CITY OF PALM BEACH GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2025

CITY OF PALM BEACH GARDENS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared By
Finance Department
City of Palm Beach Gardens, Florida

CITY OF PALM BEACH GARDENS, FLORIDA

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INTRODUCTORY SECTION

May 27, 2026

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Palm Beach Gardens, Florida

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with generally accepted auditing standards and government auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Palm Beach Gardens, Florida for the fiscal year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City of Palm Beach Gardens. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Palm Beach Gardens has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Palm Beach Gardens' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Palm Beach Gardens' comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Palm Beach Gardens' financial statements have been audited by CBIZ CPAs P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Palm Beach Gardens for the year ended September 30, 2025, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of Palm Beach Gardens' financial statements for the year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Palm Beach Gardens' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Established in 1959, Palm Beach Gardens is situated in the southeastern region of Florida, approximately 7 miles north of West Palm Beach and 70 miles north of Miami. With a vast land area spanning 56 square miles, it stands as one of the largest cities in Palm Beach County. The city's population is currently 64,547. The City is empowered to levy a property tax on real property located within its boundaries. The city also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council.

The City of Palm Beach Gardens has operated under the Council-Manager form of government from its inception. Policy-making and legislative authority are vested in the Governing Council, which consists of a Mayor and four Council Members. The Governing Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Governing Council, for overseeing the day-to-day operations of the City and for appointing the heads of the City's departments. The Council is elected on a non-partisan basis. Council Members are elected to three-year staggered terms, with two Council Members elected one year and three Council Members the following year. The Council Members are elected at large; the Mayor is selected annually from among the Council Members by the Council Members themselves.

The City of Palm Beach Gardens provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events. Water and sewer services are provided through Seacoast Utilities, a legally separate Water and Sewer Authority, which functions totally independent of the City of Palm Beach Gardens, and therefore has not been included as an integral part of the City of Palm Beach Gardens' financial statements. There are no component units of the City of Palm Beach Gardens at this time.

The annual budget serves as the foundation for the City of Palm Beach Gardens' financial planning and control. All departments of the City of Palm Beach Gardens are required to submit requests for appropriation to the City Manager in March each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to July 31. The Council is required to hold two public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Palm Beach Gardens' fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The budget may be amended in several ways. An intradepartmental or interdepartmental transfer within the same fund may be authorized by the City Manager. A transfer between different funds may be authorized initially by the City Manager, subject to approval within 30 days by resolution adopted by the City Council. A third way is a transfer from the contingency account of the City Council, which may be authorized only by resolution adopted by the Council; except that, in the event of an emergency declared by the Manager, such a transfer may be made initially upon authorization of the Manager, subject to approval within 30 days by resolution adopted by the Council. Any increase in the total appropriations for a fund must be approved by ordinance of the Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 95-96.

Local Economy. The City of Palm Beach Gardens has grown into an affluent and stable community with a strong and diversified economic base, supported by key sectors such as healthcare, technology, tourism, leisure, engineering, and education. This economic landscape is further strengthened by the presence of major employers and institutions, including Carrier Corporation, NextEra Energy, and the internationally recognized Scripps Florida Research Institute and Max Planck Society located in northern Palm Beach County.

The City benefits from a robust tax base, with approximately 80 percent of ad valorem revenues derived from the residential sector. Unlike many municipalities, Palm Beach Gardens adopts a distinctive approach to revenue generation, deviating from traditional municipal taxation methods. The City does not levy additional municipal taxes on utilities, solid waste, stormwater, or fire rescue services, and residents are assessed only minimal communication services taxes. Instead, the City relies primarily on ad valorem taxation to fund essential services. This unique model underscores a long-standing commitment to fiscal responsibility and the well-being of residents.

The City of Palm Beach Gardens has been fortunate to have land mass that has been available for future development, which will only further enhance the City's economic base and allow the City to continue to prosper with additional employment opportunities and increases in property valuations and revenues. A prime example is the Avenir master-planned community, one of the largest developments in South Florida, which is transforming the City's western corridor. Avenir will not only deliver thousands of new homes but also create a comprehensive economic parcel designed for residents to live, work, and play. This mixed-use environment integrates residential neighborhoods with retail, office, healthcare, and recreational amenities, fostering a balanced community that supports both quality of life and economic vitality.

The following are some of the significant projects that have been taking place in the City of Palm Beach Gardens:

- Watermark at Avenir (Pod 1) – Approved for 98 dwelling units, all 98 units have been completed.
- LaTerre at Avenir (Pod 2) – Approved for 92 dwelling units, all 92 units have been completed.
- Windgate at Avenir (Pod 3) – Approved for 119 dwelling units, all 119 units have been completed.
- Coral Isles at Avenir (Pod 4) – Approved for 107 dwelling units, 63 units have been completed, and 17 units are under construction.
- Regency at Avenir (Pod 5) – Approved for 469 age-restricted dwelling units, 363 units have been completed, and 38 units are under construction.
- Avondale at Avenir (Pods 6, 7, 8) – Approved for 390 dwelling units, 249 units have been completed, and 33 units are under construction.
- Solana Bay at Avenir (Pod 9) – Approved for 118 dwelling units, 74 units have been completed, and 27 units are under construction.
- Longview at Avenir (Pod 10) – Approved for 230 dwellings units.

- Stone Gate at Avenir (Pod 11) – Approved for 137 dwelling units.

- Panther National at Avenir (Pods 12, 13, 14) – Approved for 218 dwelling units across three residential pods, 24 villas, a private golf course with clubhouse, a par-3 golf course, lifestyle center, maintenance facility, and sales center. The golf course was completed in late 2023. The golf course clubhouse and 17 of the 218 units are under construction and eight units have been completed.

- Apex at Avenir (Pod 15) – Approved for 562 dwelling units, 282 units have been completed, and 76 units are under construction.

- Esprit at Avenir (Pod 16) – Approved for 491 age-restricted dwelling units. Construction on the model homes and sales center was completed in October 2025, and 17 units are under construction.

- Orchid Isles at Avenir (Pod 18) – Approved for 104 dwelling units. Construction on the model homes and sales center began in October 2025.

- L'Ambiance at Avenir (Pod 20) – Approved for 144 dwelling units. 53 units have been completed, and 43 units are under construction.

- Lake Ridge at Avenir (Pod 21) – Approved for 204 dwelling units. Construction on the model homes and sales center began in October 2025.

- Essex at Avenir – Approved for 250 townhome units. Construction is anticipated to begin in late 2025/ early 2026.

- Blue Heron (East) Clubhouse at Avenir – Approved for a 12,087-square-foot clubhouse with swimming pool, pool cabanas, tot lot, 6 pickleball courts, 8 tennis courts, and an open play area for the benefit of Avenir residents living east of Coconut Boulevard (not including Regency at Avenir). The Certificate of Occupancy was issued in March 2022.

- Avenir Town Center – Approved for a 376,759 square foot mixed-use town center on 51.55 acres. The site plan includes 216,759 square feet of commercial use, 120,000 square feet of professional office use, and a 90-room hotel. The Town Center is proposed to be constructed in two phases. Construction on the Town Center began in summer 2023 for the first phase, including a new Publix. Unfortunately, due to a tornado associated with Hurricane Milton in October 2024, there was significant damage to the Town Center, which resulted in the almost completed buildings 1, 2, and 3 being demolished; however, they are currently being rebuilt. The first Certificate of Occupancy within the Avenir Town Center is expected to be issued in December 2026.

- Great Egret (West) Clubhouse at Avenir – Approved for a 28,110-square-foot clubhouse with a swimming pool, pool cabanas, kids water park/splash pad, tot lot, 12 pickleball courts, 9 tennis courts with a pro-shop, and an open play area for the benefit of Avenir residents living west of Coconut Boulevard (not including Panther National at Avenir and Esprit at Avenir). Construction began in summer 2024 with an anticipated completion date of spring 2026.

- Avenir Charter School – Approved for a 600-student charter school for kindergarten through 5th grade. The school opened in August 2025.

- Avenir Health Park – Approved for a 29-bed neighborhood hospital and two medical office buildings totaling 72,750 square feet on 13.9 acres. Construction is anticipated to begin by the winter of 2025/2026.

- Palm Beach Gardens Fire Station #6 – The City began construction of Fire Station #6 within the Avenir PCD in spring 2024. Construction was completed in June 2025 and the fire station is currently in operation.

- Community Garden and Dog Park – Approved for a community garden and dog park on an 11.0-acre site located on the west side of Panther National Boulevard, approximately 650 feet north of the intersection of Panther National Boulevard and Northlake Boulevard. The project includes a community garden with four crop fields, fruit tree orchards, a u-pick herb garden, 16 raised garden beds, associated amenities, a stormwater management lake, and a dog park. Construction is anticipated to begin in 2026.

- Utility sites within the Avenir PCD – The Avenir PCD includes three utility sites to service not only the Avenir PCD, but also the surrounding area. The Avenir Pump Station provides an essential service for the operation of the Avenir PCD. This 5.77-acre site features a 1,260 square foot building that houses the pump station motor, five pumps, and a spillway that provides drainage for the development area and pumps needed water for the restoration of the Avenir PCD's conservation area. Construction was completed in August 2023.

- The Seacoast Utility Authority (SUA) Maintenance Facility is located on a 2.5-acre parcel, known as the SUA Parcel, for the purpose of storing SUA utility and infrastructure equipment to service the Avenir PCD and surrounding area. In addition, this site also includes a public safety wireless telecommunication tower and accessory support structure. Construction was completed in May 2025.

- The Florida Power and Light (FP&L) substation is a 4.8-acre site located at the western terminus of Avenir Drive on the south side of Avenir Drive. This unmanned facility is used for the transformation, regulation, and distribution of electricity to the Avenir PCD and surrounding area. Construction was completed in April 2024.

The Alton mixed-use community also continues with its robust construction of residential homes and the medical center. The remaining entitlements under construction include:

- Alton Hospital (Parcel B) – Approved for a 300-bed hospital and an 80,000-square-foot medical office building. The hospital is currently under construction and anticipated to be completed in spring 2026.

- Parcel D – Approved for 117 single-family homes, the last of which are nearing completion as of November 2025.

- Artistry (Parcel G) – Approved for 469 single-family dwelling units and a 3,290-square-foot clubhouse. The clubhouse and roughly 87 percent of the homes have been completed as of November 2025.

Other recently completed and/or ongoing development projects in the City include:

- Downtown Palm Beach Gardens has substantially completed the Phase I portion of the shopping center's renovation, which included updated architecture, replacement of hardscape and landscape materials throughout, and relocation of the carousel to the lakeside. The Phase II portion received approval in 2021 for a 9-story mixed-use tower (MUT) with retail, restaurant, office, and a 174-key hotel, as well as an 8-story 280-unit multi-family residential building with a parking garage. The demolition of the building in the location of the future MUT has occurred and a new east-west roadway is open through the center of the site.

- FP&L has constructed a 270,000-square-foot state-of-the-art office building with an attached three-story, 731-space parking garage on the south side of Kyoto Gardens Drive between Military Trail and RCA Center Drive. Phase II has also been approved, planning to add a second office building of about 250,000 square feet. Construction on Phase II is anticipated to be completed by summer 2027.

- PGA Station received approval for an 8-story, 396-unit multi-family residential building, an 8-story, 200,000 square foot professional office building and a 998-space parking garage with 7,049 square feet of retail space. The 396-unit multifamily building and the parking garage was completed in August 2024.

- Gardens Station Planned Unit Development (PUD) was approved to be incorporated into the PGA Station PUD with the addition of 620 multi-family residential units, including 62 workforce housing units. This project was approved in February 2024, and construction is anticipated to commence in late 2025.

- The Banyan Tree PUD was approved for a 10,620-square-foot mixed-use building consisting of medical office, restaurant, and retail uses. The project was completed in late 2024.

- A 4,652-square-foot 7-Eleven convenience store with a six-pump gas station (12 fueling positions) and a 980-square-foot automatic car wash was approved for the northwest corner of Northlake Boulevard and Congress Avenue in the location of the former Applebee’s restaurant. Construction was completed and the facility opened in fall 2024.

