountability for the preparation and independent review of bank reconciliations, and strengthen the Town’s overall internal control environment. As part of this transition, the Town will formalize procedures requiring all bank reconciliations to be completed and independently reviewed within the established timeframe, with appropriate documentation of the preparer and reviewer through signatures, dates, or approved electronic verification.

Management will also incorporate reconciliation requirements into its recurring financial close procedures and oversight processes to promote consistency, timely identification of discrepancies, and continued compliance with generally accepted financial management practices.

The Town believes these corrective measures will provide greater continuity, accountability, and management oversight while establishing a more sustainable financial control structure going forward.

I. Current Year Financial Statement Findings (CONTINUED)

Significant Deficiencies (CONTINUED)

2025-02 Financial Close and Reporting

Criteria:

The prudent timely completion and review of account reconciliations and closure of accounting periods provide the ability to apply proper fiscal management/oversight. Municipalities should have adequate staffing to provide for a formal review of general ledger activity and account balances periodically to identify potential concerns and imbalances throughout fund activity. The Town currently lacks personnel to allow for an appropriate and adequate review of accounting data and financial information. Timely preparation and accurate account reconciliations are key to maintaining adequate internal control over financial reporting.

Condition:

During audit fieldwork, we identified significant adjustments in cash, revenues, accounts receivable, and accounts payable. Additionally, the initial working trial balance ("WTB") that was initially provided by the Town for the fiscal year ended September 30, 2025 required fifty-nine (59) audit adjustments aggregating to approximately $10,000,000 to correct the original WTB submission. These factors further delayed the financial statement completion and issuance date.

Cause:

Insufficient controls are in place to ensure an appropriate review of financial reporting and timely closure of accounting records.

Effect:

We identified several misstatements during the course of our audit and provided them to management who made corrections to the appropriate accounts and reconciliations. Without the presence of an appropriate review process, the effects could lead to misappropriation of assets, delays in financial reporting, and material misstatements.

Recommendation:

We recommend that the Town evaluate its needs in the finance department to provide for timely accounting period closure and proper review of account activity. We suggest that the Town establish effective review and reconciliation policies and procedures as a customary part of the accounting process, to ensure accounts are reconciled with general ledger accounts on a timely basis.

Views of Responsible Officials and Planned Corrective Action:

The Town concurs with the recommendation and has evaluated the organizational structure, staffing capacity, and internal control environment of the Finance Department. Through this evaluation, management has recognized the need to strengthen the Town's financial reporting processes, enhance supervisory review, and establish a more structured and sustainable financial close process.

As referenced in the Town's response to Finding 2025-01, the Town is in the process of restructuring the Finance Department through the recruitment of a full-time Senior Financial Analyst and the engagement of professional financial consulting services. As part of this transition, the Town is also reviewing and redefining the respective roles, responsibilities, and levels of review assigned to internal staff and external financial professionals to promote appropriate segregation of duties, accountability, and management oversight.

The revised financial management structure will include the development and implementation of formal month-end and year-end closing procedures, including established reconciliation schedules, review protocols, reporting deadlines, and documented supervisory approval of significant general ledger accounts and financial activity. These procedures are intended to facilitate the timely identification and correction of account discrepancies, reduce the need for material year-end adjustments, and improve the reliability and accuracy of interim and year-end financial reporting.

I. Current Year Financial Statement Findings (CONTINUED)

Significant Deficiencies (CONTINUED)

2025-02 Financial Close and Reporting (CONTINUED)

Additionally, management intends to establish a coordinated audit-preparation calendar and year-end close process to ensure that account reconciliations, supporting schedules, general ledger reviews, and other required financial documentation are completed in advance of audit fieldwork. This more proactive approach is expected to improve audit readiness, reduce delays in the financial statement preparation process, and provide management and the Town Council with more timely and reliable financial information throughout the fiscal year.

The Town believes these corrective measures will materially strengthen its internal controls over financial reporting and establish a more effective framework for ongoing fiscal management, oversight, and accountability.

Noncompliance

2025-03 Annual Financial Audit Report

Criteria:

Florida Statute 218.39 states that local government entity shall have an annual financial audit of its accounts and records completed within nine (9) months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its public funds.

Condition:

The Town did not complete its annual financial audit for the fiscal year ended September 30, 2025 within nine (9) months after year end.

Cause:

Delays in the financial close and reporting procedures of the Town.

Effect:

The Town is not in compliance with Florida Statute 218.39.

Recommendation:

We recommend that, in the future, the Town complete its annual financial audits within 9 months after its fiscal year end.

Views of Responsible Officials and Planned Corrective Action:

The Town acknowledges the finding and recognizes its statutory responsibility to ensure that the annual financial audit is completed within the timeframe required by Florida law. Management further recognizes that timely completion of the annual audit is dependent upon an effective year-end financial close process, accurate and complete account reconciliations, appropriate supervisory review, and the timely preparation of supporting schedules and financial records for the independent auditor.