- Frenchman’s Creek recently demolished their clubhouse and has begun construction on a new 129,610-square-foot facility. The project is anticipated to be completed by the end of 2025.

- PGA National Commerce Park was recently approved for a new 36,360-square-foot office building and a 50,022-square-foot warehouse/industrial building. The construction of the warehouse/industrial building was completed May 2025.

- Mira Flores was approved to demolish 32 existing multi-family units and construct a 362 dwelling unit multi-family residential building, including 36 workforce housing units.

- The redevelopment of Port 32 Palm Beach Gardens (fka PGA Marina) was approved in October 2022. The new marina development includes three buildings consisting of boat storage, marina retail, and watercraft showroom. The marina will have 451 enclosed dry storage slips and 20 wet storage slips. Groundwork is underway, with vertical construction anticipated to commence in late 2025.

- Gardens Vista received approval in April 2024 to construct a 221-unit multifamily 4-story building. This building will have 22 units dedicated to workforce housing. The site will also include recreational amenities and open space areas for the residents. Construction has commenced with anticipated completion by April 2027.

- Donald Ross Village (Building D) Law Office is a two-story 7,000-square-foot office outparcel building and is the final remaining outparcel at The shops at Donald Ross within the Donald Ross Village Planned Unit Development (PUD). Construction of the office building is underway, with completion anticipated for early 2026.

- The Plant Drive Park site plan was approved in January 2025 to construct an indoor recreational facility with two ice rinks and ancillary uses. Construction commenced summer 2025 with completion of the project planned for spring 2027.

- Ritz-Carlton Residences received approval in February 2023 to construct 106 luxury condominium units across 3 towers as well as 30 boat slips. Construction is underway with anticipated completion in spring 2026.

- Mirasol Clubhouse received approval in February 2024, allowing for the construction of a 40,000-square-foot two-story golf amenities building that includes a new pro shop, indoor golf cart storage, and a restaurant, as well as a new maintenance building. Construction is underway with anticipated completion by fall 2026.

- Mirasol Sales Center received approval in March 2025 to demolish the Mirasol Sales Center and construct an indoor pickleball building with 7 courts. This project also included the demolition and reconstruction of the west guardhouse. Construction is underway with anticipated completion by Spring 2026.

- Vintage Oaks received approval in September 2023 to construct 111 townhomes located along the south side of Northlake Boulevard, fronting the Rustic Lakes single-family residential development. Groundwork is underway with vertical construction of the clubhouse in summer 2025 and townhomes anticipated to commence in late 2025.

- Coconut Crossing (fka Shops at Indian Trail) received approval in December 2023 for amendments to a 84,689-square-foot shopping center previously approved through Palm Beach County prior to annexation. The development includes an Aldi grocery store, 16-pump gas station, several drive-through restaurants, as well as a bank, car wash, retail, medical office, and daycare. Construction is underway with anticipated completion by December 2026.

- Coconut Palm Plaza is located on the southeast corner of Northlake Boulevard and Coconut Boulevard, which is approved for a 16-pump gas station and 40,005 square feet of retail; however, a modified development program for this project is currently under review and is scheduled for City Council Action on December 2025, which includes the 16-pump gas station (as approved) as well as an off-campus emergency department and 38,000 square feet of medical office.

The City's future property valuations are projected to remain strong as a result of major development projects, particularly within the western boundary at the Avenir community and the Transit-Oriented District, both of which will expand the economic base while increasing demand for municipal services.

To diversify its economic base, the City of Palm Beach Gardens realized the need to attract and maintain industries and employers. The City adopted an Economic Development Element in the City's Comprehensive Plan in January 2005. Its adoption indicated the City's commitment to its economic goal to achieve a balanced and diversified economy which is compatible with the City's quality-built environment and protects important natural resources. The City adopted policies to attain the objectives of a balanced and diversified economy, moderate seasonality in employment, increase opportunity for small business enterprises, improve the availability of education and training opportunities, and maintain the balance between man-made and natural environments. Based on the skill set of its citizenry (available work force) and demographic data collected, growth in targeted cluster industries such as biotechnology, communications, information technology, medical products, marine biology, aerospace research and associated ancillary businesses would be encouraged. In furtherance of the Economic Development Element of the Comprehensive Plan, the City has actively pursued companies interested in coming to the City. The City has committed a portion of fund balance that will be used to provide future economic incentives as a way to attract companies in these industries.

The City has earmarked funds to support three companies that have either expanded or established their headquarters within the City of Palm Beach Gardens. These include Virtu Financial, a financial services and market-making firm; Carrier Corporation, a leading manufacturer specializing in HVAC, refrigeration, and fire and security solutions; and AeroClean, a pathogen elimination technology company whose incentive contract expired in December 2023 with no reimbursement submission resulting in the return of earmarked funds to reserves for future projects.

Carrier Corporation was granted an ad valorem property tax exemption as part of a tax abatement agreement. In return, Carrier Corporation will retain and create 450 local jobs and commit to a capital investment of $140 million. According to the regional economic model estimates, the agreement will have a five-year local economic impact of $662.4 million.

Major industries with headquarters or significant divisions located within the City's boundaries, or in close proximity, include bioscience, technology, medical manufacturing, education, health care, financial services, and leisure services. Prominent employers supporting this diversified base include the Palm Beach County School Board, Palm Beach Gardens Medical Center, TBC Corporation, Zimmer Biomet, Carrier Corporation, Belcan Engineering, ZimVie Dental & Spine, and the PGA National Resort & Spa.

The City of Palm Beach Gardens had an unemployment rate of 4.1% as of July 2025. This rate compares favorably to the State of Florida rate of 3.7% and to the national unemployment rate of 4.2%. With the prospect of new development projects and the addition of a number of corporate headquarters, future employment within the City remains strong and stable.

Long-term financial planning. As mentioned previously, there are major developments that present many opportunities for the future financial stability of the City. However, there are also many challenges that will need to be dealt with. There will be quality of life issues that the City must face, such as transportation, roads, education, recreation, public safety and general government levels of services that must not be compromised for either existing or future residents.

Palm Beach County voters approved a ballot issue to enact a one-cent infrastructure sales surtax to pay for the acquisition and improvements to public infrastructure. The additional tax went into effect January 1, 2017, and will be in place for up to ten years with the City's share of the proceeds estimated to be approximately $30 million. The City reviewed current and long-term infrastructure needs and formulated a plan for the expenditure of the one-cent sales surtax to address current and projected shortages of office and meeting space, current and future parks, recreation amenities, as well as the long-term maintenance needs associated with the expansion of the parks and facilities. The program is scheduled to sunset at the end of 2025, and any remaining proceeds will be applied toward the repayment of debt issued to finance these projects.

Each year, staff prepare a long-term financial projection for the General Fund, which is the only major fund of the City, concurrently with the preparation of the annual operating and capital improvement budget. With the substantial amount of growth expected over the next 10-15 years, our current long-term financial projection becomes even more critical as additional costs and demands for services from development at Avenir, recently annexed western developments, and new City facilities must be factored into the equation.

Unassigned fund balance in the general fund (19% of total general fund expenditures) exceeds the policy guideline of a minimum of 17%. This is net of the budget stabilization amount which is categorized as unassigned as per US GAAP. This year, staff recommend increasing unassigned reserves by $2 million to sustain the 19% threshold. This adjustment addresses rising costs of goods and services due to inflation and bolsters reserves for emergency management planning in anticipation of more severe storm seasons. Recognizing the potential risks posed by natural disasters, economic downturns, or legislative changes that may affect local government revenue, the City remains committed to maintaining a strong fund balance position in the upcoming fiscal years.

Major Initiatives. During 2025, there were several projects completed or started that will further enhance the City's roads, parks and facilities. Major projects included Fire Station 6, Riverside Playground Replacement, Police Department Expansion, Burns Road Playground Replacement, as well as the Burns Road Community Center Renovation.

The following projects were completed during the fiscal year ended September 30, 2025:

The Fire Station 6 project is 95% complete as of September 30, 2025. Fire Station 6, a 13,200-square-foot, five-bay facility located in the Avenir community, opened for service in June 2025. The station was constructed to meet the needs of the City's growing western corridor, providing enhanced fire protection, emergency medical response, and disaster preparedness. Its strategic location reduces response times, improves coordination with surrounding stations, and ensures a higher level of safety and resilience for residents and visitors.

The Riverside Youth Enrichment Center Playground Replacement project was completed during fiscal 2025. The project involved replacing the aging 5–12-year-old playground equipment and surfacing located in the northeast quadrant of the facility. The existing equipment and surfacing had reached the end of their useful life. In addition, the 2–5-year-old playground area was upgraded to ensure safety, accessibility, and compliance with current standards.

As of September 30, 2025, the Police Department Expansion Project is well underway, with 53% of construction completed. This project includes the renovation and expansion of the NorthCom Dispatch Center and the Palm Beach Gardens Police Crime Scene Unit. The project will enhance service delivery to the community in three service capacities. One capacity will provide a new location for training dispatch employees, additional offices to accommodate increased staffing, and support the overall operation of the Center. The second will allow for renovating the space inside the Center to accommodate new radio and dispatch workstations, thereby increasing call handling and dispatching capacity. The third will create additional space for the Crime Scene Unit, allowing for expanded capabilities in processing biological materials, conducting fingerprint analysis, and performing forensic photography. Once completed, the work will support the continued growth and operational needs of the NorthCom Center and Crime Scene Unit.

The Burns Road Community Center Renovation Project was substantially completed by September 30, 2025, with a grand reopening held in May 2025. While the core renovation and expansion of the facility are complete, a few minor projects remain underway to further enhance the campus. The project preserved the existing basketball gyms and locker rooms while modernizing the remainder of the center with significant upgrades to accessibility, functionality, and programming. Improvements include new ADA-accessible and family restrooms, a tot zone for families with multiple children, and a STEM lab to integrate current and emerging technologies into community programming. The art, dance, and wellness spaces were also upgraded to create a more engaging user experience. Funded through a 2023 Public Improvement Bond, this project represents a major reinvestment in the City's recreational infrastructure and long-term community vitality.

In addition to the Community Center renovation, the Burns Road Community Center Playground also underwent a major upgrade. As of September 30, 2025, the project was 89% complete. The Burns Road Playground closed to the public on January 6, 2024, for demolition and renovation. The upgraded playground features a larger play area with two large towers, a shade structure, new turf surfacing, and a dedicated tot lot for children ages six months to twenty-three months. The playground reopened to the public on May 2, 2025, marking a significant milestone in the overall campus improvement plan.

Awards and Acknowledgements. The Government Finance Officers Association ("GFOA") recognized the City of Palm Beach Gardens as a triple crown winner for receiving awards for three different documents.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Beach Gardens for its annual comprehensive financial report ("ACFR") for the year ended September 30, 2024. This was the 30th consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

The GFOA awarded the Award for Distinguished Budget Presentation to the City of Palm Beach Gardens for its operating and capital improvements budget for the year ended September 30, 2024. This was the 28th consecutive year the government has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The GFOA awarded the Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Palm Beach Gardens for the year ended September 30, 2024. This was the 5th consecutive year that the government has received the award for providing the public and other interested parties an easy to understand and concise overview of the information extracted from the ACFR.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the Governing Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Palm Beach Gardens' finances.

Respectfully submitted,

Ron Ferris	Arienne Panczak, CFE
City Manager	Finance Administrator

CITY OF PALM BEACH GARDENS, FLORIDA

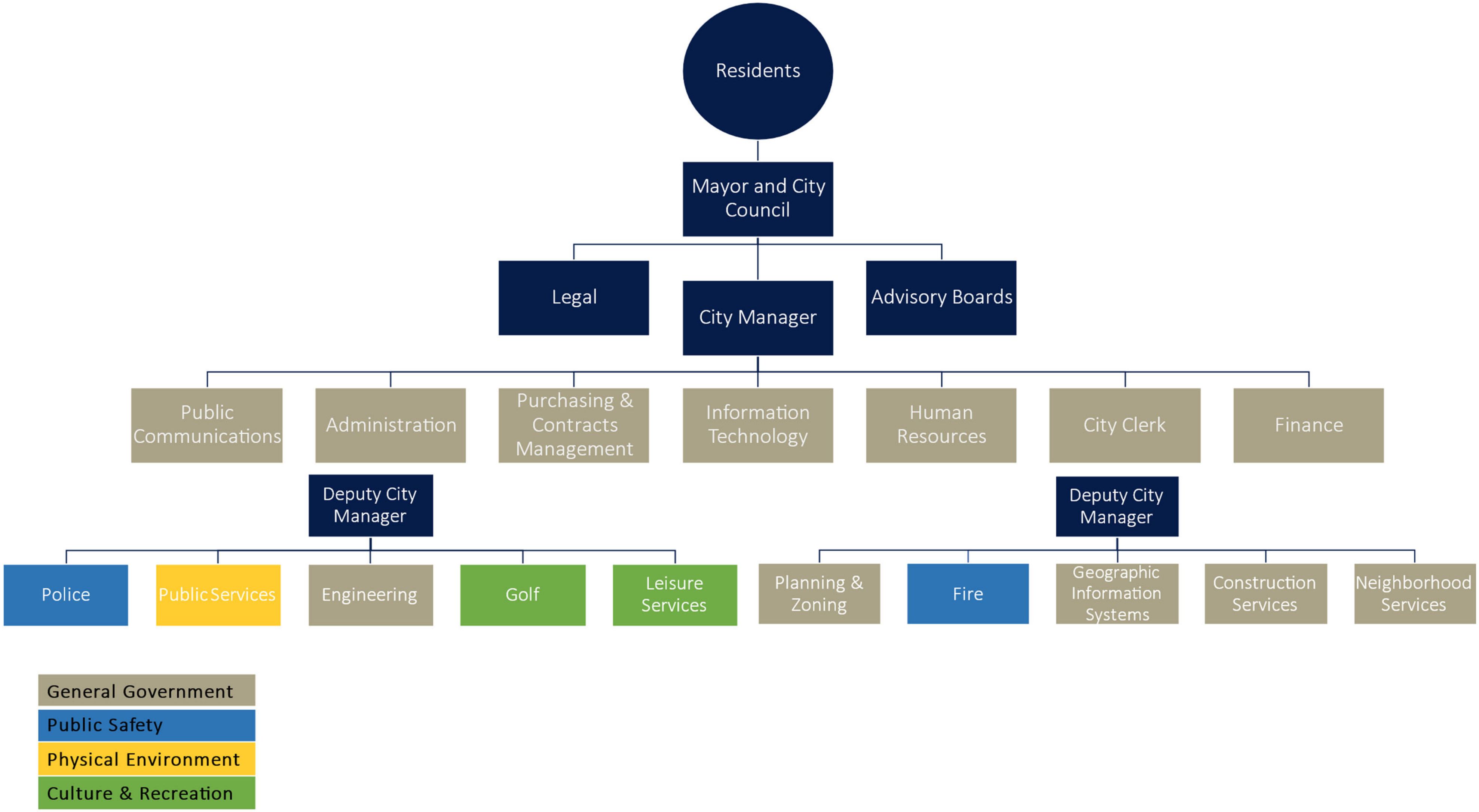
LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2025

TITLE	NAME
Mayor	Marcie Tinsley
Vice-Mayor	Dana P. Middleton
Council Member	Chelsea Reed
Council Member	Robert G. Premuroso
Council Member	John D. Kemp
City Manager	Ronald M. Ferris
Deputy City Manager	Stephen Stepp
Deputy City Manager	Lori Laverriere
City Attorney	Lohman Law Group, P.A.
City Clerk	Patricia Snider
Finance Administrator	Arienne Panczak
Human Resources Administrator	Sheryl Stewart
City Engineer	Todd Engle
Information Technology Administrator	Eric Holdt
Chief of Police	Dominick Pape
Fire Chief	Keith Bryer

CITY OF PALM BEACH GARDENS, FLORIDA

ORGANIZATION CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Palm Beach Gardens
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

PALM BEACH
Gardens

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

CBIZ CPAs P.C.

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

P: 561.994.5050

Independent Auditors' Report

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the City, 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.

We did not audit the financial statements of the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, which represents 83%, 86% and 47%, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information as of September 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Officers' Pension Fund and the Firefighters' Pension Fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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 City's ability to continue as a going concern for twelve months beyond the financial statement date including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 and the budgetary comparison schedule and notes, schedule of total OPEB liability and related ratios, the schedules of the City's net pension liability and related ratios, schedules of proportionate share of net pension liability, schedules of City contributions and the schedules of investment returns - pensions, as listed in the table of contents, on pages 95 through 110 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining individual fund financial statements and schedules, as listed in the table of contents, on pages 111 through 133 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory 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 May 27, 2026 on our consideration of the City'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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Boca Raton, Florida
May 27, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Management's Discussion and Analysis

As management of the City of Palm Beach Gardens, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2025. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal, which can be found on pages i to xi of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Palm Beach Gardens exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $236 million (*net position*).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $141 million, a decrease of approximately $ 1.7 million in comparison with the prior year. 35% of this total amount is available for spending at the government's discretion *(unassigned fund balance).*
- At the end of the current fiscal year, the unassigned fund balance of the general fund was $49.3 million, or 32.09% of total general fund expenditures for financial reporting purposes. This amount includes the $20.2 million budget stabilization fund.
- The City's total governmental activities debt decreased by $5.8 million (10.1%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Palm Beach Gardens' basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to these basic financial statements, this report contains required supplementary information and other supplementary information.

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

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 City is improving or deteriorating.

The statement of activities presents information showing how the City'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 result in cash flows in future fiscal periods (e.g., earned but unused vacation leave). Both the government-wide and fund financial statements distinguish functions of the City 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 governmental activities of the City include public safety, physical environment, transportation, culture and recreation, and general government services. The City does not operate any business-type activities.

The government-wide financial statements can be found on pages 18 – 19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, which is major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combined statements on pages 111 – 114 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget (pages 95 – 96).

The basic governmental fund financial statements can be found on pages 20 – 23 of this report.

Proprietary Funds. The City maintains only one type of proprietary fund. Internal service funds are used to account for the City's fleet maintenance and self-insurance provided to all departments on a cost reimbursement basis.

The basic proprietary fund financial statements can be found on pages 24 – 26 of this report. Combining and individual fund statements for the internal service funds can be found on pages 129 – 131 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 – 28 of this report. Combining and individual fund statements for the fiduciary funds can be found on pages 132 – 133 of this report.

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

The notes to the basic financial statements can be found on pages 29 – 94 of this report.

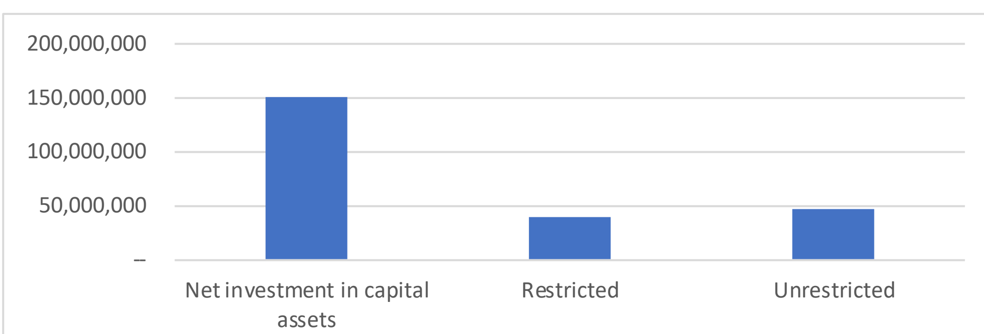
Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the budgetary comparison schedule of the General Fund and information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

Required supplementary information can be found on pages 95 – 110 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City of Palm Beach Gardens, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $236.3 million at the close of the most recent fiscal year. The largest portion of the City's net position (63.8%) represents investment in capital assets (e.g., land, buildings and improvements, roadways, machinery and equipment), less any related outstanding debt and related deferred outflows used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, they are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

As the chart shown below illustrates, an additional portion of the City's net position, $39.1 million (16.6%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of $46.3 million (19.6%) may be used to meet the City’s ongoing obligations to citizens and creditors.



The following table illustrates a summary of net position for Governmental activities:

City of Palm Beach Gardens
Summary of Net Position
September 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Current and other assets	**$ 177,195,140**	$ 178,626,687
Capital assets, net	**207,215,507**	187,079,388
Total assets	**384,410,647**	365,706,075
Total deferred outflows of resources	**26,606,296**	47,733,767
Long-term liabilities	**118,969,405**	163,814,035
Other liabilities	**22,820,453**	21,353,955
Total liabilities	**141,789,858**	185,167,990
Total deferred inflows of resources	**32,886,305**	10,147,998
Net investment in capital assets	**150,806,363**	127,572,588
Restricted	**39,129,181**	41,011,035
Unrestricted	**46,338,776**	49,540,231
Total net position	**$ 236,274,320**	$ 218,123,854

At the end of the current fiscal year, the City is able to report positive balances in net position for all governmental type activities.

There was an overall increase in the City's assets of $18.7 million or 5.11% during the current fiscal year. This was mostly due to increases in right-of-use leases, investments, and restricted investments.

The City's deferred inflows and outflows of resources significantly changed due to the posting of activity to record changes in the net pension and total OPEB liabilities as well as deferred inflows and outflows relating to the City's pension plans. The current year's changes resulted in a decrease in deferred outflows of resources of ($21.1) million, a decrease in liabilities of ($43.4) million, and an increase in deferred inflows of resources of $22.7 million.

The following table summarizes changes in net position for governmental activities:

City of Palm Beach Gardens
Summary of Changes in Net Position
Years Ended September 30, 2025 and 2024

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	**$ 57,084,757**	$ 55,801,769
Operating grants and contributions	**4,433,133**	5,706,919
Capital grants and contributions	**270,883**	799,013
General Revenues:		
Taxes:		
Property taxes	**96,592,325**	89,178,758
Local business tax	**1,770,840**	1,727,366
Public service taxes	**2,219,896**	2,136,533
Special Assessment	**702**	--
Unrestricted intergovernmental:		
Sales tax and local option gas tax	**13,198,029**	12,979,584
State shared revenue	**2,639,264**	2,591,032
Unrestricted investment earnings (losses)	**6,950,079**	8,783,530
Miscellaneous	**4,812,177**	4,811,574
Total revenues	**189,972,085**	184,516,078
Expenses:		
General government	**37,466,841**	33,922,461
Public safety	**87,780,372**	83,283,841
Culture/recreation	**24,232,959**	20,963,626
Physical environment	**19,175,464**	18,154,294
Transportation	**1,326,328**	2,980,402
Interest on long-term debt	**1,839,655**	2,234,316
Total expenses	**171,821,619**	161,538,940
Change in net position	**18,150,466**	22,977,138
Net position – beginning	**218,123,854**	195,146,716
Net position – ending	**$ 236,274,320**	$ 218,123,854