The delay in completion of the fiscal year 2025 audit was primarily attributable to deficiencies in the Town's financial close and reporting process, including the need for significant year-end reconciliation, account review, and audit adjustments prior to issuance of the financial statements. The Town has evaluated these circumstances and is implementing corrective measures intended to improve the timeliness, accuracy, and reliability of its financial reporting processes.

As referenced in the Town's responses to Findings 2025-01 and 2025-02, management is restructuring the Finance Department through the recruitment of a full-time Senior Financial Analyst and the engagement of professional financial consulting services. This hybrid financial management model is intended to increase departmental capacity, strengthen segregation of duties, provide additional technical expertise, and establish greater oversight of the Town's accounting and financial reporting functions.

I. Current Year Financial Statement Findings (CONTINUED)

Noncompliance (CONTINUED)

2025-03 Annual Financial Audit Report (CONTINUED)

As part of this corrective action, the Town intends to implement a formal year-end financial close and audit-readiness schedule that establishes specific deadlines for account reconciliations, general ledger review, year-end adjustments, preparation of audit schedules, management review, and delivery of requested documentation to the independent auditor. Responsibility for each component of the process will be clearly assigned, monitored, and documented to promote accountability and timely completion.

The Town will also coordinate with its independent auditor earlier in the fiscal year to establish the audit timeline, identify required schedules and supporting documentation in advance, and address material accounting or reporting matters prior to year-end whenever practicable.

Management believes these measures will strengthen the Town's financial reporting framework, improve audit preparedness, reduce delays associated with the year-end close process, and provide reasonable assurance that future annual financial audits are completed within the timeframe required by applicable law.

2025-04 Florida Building Permit Surcharges

Criteria:

Florida law requires surcharges on permit fees associated with enforcement of the Florida Building Code, including a Florida Building Code/Florida Building Commission surcharge assessed at 1% of applicable permit fees with a $2 minimum per permit (Fla. Stat. § 553.721) and a Building Code Administrators and Inspectors Fund/DBPR surcharge assessed at 1.5% of applicable permit fees with a $2 minimum per permit (Fla. Stat. § 468.631(1)).

Condition:

As a result of the permit fee testing performed by the auditor, the auditor noted seven (7) instances out of sixteen (16) selections where client assessed Florida building permit surcharges using the minimum $2 amount rather than calculating the percentage-based surcharge and applying the $2 minimum per permit only when the calculated surcharge was less than $2.

Cause:

Inadequate controls related to the calculation and review of permit fees, to ensure compliance with statutory requirements.

Effect:

The Town was not in compliance with statutory requirements governing surcharge calculation and remittance for the fiscal year ended September 30, 2025. Additionally, these discrepancies resulted in inaccurate surcharge revenue amounts being recorded and inaccurate charges being assessed to permit applicants.

Recommendation:

The Town should examine its controls and develop policies and procedures to ensure permit fees are consistently assessed in accordance with the approved fee schedule. Such procedures may include implementing a formal review process, enhancing staff training, and strengthening system controls to ensure fees are calculated accurately.

Views of Responsible Officials and Planned Corrective Action:

The Town acknowledges the auditor's finding and agrees that permit fees must be assessed consistently and in accordance with the Town's duly adopted fee schedule. Management has reviewed the circumstances surrounding the identified discrepancies and has initiated corrective measures to strengthen both system-based and administrative controls over permit fee calculations.

As part of the Town's review, staff identified a configuration issue involving certain permit fees directly associated with the DBPR and DCA state surcharge calculations within the Town's permitting software. The Town requested that its software provider investigate the matter and provide documentation regarding the cause, scope, and corrective action.

I. Current Year Financial Statement Findings (CONTINUED)

Noncompliance (CONTINUED)

2025-04 Florida Building Permit Surcharges (CONTINUED)

Based upon the information provided by the software vendor, certain permit fee calculations were incorrectly configured when the permitting system was initially implemented. On May 7, 2025, the vendor made a system configuration correction to align the applicable valuation-based permit fee calculation with the Town's adopted fee schedule. During that correction, however, the DBPR and DCA surcharge configuration was inadvertently not updated to reference the revised permit fee calculation. Consequently, certain affected permits were assessed the minimum statutory surcharge rather than the applicable percentage-based surcharge.

The software provider subsequently confirmed that this resulted from a configuration oversight associated with the system update and was not an intentional modification of the Town's adopted fee schedule by Town staff. The vendor has further confirmed that the permit fee structure implemented effective October 1, 2025, including the applicable DBPR and DCA surcharge calculations, is currently configured to calculate against the appropriate permit fees.

The Town has also obtained from the software provider a listing of permits affected by the identified surcharge configuration issue, including calculations of the amounts that should have been assessed. Management is reviewing the affected transactions to determine the appropriate accounting and administrative treatment of any identified surcharges and to ensure that any necessary corrective action is taken in accordance with applicable law, the Town's adopted fee schedule, and sound accounting practices.