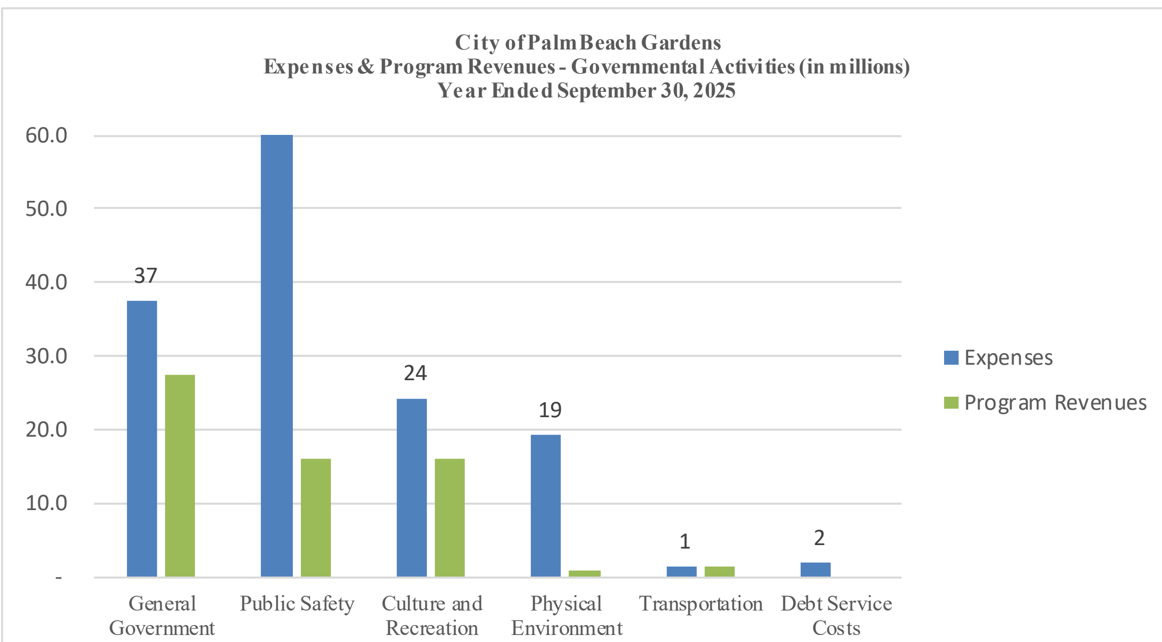
Governmental Activities. As illustrated in the table on the previous page, the net position of the City's governmental activities increased by approximately $18 million or 8.4% from $218 million in the last fiscal year to $236 million in the current fiscal year. Key elements of this increase are:

- Total revenues exceeded expenses by $18 million, mostly due to investment income as well as an increase in property taxes due to rising property values.

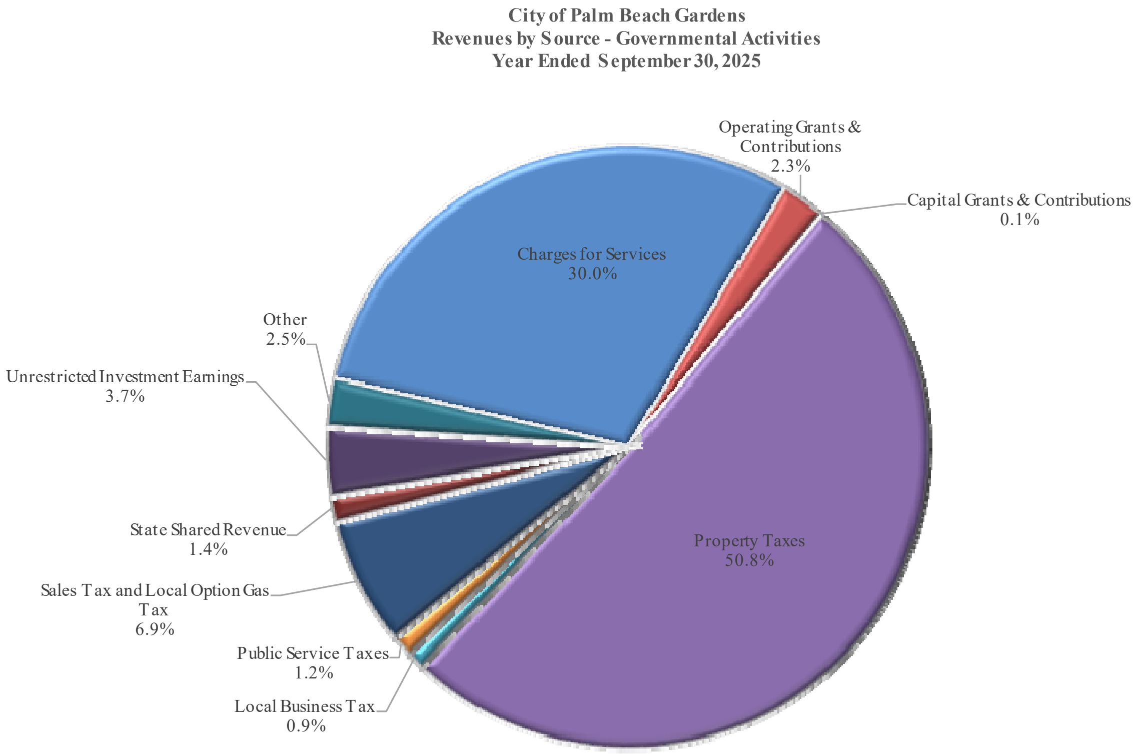
- Total revenues increased by $5.5 million as a net result of increases in property taxes of $7.4 million (8.3%), increases in sales tax collections of $218.4 thousand (1.68%), increases in charges for services of $1.3 million (2.42%) due to an increase in building permit activity. Interest earnings had the decrease compared to the last fiscal year, of $1.8 million due to the decrease in interest rates throughout the fiscal year.

- Total expenses increased $10.3 million (6.35%) due to personnel increases driven by salary adjustments from the recent Compensation and Classification Study and overall increase in employment.

The chart below depicts expenses and program revenues by function for all governmental activities. The graph illustrates the relatively minor amount of support for governmental operations that is derived from program revenues.



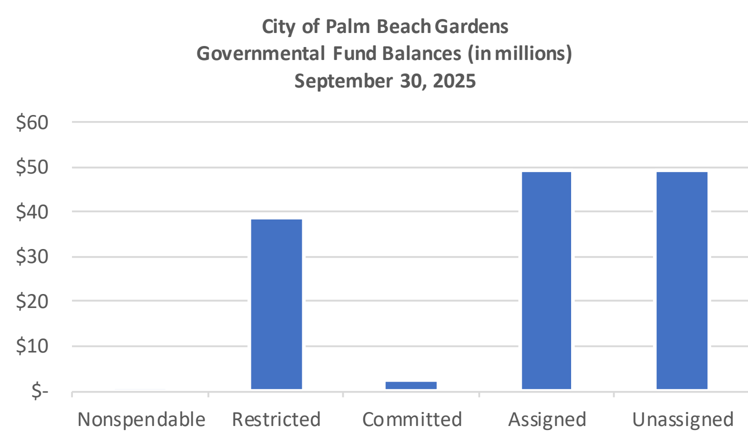
As illustrated in the chart below, property taxes comprise 50.8% of total governmental activity revenues.



Financial Analysis of the City's Funds

As noted earlier, the City of Palm Beach Gardens uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.



As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $140.5 million, a decrease of $1.7 million in comparison with the prior year.

Approximately 35.1% of this total amount, $49.4 million, represents an unassigned fund balance, which includes the budget stabilization fund and amounts available for spending at the City's discretion. The remainder of fund balance was restricted, committed, assigned, or nonspendable for a variety of purposes, such as construction projects, infrastructure improvements, economic development, and law enforcement.

The General Fund is the chief operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

At the end of the current fiscal year, the unassigned fund balance of the General Fund was $49.4 million. In the Governmental Funds, the nonspendable fund balance was approximately $654 thousand, the committed fund balance was approximately $2.5 million, and the assigned fund balance was $49.4 million for a total fund balance of $140.5 million.

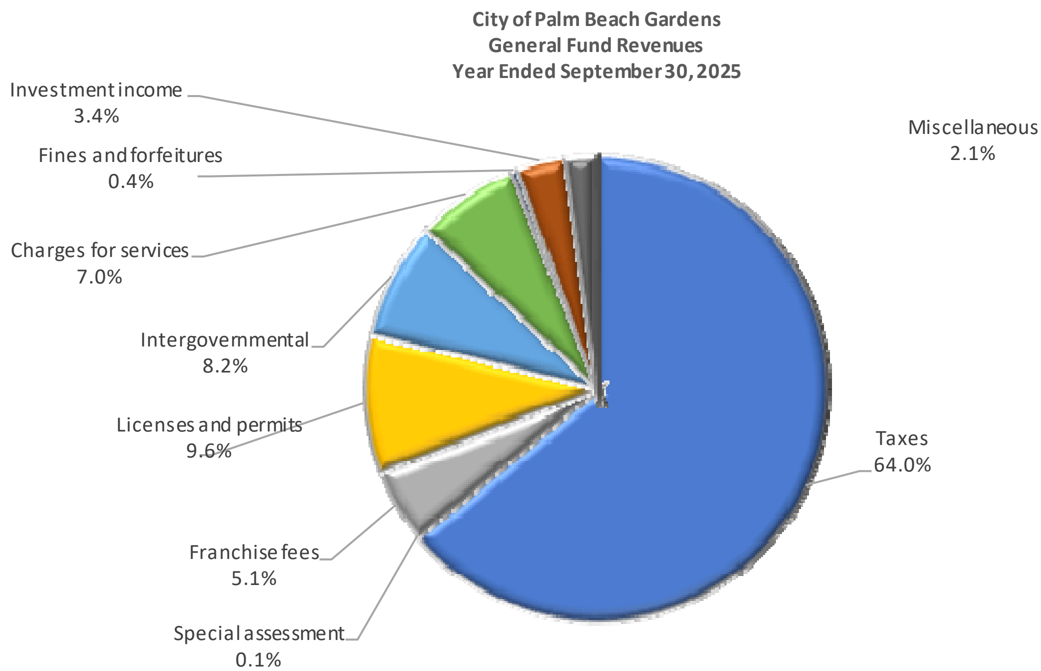
The amount of General Fund revenues by type, their percentage of the total, and the amount of change compared to the last fiscal year are shown in the following schedule:

Revenue Sources	**2025 Amount**	**Percent of Total**	2024 Amount	Percent of Total	Increase (Decrease) From 2024	Percentage of Increase (Decrease)
Taxes	**$ 100,583,061**	**64.0%**	$ 93,042,657	61.3%	$ 7,540,404	8.1%
Special assessment	**109,588**	**0.1%**	110,682	0.1%	(1,094)	100.0%
Franchise fees	**7,988,604**	**5.1%**	7,223,525	4.8%	765,079	10.6%
Licenses and permits	**15,128,252**	**9.6%**	16,315,681	10.8%	(1,187,429)	(7.3)%
Intergovernmental	**12,885,054**	**8.2%**	14,798,340	9.8%	(1,913,286)	(12.9)%
Charges for services	**11,077,902**	**7.0%**	10,656,160	7.0%	421,742	4.0%
Fines and forfeitures	**654,324**	**0.4%**	319,596	0.2%	334,728	104.7%
Investment income	**5,422,730**	**3.4%**	6,499,141	4.3%	(1,076,411)	(16.6)%
Miscellaneous	**3,373,223**	**2.1%**	2,720,697	1.8%	652,526	24.0%
Total revenues	**$ 157,222,738**	**100.0%**	$ 151,686,479	100.0%	$ 5,536,259	3.6%

As illustrated above, General Fund revenues increased by approximately $5.5 million, or 3.6%, in fiscal year 2025.

Taxes increased by $7.5 million or 8.1% as a result of an increase in property values and new construction. Licenses and permits decreased by $1.2 million or 7.3% due to a decrease in building permit activity. Intergovernmental revenue decreased by $1.9 million or 12.9% from the prior fiscal year. Investment income decreased by $1.1 million or 16.6% due to less favorable interest rates and recognized earnings.

The graph below illustrates the percentage composition of General Fund revenues by type. As can be seen, taxes comprise the majority of General Fund revenues, with the next largest sources of revenues being licenses and permits and intergovernmental revenues.

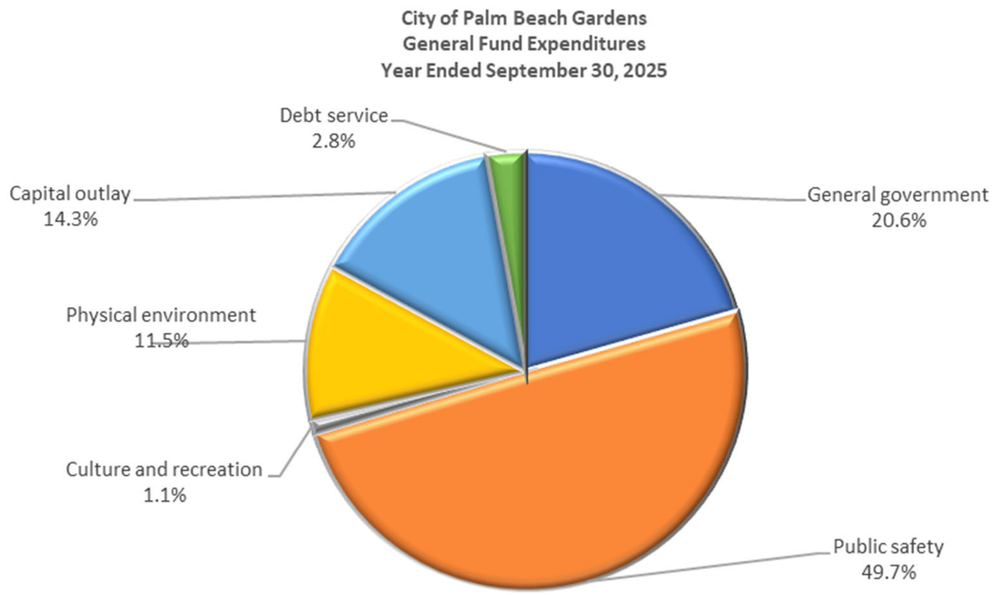


Expenditures in the General Fund are shown in the following schedule:

Expenditures	2025 Amount	Percent of Total	2024 Amount	Percent of Total	Increase (Decrease) From 2024	Percentage of Increase (Decrease)
General government	**$ 31,679,420**	**20.6%**	$ 29,159,680	20.4%	$ 2,519,740	8.6%
Public safety	**76,515,306**	**49.7%**	73,615,982	51.5%	2,899,324	3.9%
Culture and recreation	**1,689,118**	**1.1%**	1,596,942	1.1%	92,176	5.8%
Physical environment	**17,659,318**	**11.5%**	16,502,650	11.5%	1,156,668	7.0%
Capital outlay	**21,995,021**	**14.3%**	18,226,412	12.8%	3,768,609	20.7%
Debt service	**4,267,331**	**2.8%**	3,796,617	2.7%	470,714	12.4%
Total expenditures	**$ 153,805,514**	**100.0%**	$ 142,898,283	100.0%	$ 10,907,231	7.6%

In fiscal year 2025, total General Fund expenditures increased $10.9 million or 7.6% compared to the prior year. The increase is due to public safety personnel and capital equipment costs.

As illustrated in the graph below, Public Safety expenditures account for 49.7% of total General Fund expenditures.



General Fund Budgetary Highlights

During the past year, the budget was amended thrice. The Council authorized the budget amendment principally to:

- Adjust the carryover of funds by the amounts restricted, committed, or assigned for purchase orders and projects from the previous fiscal year.
- Adjust the several interfund transfers to align budgeted project cost to appropriate funding sources.
- Adjust revenues and expenditures to reflect the accounting entries required to record the lease of equipment and revenue received from loan proceeds.

Actual revenue exceeded the final budgeted revenues by approximately $18.6 million, mostly due to favorable variances in building permits and investment earnings.

Expenditures were $30.9 million less than the final budget. The variance is mostly attributed to unspent bond proceeds and capital projects, and purchase orders that will be included in the next fiscal year's budget amendment to carryover funds.

Capital Assets and Debt Administration

Capital Assets. The following table illustrates the City's capital assets for its governmental activities as of September 30, 2025, which amount to $207 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, roadways, drainage and structures, improvements other than buildings, and machinery and equipment. The total increase in the City's capital assets for the current fiscal year was 11%.

	Governmental Activities	
	2025	2024
Land	**$ 19,633,403**	$ 19,633,403
Construction in progress	**42,858,633**	31,023,475
Buildings	**51,382,972**	44,893,089
Roadways	**25,018,921**	26,491,750
Drainage and structures	**11,763,716**	11,935,477
Machinery and equipment	**18,033,560**	13,331,339
Improvements other than buildings	**29,058,587**	29,894,396
Lease (Right-of-use asset)*	**9,465,715**	9,876,459
Total	**$ 207,215,507**	$ 187,079,388

Major capital asset additions to construction in progress during the current fiscal year included the following:

- Fire Station 6 project totaling $10 million.
- Burns Road Playground replacement totaling $1.2 million.

Additional information on the City's capital assets can be found in Note 5 starting on page 53 of this report.

Long-term Debt. The following table illustrates the City's governmental activities' long-term debt. At the end of the current fiscal year, the City had total debt outstanding of $53.3 million. All of the City's outstanding debt is secured by specified revenue sources.

The City's non-ad valorem debt is rated AAA by Standard & Poor's, AA+ by Fitch, and Aaa by Moody's. The City's comprehensive plan provides that debt expenditures shall not exceed 20% of total annual revenues, and total outstanding debt is limited to no more than 10% of the City's property tax base.

	Governmental Activities	
	2025	2024
Debt payable:		
Non ad valorem bonds payable	**$ 37,300,000**	$ 41,800,000
Leases payable	**5,838,039**	7,249,093
Lease (Right-of-use assets)	**10,184,993**	10,244,990
Total	**$ 53,323,032**	$ 59,294,083

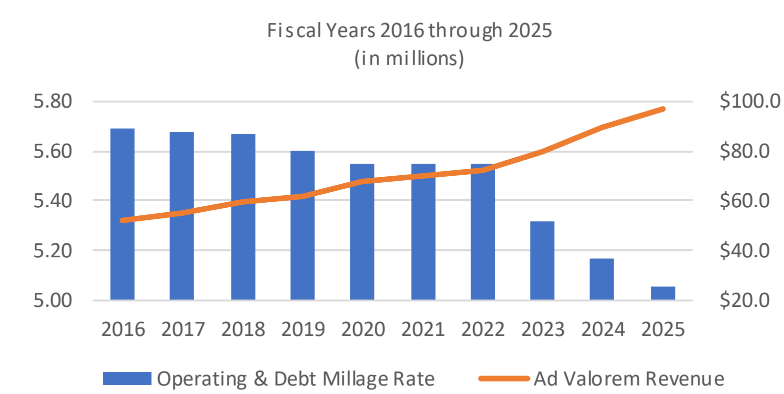
Additional information on the City's long-term debt can be found in Note 6 starting on page 54 of this report.

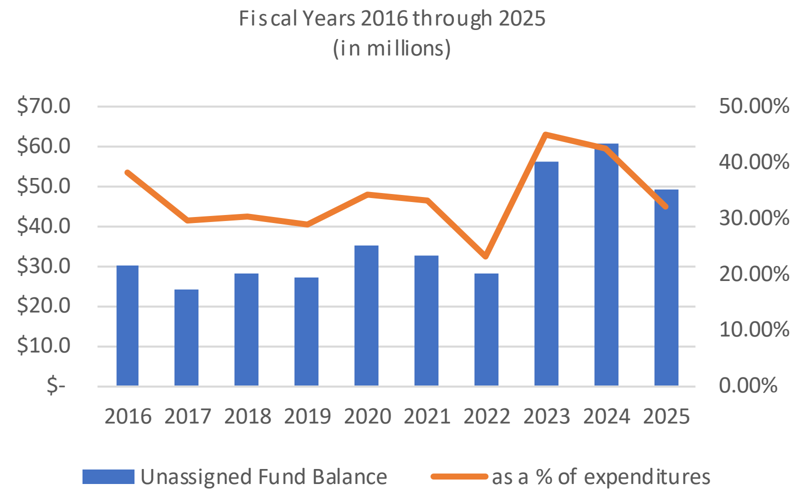
Economic Factors and Next Year's Budgets and Rates

The City's local economy is primarily based upon construction, retail and service activities. The unemployment rate for the City is approximately 3%. The City's current economic condition continues to expand as new construction continues to grow.

These factors were considered in preparing the City of Palm Beach Gardens' budget for the year ending September 30, 2025.

During the current fiscal year, unassigned fund balance in the General Fund was $53.4 million. It is approximately equal to four months of the General Fund expenditures. The current year balance includes approximately $19.8 million as part of the budget stabilization fund. Over the last ten years, the City has been able to maintain its unassigned fund balance, not only in dollar value but as a percentage of expenditures, within the fund balance policy target of 17% as shown in the graph to the right.





In 1995, the State of Florida limited increases in homesteaded property taxable values in any given year to 3% or the cost of living, whichever is lower. The graph to the left indicates the property tax revenue collected and millage rate trends over the last ten years. The left axis refers to the millage rate and the right axis refers to the dollar value (millions) of revenue collected. The millage rate has decreased in the last two fiscal years demonstrating a strong commitment to fiscal responsibility.

Requests for Information

This financial report is designed to provide a general overview of the City of Palm Beach Gardens' finances for all those with an interest in the City's finances.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Arienne Panczak, Finance Administrator, Finance Department, City of Palm Beach Gardens, 10500 North Military Trail, Palm Beach Gardens, Florida 33410.

PALM BEACH
Gardens

BASIC FINANCIAL STATEMENTS

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	$ 101,370,396
Investments	64,711,767
Receivables (net)	4,731,302
Due from other governments	1,484,735
Inventory	1,204,918
Prepaid items	86,758
Investment in joint venture	2,968,600
Cash and cash equivalents - restricted	109,334
Net pension asset	527,330
Capital assets not being depreciated	62,492,036
Capital assets net of accumulated depreciation/amortization	144,723,471
Total Assets	384,410,647
Deferred Outflows of Resources	
Deferred outflows relating to pensions	22,650,557
Deferred outflows relating to OPEB	3,955,739
Total Deferred Outflows of Resources	26,606,296
Liabilities	
Accounts payable	6,100,367
Contracts and retainage payable	3,169,506
Accrued liabilities	9,564,004
Claims payable	576,812
Unearned revenue	2,922,516
Accrued interest payable	553,708
Noncurrent liabilities:	
Due within one year	8,713,661
Due in more than one year	55,354,166
Net pension liability	42,570,405
Total OPEB liability	12,331,173
Total Liabilities	141,856,318
Deferred Inflows of Resources	
Deferred inflows relating to leases	947,354
Deferred inflows relating to pensions	28,908,630
Deferred inflows relating to OPEB	3,030,321
Total Deferred Inflows of Resources	32,886,305
Net Position	
Net investment in capital assets	150,806,363
Restricted for:	
Capital improvements	23,407,094
Road improvements	8,524,071
Net pension asset	527,330
Building enforcement	4,006,921
Other purposes	2,663,765
Unrestricted	46,338,776
Total Net Position	$ 236,274,320

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental Activities					
General government	$ 37,466,841	$ 26,853,696	$ 277,583	$ 270,883	$ (10,064,679)
Public safety	87,780,372	12,045,322	3,870,402	--	(71,864,648)
Culture and recreation	24,232,959	16,071,535	76,745	--	(8,084,679)
Physical environment	19,175,464	891,251	--	--	(18,284,213)
Transportation	1,326,328	1,222,953	208,403	--	105,028
Interest on long-term debt	1,839,655	--	--	--	(1,839,655)
Total Governmental Activities	$ 171,821,619	$ 57,084,757	$ 4,433,133	$ 270,883	(110,032,846)

General Revenues	
Taxes:	
Property taxes	96,592,325
Local business tax	1,770,840
Public service taxes	2,219,896
Special Assessment	702
Unrestricted intergovernmental:	
Sales tax and local option gas tax	13,198,029
State shared revenue	2,639,264
Unrestricted investment earnings	6,950,079
Miscellaneous	4,812,177
Total General Revenues	128,183,312
Change in Net Position	18,150,466
Net Position - Beginning	218,123,854
Net Position - Ending	$ 236,274,320