In response to this finding, the Town is strengthening its internal controls over permit fee administration. Going forward, changes to permit fees or fee configurations will be subject to a formalized review and verification process. This process will include documented authorization of fee changes, comparison of system configurations to the Town's adopted fee schedule, validation of related surcharges and dependent calculations, and testing of sample transactions following any system modification before the revised configuration is relied upon for routine processing.

The Town will also establish periodic reconciliation and supervisory review procedures to compare permit fees assessed through the permitting system against the formally adopted fee schedule. Staff responsible for permit administration will receive additional guidance regarding fee verification, escalation of discrepancies, and documentation requirements.

These corrective measures are intended to strengthen system controls, provide greater oversight and accountability, reduce the risk of future surcharges, and provide reasonable assurance that permit revenues are assessed, collected, and recorded in accordance with the Town's duly adopted fee schedule.

2025-05 Noncompliance with Purchase Order Policies

Criteria:

The Town's established purchasing policies require purchase orders to be prepared and maintained for applicable purchases. Purchase orders are an important internal control designed to document that purchases were properly initiated, reviewed, and approved before goods or services were ordered or received. Proper use and retention of purchase orders also support compliance with budgetary controls, procurement requirements, and accurate financial recordkeeping.

Condition:

During our audit procedures over purchasing and disbursement controls, we noted that the Town is not consistently producing or retaining purchase orders in accordance with its established purchasing policies. Specifically, in a sample of forty-one (41) purchase order selections tested, thirty (30) selections did not have a corresponding purchase order available for audit review.

Cause:

The condition appears to have resulted from the inconsistent application of the Town's purchasing policies and insufficient monitoring to ensure purchase orders are prepared and retained when required. In addition, personnel responsible for purchasing may not have received sufficient guidance, training, or reminders regarding the policy requirements and documentation expectations.

I. Current Year Financial Statement Findings (CONTINUED)

Noncompliance (CONTINUED)

2025-05 Noncompliance with Purchase Order Policies (CONTINUED)

Effect:

Failure to consistently prepare and retain purchase orders reduces the effectiveness of the Town's internal controls over purchasing and disbursements. Without purchase orders, there is an increased risk that purchases may be made without proper authorization, budgetary review, or compliance with procurement policies. This condition may also reduce the Town's ability to demonstrate that goods and services were procured in accordance with established procedures and may result in errors, unauthorized purchases, duplicate payments, or purchases that are not properly supported.

Recommendation:

We recommend that the Town strengthen its procedures to ensure purchase orders are prepared and retained in accordance with its established policies.

Views of Responsible Officials and Planned Corrective Action:

The Town acknowledges the finding and concurs with the recommendation to strengthen compliance with its established purchasing policies and internal controls governing the preparation, approval, and retention of purchase orders.
Management has identified the need for increased consistency, training, documentation, and accountability within the purchasing process. As part of its corrective action, the Town will provide formal training and guidance to employees involved in purchasing, requisitioning, departmental approvals, accounts payable, and procurement-related activities to ensure a clear understanding of when a purchase order is required, the appropriate approval process, and the documentation retention standards applicable to each transaction.

The Town will also reinforce that purchasing authority is limited to the scope specifically delegated to each employee or department and that personnel exercising such authority are responsible for compliance with applicable purchasing policies, budgetary controls, procurement requirements, and documentation standards.

In addition, management intends to strengthen its monitoring and review procedures by incorporating purchase order verification into the accounts payable and disbursement process. Where required by policy, appropriate purchase order documentation will be confirmed prior to payment processing, subject to any authorized exceptions permitted under the Town's purchasing policies. Exceptions or instances of noncompliance will be documented and elevated for appropriate management review.

The Town will further evaluate its existing purchasing procedures and internal workflows to establish clearer responsibility for the initiation, approval, issuance, and retention of purchase orders and to improve coordination between operating departments and Finance. Periodic compliance reviews may also be performed to identify deficiencies and provide timely corrective guidance.

These measures are intended to strengthen the Town's internal control environment, improve budgetary and procurement oversight, promote consistent application of purchasing policies, and provide greater assurance that expenditures are properly authorized, documented, supported, and maintained in accordance with the Town's established policies.

FIERMAN
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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Town Council
Town of Loxahatchee Groves, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Loxahatchee Groves, Florida (the Town) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated August 21, 2026.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated August 21, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the Town's geographical boundaries during the fiscal year under audit.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Fierman PLLC

Fierman PLLC
Boca Raton, Florida
August 21, 2026

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES

To the Honorable Mayor and Town Council
Town of Loxahatchee Groves, Florida

We have examined the Town of Loxahatchee Groves, Florida, (the Town), compliance with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2024, to September 30, 2025. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

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

Our examination does not provide a legal determination on the Town's compliance with specified requirements. In our opinion, the Town complied, in all material respects, with the requirements of Section 218.415 Florida Statutes during the period of October 1, 2024, to September 30, 2025.

This report is intended solely for the information and use of management, the Mayor, the Town Council, others within the Town and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Fierman PLLC

Fierman, PLLC
Boca Raton, Florida
August 21, 2026