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General Fund	(Previous Year Major Fund) Road Impact Fund	(Previous Year Major Fund) Recreation Impact Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 46,071,800	$ --	$ --	$ 44,361,730	$ 90,433,530
Investments	64,711,767	--	--	--	64,711,767
Receivables:					
Accounts (net of allowance for doubtful accounts of $1,417,072)	528,617	--	--	204,495	733,112
Special assessment	444,244	--	--	--	444,244
Franchise fees	1,648,851	--	--	--	1,648,851
Utility taxes	185,807	--	--	--	185,807
Interest	652,785	--	--	--	652,785
Lease	997,149	--	--	69,354	1,066,503
Due from other governments	1,032,894	--	--	451,841	1,484,735
Inventory	--	--	--	619,881	619,881
Prepaid items	34,258	--	--	--	34,258
Restricted cash	109,334	--	--	--	109,334
Total Assets	$ 116,417,506	$ --	$ --	$ 45,707,301	$ 162,124,807
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts payable	$ 4,340,931	$ --	$ --	$ 284,751	$ 4,625,682
Contracts and retainage payable	1,800,746	--	--	1,368,760	3,169,506
Accrued liabilities	9,480,143	--	--	83,861	9,564,004
Unearned revenue	1,629,476	--	--	1,293,040	2,922,516
Total Liabilities	17,251,296	--	--	3,030,412	20,281,708
Deferred Inflows of Resources					
Leases	897,293	--	--	50,061	947,354
Unavailable revenue - special assessment	444,244	--	--	--	444,244
Total Deferred Inflow of Resources	1,341,537	--	--	50,061	1,391,598
Fund Balances					
Nonspendable:					
Prepaid items	34,258	--	--	--	34,258
Inventory	--	--	--	619,881	619,881
Restricted for:					
Capital improvements	--	--	--	23,407,094	23,407,094
Road improvements	--	--	--	4,903,748	4,903,748
Transit improvements	--	--	--	3,620,323	3,620,323
Law enforcement	824,209	--	--	571,917	1,396,126
Art improvements	--	--	--	1,267,639	1,267,639
Building enforcement	4,006,921	--	--	--	4,006,921
Committed to:					
Economic development	2,489,787	--	--	--	2,489,787
Assigned to:					
Capital improvement and replacement	33,037,043	--	--	--	33,037,043
Special projects	7,134,513	--	--	--	7,134,513
Recreation	--	--	--	2,573,033	2,573,033
General government	943,772	--	--	5,663,193	6,606,965
Unassigned	49,354,170	--	--	--	49,354,170
Total Fund Balances	97,824,673	--	--	42,626,828	140,451,501
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 116,417,506	$ --	$ --	$ 45,707,301	$ 162,124,807

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Total fund balances - governmental funds (page 20)		$ 140,451,501
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Excludes internal service fund capital assets.)		200,314,144
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (Excludes internal service fund liabilities.) Long-term liabilities at year-end consist of:		
Bonds payable	$ (37,300,000)	
Net pension liability	(41,667,887)	
Leases payable	(5,626,862)	
Lease liability	(4,290,898)	
Total OPEB liability	(12,038,219)	
Accrued interest payable	(550,395)	
Compensated absences	(10,660,525)	
		(112,134,786)
Certain deferred inflows and outflows are not required to be reported in the governmental funds but are required to be reported at the government-wide level.		
Deferred outflows relating to pension activity	22,330,037	
Deferred outflows relating to OPEB activity	3,872,459	
Deferred inflows relating to pension activity	(28,648,460)	
Deferred inflows relating to OPEB activity	(2,964,951)	
		(5,410,915)
The internal service funds are used by management to charge the cost of fleet maintenance activities and insurance to individual funds. The assets, deferred outflows and liabilities and deferred \inflows of the internal service funds are included in governmental activities in the statement of net position.		9,114,202
Other long-term assets/deferred outflows and liabilities/ deferred inflows are not available to pay for current period revenues or expenditures, and therefore, are not recognized in the funds.		
Investment in joint venture		2,968,600
Net pension asset		527,330
Special assessment		444,244
Total Net Position of Governmental Activities (page 18)		$ 236,274,320

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund	(Previous Year Major Fund) Road Impact Fund	(Previous Year Major Fund) Recreation Impact Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Ad valorem taxes	$ 96,592,325	$ --	$ --	$ --	$ 96,592,325
Local business taxes	1,770,840	--	--	--	1,770,840
Utility taxes	2,219,896	--	--	--	2,219,896
Special assessment	109,588	--	--	--	109,588
Franchise fees	7,988,604	--	--	--	7,988,604
Licenses and permits	15,128,252	--	--	--	15,128,252
Intergovernmental	12,885,054	--	--	7,196,302	20,081,356
Impact fees	--	--	--	5,889,477	5,889,477
Charges for services	11,077,902	--	--	12,796,480	23,874,382
Fines and forfeitures	654,324	--	--	13,581	667,905
Investment earnings	5,422,730	--	--	1,217,535	6,640,265
Miscellaneous	3,373,223	--	--	1,474,814	4,848,037
Total Revenues	157,222,738	--	--	28,588,189	185,810,927
Expenditures					
Current:					
General government	31,679,420	--	--	193,420	31,872,840
Public safety	76,515,306	--	--	1,046,777	77,562,083
Culture and recreation	1,689,118	--	--	14,706,724	16,395,842
Physical environment	17,659,318	--	--	--	17,659,318
Transportation	--	--	--	999,365	999,365
Capital outlay	21,995,021	--	--	14,533,007	36,528,028
Debt service:					
Principal	3,010,806	--	--	3,413,966	6,424,772
Interest	1,256,525	--	--	190,651	1,447,176
Total Expenditures	153,805,514	--	--	35,083,910	188,889,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,417,224	--	--	(6,495,721)	(3,078,497)
Other Financing Sources (Uses)					
Leases (right-of-use asset) acquired	1,280,651	--	--	--	1,280,651
Transfers in	2,324,129	--	--	4,010,000	6,334,129
Transfers out	(4,010,000)	--	--	(2,324,129)	(6,334,129)
Total Other Financing Sources (Uses)	(405,220)	--	--	1,685,871	1,280,651
Net Change in Fund Balances	3,012,004	--	--	(4,809,850)	(1,797,846)
Fund Balances - Beginning, as previously reported	94,812,669	3,912,473	17,034,130	26,490,075	142,249,347
Change within financial reporting entity (major to non-major)	--	(3,912,473)	(17,034,130)	20,946,603	--
Fund Balances - Beginning, as restated	94,812,669	--	--	47,436,678	142,249,347
Fund Balances - Ending	$ 97,824,673	$ --	$ --	$ 42,626,828	$ 140,451,501

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds (page 22)		$ (1,797,846)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. The amount is less than the total capital outlay since capital outlay includes amounts that are under the capitalization threshold, and therefore, were not capitalized.		
Expenditures for capital assets	$ 32,730,703	
Less: current year depreciation/amortization	(12,165,095)	
		20,565,608
Governmental funds report special assessments as revenue when collected, but the statement of activities recorded the full amount of the special assessment as revenue when there became an enforceable legal claim.		
Special assessment		(108,886)
In the statement of activities, the net effect of various miscellaneous transactions involving capital assets (disposals) is to increase net position, whereas in the governmental funds these items have no effect on current financial resources:		
Loss on disposal of capital assets		(112,487)
Debt proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the payment of premiums, discounts and similar items when debt is first issued.		
Lease (right-of-use asset)	(1,280,651)	
Principal payments on debt	6,424,772	
		5,144,121
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Decrease in accrued interest payable	148,069	
Increase in compensated absences	(4,908,268)	
		(4,760,199)
Certain pension expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 68.		
Amount of pension expenses recognized at government-wide level		339,986
Certain OPEB expenses in the statement of activities are recognized on the accrual basis of accounting in accordance with GASB 75.		
Amount of OPEB expenses recognized at government-wide level		(596,966)
Governmental funds report the investment in joint venture as expenditures. However, the cost of the investment in joint venture is recorded as an asset in the statement of net position		235,611
Internal service funds are used by management to charge the cost of fleet maintenance and self-insurance activities to individual funds. The net revenues of the internal service funds are reported with governmental activities.		(758,476)
Change in Net Position of Governmental Activities (page 19)		$ 18,150,466

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Governmental Activities
	Internal Service Funds
Assets	
Current assets:	
Cash and cash equivalents	$ 10,936,866
Inventory	585,037
Prepaid items	52,500
Total current assets	11,574,403
Noncurrent assets:	
Capital assets being depreciated and amortized, net	6,901,363
Total noncurrent assets	6,901,363
Total Assets	18,475,766
Deferred Outflows of Resources	
Deferred outflows relating to pensions	320,520
Deferred outflows relating to OPEB	83,280
Total Deferred Outflows of Resources	403,800
Liabilities	
Current liabilities:	
Accounts payable	1,474,685
Accrued liabilities	3,313
Lease liability	1,756,439
Lease payable, current portion	66,640
Total current liabilities	3,301,077
Noncurrent liabilities:	
Claims payable	576,812
Net pension liability	902,518
Total OPEB liability	292,954
Compensated absences payable	58,330
Lease liability	4,163,600
Lease payable, net of current portion	144,533
Total noncurrent liabilities	6,138,747
Total Liabilities	9,439,824
Deferred Inflows of Resources	
Deferred inflows relating to pensions	260,170
Deferred inflows relating to OPEB	65,370
Total Deferred Inflows of Resources	325,540
Net Position	
Net investment in capital assets	770,151
Unrestricted	8,344,051
Total Net Position	$ 9,114,202

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Governmental Activities
	Internal Service Funds
Operating Revenues	
Charges for services	$ 6,556,571
Employer contributions	11,549,583
Employee contributions	2,072,211
Pharmacy rebates	1,636,543
Miscellaneous	251,476
Total Operating Revenues	22,066,384
Operating Expenses	
Personnel expenses	1,296,372
Claims expense	14,232,397
Insurance premiums	793,643
Repair and maintenance	916,704
Fuel and chemicals	898,672
Equipment rental	575,754
Operating supplies	388,840
Other professional and contractual	1,362,755
Other expenses	17,052
Depreciation and amortization	2,268,189
Total Operating Expenses	22,750,378
Operating Loss	(683,994)
Nonoperating Revenues/(Expenses)	
Investment income	309,814
Gain on disposal of capital assets	156,252
Interest expense	(540,548)
Total Nonoperating Revenues/(Expenses)	(74,482)
Change in Net Position	(758,476)
Net Position - Beginning	9,872,678
Net Position - Ending	$ 9,114,202

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities	
Receipts for interfund services provided	$ 20,176,483
Payments to suppliers for goods and services	(4,870,409)
Payments to employees for services	(1,410,252)
Payments for claims	(14,119,535)
Miscellaneous revenues	1,888,019
Net Cash Provided by Operating Activities	1,664,306
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(913,564)
Proceeds from sale of capital assets	156,252
Principal paid on leases	(63,133)
Interest paid on leases	(15,241)
Principal paid on lease (right-of-use asset)	(1,775,481)
Interest paid on lease (right-of-use asset)	(525,307)
Net Cash Used in Capital and Related Financing Activities	(3,136,474)
Cash Flows from Investing Activities	
Redemption of investments	355,556
Interest earned	309,814
Net Cash Provided by Investing Activities	665,370
Net decrease in cash and cash equivalents	(806,798)
Cash and cash equivalents, beginning of year	11,743,664
Cash and Cash Equivalents, End of Year	$ 10,936,866
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating loss	$ (683,994)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	2,268,189
Changes in operating assets/deferred outflows and liabilities/deferred inflows:	
Inventory	(74,268)
Deferred outflows relating to pensions	50,000
Deferred outflows relating to OPEB	(22,482)
Accounts payable	157,279
Claims payable	112,862
Due to other funds	(24,458)
Net pension liability	(151,523)
Total OPEB liability	15,163
Compensated absences	(69,023)
Deferred inflows relating to pensions	67,014
Deferred inflows relating to OPEB	19,547
Total Adjustments	2,348,300
Net Cash Provided by Operating Activities	$ 1,664,306
Noncash Activities	
Initiation of lease liability	$ 1,037,625

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2025

	Pension Trust Funds
Assets	
Cash and cash equivalents	$ 1,385,616
Investments:	
Money market funds	6,498,312
U.S. Government obligations	28,788,416
Mortgage backed securities	23,438,848
Municipal obligations	1,108,684
Fixed income funds	9,159,585
Collateralized mortgage obligations	722,274
Corporate obligations	10,753,293
Equity securities	140,084,934
Equity funds	10,852,586
Foreign bonds	676,001
International funds	28,463,903
Alternative investments	52,592,904
Real estate funds	27,136,651
Total investments	340,276,391
Receivables:	
Interest and dividends	395,038
State of Florida	512,690
Employees	318
Total receivables	908,046
Prepaid items	422,610
Total Assets	342,992,663
Liabilities	
Accounts payable	229,146
Pending trades payable	368,558
Total Liabilities	597,704
Net Position	
Net position restricted for pension benefits	$ 342,394,959

See notes to basic financial statements.

CITY OF PALM BEACH GARDENS, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Funds
Additions	
Contributions:	
City	$ 10,010,051
Insurance premium taxes collected by the State of Florida on behalf of the City of Palm Beach Gardens	2,794,657
Employees	1,744,361
Total contributions	14,549,069
Investment earnings:	
Net appreciation in fair value of investments	23,538,985
Interest and dividends	8,276,718
Other	218
Total investment earnings	31,815,921
Less investment expenses	(848,554)
Net investment earnings	30,967,367
Total Additions	45,516,436
Deductions	
Pension benefits	16,047,965
Refund of participant contributions	108,450
Administrative expenses	354,373
Total Deductions	16,510,788
Change in Net Position	29,005,648
Net Position Restricted for Pension Benefits	
Beginning of year	313,389,311
End of year	$ 342,394,959

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Palm Beach Gardens, Florida (the "City") was incorporated in 1959, pursuant to House Bill No. 2186, and is located in Northern Palm Beach County, Florida. The City is governed by an elected City Council (the "Council"), which appoints a City Manager. The City provides the following services to its residents: public safety, growth management, sanitation, streets and roads, parks, recreation and a golf course. The Council is responsible for legislative and fiscal control of the City. The City operates under a Council-Manager form of government.

Significant accounting and reporting policies and practices used by the City are described below:

A. FINANCIAL REPORTING ENTITY

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

The financial statements were prepared in accordance with GASB Codification Section 2100, *Defining the Financial Reporting Entity,* which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City. Based upon the application of these criteria, there were no organizations that met the criteria for component units described above.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The City reported no business-type activities during the current fiscal year.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining nonmajor governmental funds are aggregated and reported as other governmental funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits are recorded only when payment is due.

Property taxes when levied, franchise taxes, licenses, charges for services, intergovernmental if eligibility requirements are met, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period if available. All other revenue items are considered to be measurable only when cash is received by the City.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental fund:

The *General Fund* – The general fund is the primary operating fund and is used to account for all financial resources applicable to the general operations of the City except those required to be accounted for in another fund.

Additionally, the City reports the following fund types:

The *Internal Service Funds* – The City operates two internal service funds to account for fleet management services provided to other departments on a cost reimbursement basis and to account for self-insurance health benefits.

The *Pension Trust Funds* – The City's three defined benefit pension plans are accounted for in individual pension trust funds. The pension trust funds are the General Employees' Pension, the Police Pension and the Fire Pension.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of an internal service fund are charges to other funds for usage. Operating expenses for the internal service 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 nonoperating revenues and expenses.

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as deposits with financial institutions, money market accounts, local government investment pools and highly liquid investments which are readily convertible to known amounts of cash and have a maturity when purchased of three months or less.

For purposes of the statement of cash flows, cash and cash equivalents also include each respective fund's equity in pooled cash and investments that are described above. Each fund is able to withdraw cash at any time without prior notice or penalty and there is sufficient liquidity to meet the daily cash needs of each fund.

INVESTMENTS

The City categorizes investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. Investments are reported at fair value based on quoted market prices in active markets on a trade date basis. Money market mutual funds and commercial paper that has a remaining life of one year or less upon acquisition are reported at amortized cost. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains and losses for securities which are sold. Interest and dividend income are recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade basis. Additional information regarding the fair value measurement of investments is disclosed in Note 2.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

INTERFUND RECEIVABLES AND PAYABLES

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

RECEIVABLES

Receivables include amounts due for a special assessment, franchise taxes, insurance claims, utility taxes, extra police services and emergency medical services. The City does not require collateral for accounts receivable. Receivables for emergency medical service billings are reported net of an allowance for doubtful accounts, which is determined based on the age of the individual receivable. Generally, the allowance includes accounts over 60 days past due. Receivables are written off on an individual basis in the year the City deems them to be uncollectible.

INVENTORY

Inventory is valued at cost for items not held for sale and at the lower of cost or net realizable value (only if held for sale) using the first-in, first-out basis and accounted for using the consumption method whereby inventories are charged against operations in the period when used. Inventory in the special revenue recreation programs and golf course funds consists of merchandise held for resale. Inventory in the internal service fund consists of vehicle engine parts and fuel held for consumption. The non-spendable portion of fund balance for inventory in governmental fund types equals the physical inventory to indicate that a portion of fund balance is not available for appropriation.

PREPAID ITEMS

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. These items are accounted for using the purchasing method. Reported amounts in governmental funds are equally offset by a non-spendable category of fund balance to indicate that these amounts are not available for appropriation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure (e.g., streets, sidewalks, drainage or similar items) are reported in governmental activities in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of $5,000 or more and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. Lease agreements that qualify as capital financing are recorded at the present value of their future minimum lease payments as of the inception date. The City did not retroactively record their intangible assets with the implementation of GASB Statement No. 51. For fiscal year 2025, no separately identifiable assets met the threshold for recording.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, buildings, equipment and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	15 – 25
Roadways	3 – 40
Drainage and structures	35 – 75
Machinery and equipment	3 – 7
Improvements other than buildings	15
Land improvements	25

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation or amortization expense is reported.

LEASES (RIGHT-OF-USE ASSETS)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

LEASES RECEIVABLE

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

UNEARNED REVENUE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Unearned revenue is a liability that arises when resources are obtained before revenue recognition criteria, other than time recognition criteria, have been satisfied. The unearned revenue consists mainly of business taxes and impact fees received in advance of the year for which they are levied. These amounts are recognized as revenue in the year that the revenue recognition criteria has been met.

In addition to assets and liabilities, the government-wide statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure/ expense) until that time. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

The City has unavailable revenues relating to a special assessment that is reported as a deferred inflow of resources within the governmental fund financial statements. These amounts are recognized as revenue in the year that the amounts become available.

Within the government-wide statement of net position, the City reports deferred inflows/outflows of resources related to pensions and other post-employment benefits ("OPEB") for amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension plans. The amounts will be amortized over a five-year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable. See Note 8 and 9 for additional details.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate a limited amount of earned but unused personal leave, which will be paid upon separation of service. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if it has matured, for example, as a result of employee resignation or retirements. Compensated absences for governmental activities typically have been liquidated in the general fund.

ON-BEHALF PAYMENTS

The City receives on-behalf payments from the State of Florida to be used for Police and Fire-Rescue pension benefits. Such payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP basis government-wide and general fund financial statements, but are not budgeted and therefore are not included in the general fund budgetary comparison schedule. On-behalf payments paid to the City by the State totaled $2,794,657 for the year ended September 30, 2025. Pursuant to City Ordinance, the Fire Pension deducts 2% of the total compensation for participants from the Chapter 175 taxes received during the fiscal year and allocates this amount as Employee Contributions in lieu of increasing the members' contribution rate.

LONG-TERM OBLIGATIONS

In the government-wide and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized during the current period. Bonds payable are reported net of the applicable bond premium or discount.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

NET POSITION

Equity in the government-wide statement of net position is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investment in capital assets consist of capital assets reduced by accumulated depreciation and by any outstanding debt and any deferred inflows/outflows associated with the debt, incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Net position is reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by other governments, creditors or grantors. Unrestricted net position consists of all remaining net position that do not meet the definition of either of the other two components.

FUND BALANCE

In the fund financial statements, fund balance is a measurement of available financial resources and is the difference between total assets and deferred outflows and total liabilities and deferred inflows in each fund. Governmental accounting principles distinguish fund balance classification based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, the City's fund balance amounts will be reported in the following categories:

Nonspendable. Represents amounts that are not in a spendable form, or are legally or contractually required to be maintained intact.

Restricted. Represents amounts that can be spent only for the specific purposes stipulated by external restrictions by other governments, creditors or grantors or through enabling legislation.

Committed. Represents amounts that can be used only for the specific purposes determined by a formal action (ordinance or resolution which are of equal authority) of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through the same action that created the commitment.

Assigned. Represents amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council or by a designee to whom the governing body delegates the authority. Under the City's adopted policy through resolution, only the City Council or City Manager may assign amounts for specific purposes. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

FUND BALANCE (CONTINUED)

Unassigned. Includes all amounts not contained in other classifications and is the residual classification of the General Fund only. Unassigned amounts are the portion of Fund Balance which is not obligated or specifically designated and is available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The goal of the City's fund balance policy is to achieve and maintain an Unassigned Fund Balance in the General Fund at fiscal year-end of not less than 17% of expenditures, which represents approximately two (2) months' operating expenditures. If the Unassigned Fund Balance at fiscal year-end falls below the goal, the City shall develop a restoration plan to achieve and maintain the minimum fund balance. At the end of the fiscal year, the City's unassigned fund balance equaled 32.09% of expenditures.

FLOW ASSUMPTIONS

Net Position Flow Assumption
Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption
Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

USE OF ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows/outflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from estimates.

E. IMPLEMENTATION OF NEW GASB STATEMENTS

The following GASB Statements were implemented by the City during the fiscal year ended September 30, 2025.

- GASB Statement No. 101*, Compensated Absences*, establishes new recognition and measurement criteria for compensated absences, including vacation, sick leave, and similar benefits. This Statement requires governments to recognize a liability for compensated absences when the leave is earned, rather than when it is paid or becomes due. The City implemented GASB Statement No. 101 for the fiscal year ended September 30, 2025. Implementation of this Statement did not have a material impact on the City’s financial statements.

- GASB Statement No. 102, *Certain Risk Disclosures*, requires state and local governments to provide information about vulnerabilities arising from significant concentrations or constraints that could negatively affect their ability to meet obligations or maintain service levels. The adoption of Statement No. 102 had no impact on the City's current accounting practices nor its financial reporting for fiscal year 2025.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. CHANGE WITHIN THE FINANCIAL REPORTING ENTITY (RECLASSIFICATION OF MAJOR FUNDS)

The Road Impact Fund and Recreation Impact Fund, which were reported as major governmental funds as of September 30, 2024, did not meet the GAAP requirements to be reported as major funds during the current fiscal year. Accordingly, these funds are reported within the aggregate nonmajor governmental funds column for the fiscal year ended September 30, 2025. The reclassification had no effect on total governmental funds fund balance or on governmental activities net position or changes in net position.

Reporting Unit:	September 30, 2024 (As previously reported)	Adjustment to beginning fund balance	September 30, 2024 (As restated)
Governmental Funds:			
Road Impact Fund (major)	$ 3,912,473	$ (3,912,473)	$ --
Recreation Impact Fund (major)	17,034,130	(17,034,130)	--
Total Non-Major Governmental Funds	26,490,075	20,946,603	47,436,678
	$ 47,436,678	$ --	$ 47,436,678

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

CASH AND CASH EQUIVALENTS

Cash and cash equivalents at September 30, 2025, excluding amounts held by Fiduciary Funds, include petty cash of $8,895 and deposits with financial institutions with a carrying value of $57,573,150 and a bank balance of $58,018,589. Cash equivalents also includes $43,897,685 in money market funds which are recorded at amortized cost. Cash equivalents consist of amounts invested in money market mutual funds, local government investment pools and securities with a maturity of less than three months.

The FL PALM is an external investment pool that is not registered with the Securities Exchange Commission ("SEC") but operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 allows funds to use amortized cost to maintain a constant net asset value of $1.00 per share. There are no restrictions or fees to withdrawal from this pool.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CASH AND CASH EQUIVALENTS (CONTINUED)

Cash of the Fiduciary Funds at September 30, 2025, consist of deposits with financial institutions with a carrying value and bank balance of $1,385,616.

All deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, all deposits with financial institutions are considered fully insured. The money market mutual fund deposits are uninsured and uncollateralized.

INVESTMENTS

Florida Statutes and the City's investment policy authorize the City to invest in obligations and agencies of the U.S. Government; fully collateralized interest bearing time deposits or savings accounts with banks or savings and loan associations; the State Board of Administration Florida PRIME Fund; local government investment pools; short-term corporate obligations; investments in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio of such investment company is limited to Government Obligations and to repurchase agreements fully collateralized by such Government Obligations; Government National Mortgage Association, Fannie Mae or Florida Home Loan Mortgage Corporation. The City's Pension Boards have full power and authority to invest and reinvest subject to the general terms, conditions, limitations and restrictions imposed by Part VII, Chapter 112, Florida Statutes, on the investments of public employee retirement systems.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The General Employees' Pension Plan is a participating member in the Florida Municipal Pension Trust Fund (FMPTF) and therefore the investments follow the policies established by the Master Trust Agreement. The agreement provides that the Master Trustees have the authority and discretion to manage and control the assets of the FMPTF. The established investment policy and portfolio guidelines are designed to assist the plan administrator in monitoring the assets and to guide investment managers with structuring portfolios that are consistent with the FMPTF desired performance results and levels of acceptable risk. A variance of more than 5% from the approved allocation percentages of any asset class requires approval by the Master Trustees. The FMPTF has adopted operating procedures consistent with the requirements for a 2a-7 like pool. The FMPTF is an external investment pool and therefore, the fair value of the City's position in the pool is the same as the value of pool shares.

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

FAIR VALUE HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes is fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1
Investments' fair values based on prices quoted in active markets for identical assets.

Level 2
Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3
Investments' fair values based upon unobservable inputs.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following is a description of the fair value techniques for the City's investments. Level 1 and 2 prices are obtained from various pricing sources by the City's custodian bank:

Money market funds and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock and mutual fund equities.

Debt securities classified as Level 2 are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity. This includes U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, and corporate obligations, including asset backed, bonds and notes.

The General Employees' Pension Plan invests in various funds in which the underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. Value is based on market corroborated data. (Level 2 inputs).

The General Employees' Pension Plan invests in a Core Plus Fixed Income Fund. This fund invests in two underlying funds, which are not publicly quoted. These underlying funds invest in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, litigation trusts for both U.S. and foreign companies and governments. Value is based on unobservable inputs. (Level 3 inputs).

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The General Employees' Pension Plan also invests in a Core Real Estate Fund. This fund invests in one underlying fund, which is not publicly quoted. The underlying fund invests in core real estate in the United States, which is valued based on quarterly real estate appraisals. Value is based on unobservable inputs. (Level 3 inputs).

The Police Officer and Fire Pensions hold certain investments in alternative assets consisting of real estate funds and a collective investment trust fund which hold a variety of investment vehicles that do not have readily available market quotations. The alternative investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

The following are recurring fair value measurements as of September 30, 2025:

Investment Types	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Primary Government				
U.S. Government obligations	$ 45,832,925	$ --	$ 45,832,925	$ --
Mortgage backed securities	172,296	--	172,296	--
Corporate obligations	11,950,785	--	11,950,785	--
Municipal obligations	251,067	--	251,067	--
Total Investments by Fair Value Level	58,207,073	$ --	$ 58,207,073	$ --
Commercial paper (exempt)	6,504,694			
Total Primary Government Investments	$ 64,711,767			

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

	Reported Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fiduciary Funds				
Investments by fair value level:				
U.S. Government obligations	$ 23,077,684	$ 2,253,936	$ 20,823,748	$ --
U.S. Government agency obligations	5,710,733	--	5,710,733	
Mortgage-backed securities	11,347,705	--	11,347,705	--
Collateralized mortgage obligations	722,274	--	722,274	--
Fixed income funds	21,250,726	8,108,681	12,586,811	555,234
Corporate obligations	10,753,293	--	10,753,293	--
Municipal obligations	1,108,684	--	1,108,684	--
Foreign bonds	676,001	--	676,001	--
Equity securities	11,153,949	11,153,949	--	--
Equity funds	188,723,488	177,870,901	1,444,360	9,408,227
International funds	1,447,779	629,934	817,845	--
International bond funds	16,162,397	16,162,397	--	--
Real estate funds	7,268,841	--	--	7,268,841
Temporary Investment Funds	5,350,307	5,350,307	--	--
Total Investments by Fair Value Level	304,753,861	$ 221,530,105	$ 65,991,454	$ 17,232,302
Investments Measured at the Net Asset Value (NAV) *				
Real estate funds	19,867,810			
Limited partnerships	4,580,754			
Pooled equity trust fund	9,925,961			
Global infrastructure	--			
Total Investments Measured at NAV	34,374,525			
Money market funds (exempt)	1,148,005			
Total Fiduciary Funds Investments	$ 340,276,391			

* As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period (Days)
Investments Measured at the NAV				
Real estate fund [1]	$ 13,454,162	$ --	Quarterly	60 days
Real estate fund [2]	6,413,648	--	Quarterly	90 days
Limited partnership [3]	4,580,754	500,000	Quarterly	90 days
Global infrastructure [4]	9,925,961	--	Quarterly	60 days
Total Investments Measured at NAV	$ 34,374,525	$ 500,000		

(1) Real estate fund: The fund is an open end, commingled private real estate portfolio. These Real Estate Investment Trust ("REIT") based funds are structured as limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The values of the investments in these funds have been determined using the NAV. The investments of the fund are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

(2) Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 90 days prior to quarter end.

(3) Limited partnership: The Fund is a vintage mezzanine investment fund investing primarily in United States companies meeting certain financial criteria in the areas of consumer products, business services, defense, manufacturing, media and restaurant. The fund is managed by a private equity firm.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

FAIR VALUE HIERARCHY (CONTINUED)

(4) Global infrastructure: The objective of the fund is to acquire and maintain a diversified portfolio of global infrastructure investments with strong market positions, predictable regulatory environments, that realize stable long term returns. Funds may be redeemed subject to prior written notice.

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

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk disclosures are required for debt investment pools - such as bond mutual funds and external bond investment pools—that do not meet the requirements to be reported as a 2a7-like pool. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Cash equivalents have a weighted average maturity of ninety days or less, resulting in minimal interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy states that securities included within the short term fund will have maturities of less than one year. Investments included in the core fund will have a maximum maturity of five (5) years. Although the Fiduciary Funds' investment policies do not provide limitations as to maturities, the Funds minimize the risk of fair value losses in fixed income portfolios due to rising interest rates by structuring the investment portfolio so that securities mature to meet ongoing cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities or by cash flow projections.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INTEREST RATE RISK (CONTINUED)

The table below summarizes the scheduled maturities of fixed income investments at September 30, 2025:

		Investment Maturities			
Investment Types	Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Primary Government					
U.S. Government obligations	$ 45,832,925	$ --	$ 45,832,925	$ --	$ --
Mortgage backed securities	164,845	--	164,845	--	--
Corporate obligations	11,958,236	--	11,958,236	--	--
Municipal obligations	251,067	--	251,067	--	--
Commercial paper	6,504,694	6,504,694	--	--	--
Total Primary Government	$ 64,711,767	$ 6,504,694	$ 58,207,073	$ --	$ --
Fiduciary Funds					
Money market funds (at cost)	$ 1,148,005	$ 1,148,005	$ --	$ --	$ --
U.S. Government obligations	23,077,683	897,462	6,142,523	11,355,990	4,681,708
Mortgage-backed securities	17,058,438	513,822	1,023,517	460,013	15,061,086
Fixed income funds	13,246,631	278,617	3,347,128	1,828,313	7,792,573
Collateralized mortgage obligations	722,274	--	323,512	--	398,762
Corporate obligations	10,753,293	159,988	5,094,288	2,417,270	3,081,747
Municipal obligations	1,108,684	220,912	161,171	110,789	615,812
Foreign bonds	676,001	69,152	178,119	200,276	228,454
Temporary investment funds	5,350,307	5,350,307	--	--	--
Total Fiduciary Funds	$ 73,141,316	$ 8,638,265	$ 16,270,258	$ 16,372,651	$ 31,860,142

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CREDIT RISK

Credit risk is the risk that an issuer will not fulfill its obligations. The City's investment policy minimizes credit risk by limiting investments to the safest types of securities and diversifying the investment portfolio. The Police Pension Plan's investment policy limits corporate obligations to only those holding a rating of one of the three highest classifications by a Nationally Recognized Statistical Ratings Organization ("NRSRO"). The Fire Pension Plan's policy limits investments to securities with a rating of investment grade or a higher classification by an NRSRO. The General Employee Pension Plan's investment policy does not limit corporate obligations to those with one of the three highest classifications by an NRSRO. The NRSRO ratings for the City's and the Plan's investments at September 30, 2025, are summarized below.

Investment Type	NRSRO Rating	Value
Money market funds (at cost)	Aaa-mf	$ 1,148,005
Fixed income funds	AA	1,155,488
U.S. Gov't bonds & notes	Aaa…AA+	45,832,925
U.S. Gov't bonds & notes	Aa1…AA+	9,992,875
U.S. Gov't bonds & notes	Aaa…AA+	164,845
U.S. Gov't agency securities	Unrated	11,347,705
Mortgage backed securities	Aaa	18,795,541
Mortgage backed securities	A-1…P-1	6,504,694
Mortgage backed securities	Aaa…AAA	722,274
Commercial paper	Aaa…A1	12,091,143
Collateralized mortgage obligations	Aa1…BBB+	11,958,236
Corporate Obligations	Aaa…Baa3	6,102,723
Corporate Obligations	Aaa…Baa3	4,650,570
Corporate Obligations	Aa3...A+	251,067
Municipal Obligations	Aaa…A1	1,108,684
Municipal Obligations	Aa2…Baa3	676,001
Foreign bonds	N/A	5,350,307
Temporary investment funds	Unrated	8,004,096
Fixed income funds	Unrated	159,460,050
Equity securities	Unrated	10,852,587
Equity funds	Unrated	18,537,942
International funds	Unrated	28,637,034
Real estate funds	Unrated	27,136,651
Global infrastructure	Unrated	9,925,961
Limited partnership	Unrated	4,580,754
Total		$ 404,988,158

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investment policy of the City minimizes this risk by prohibiting the purchase of securities subject to custodial credit risk. The City and its pension plans require that all securities be held by a third party custodian in the name of the City or the respective Plan. Securities transactions between a broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy limits the concentration of credit risk by setting limits on the maximum amount of securities held by type and by single issuer. The City's Police Pension Plan's investment policies limit investments in the stock of any one issuing company to 5% of the Plan's assets and to 5% of the outstanding capital stock of any issuing company. The City's Fire Pension Plan's investment policy limits investments in the stock of any one issuing company to 3% of the Fund's assets, and to 3% of the outstanding capital stock of any issuing company. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement.

The General Employees' Pension Plan as well as the Police and Fire Pension Plans did not hold investments in any one organization that represents 5% or more of the pension plan's fiduciary net position.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no direct exposure to foreign currency risk in the City's and the Plans' investments at September 30, 2025 as all foreign investments are denominated in U.S. dollars.

NOTE 3 – RECEIVABLES

Receivables and the related allowance for doubtful accounts at September 30, 2025, are summarized as follows:

	Gross Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable
Governmental Activities			
Due from EMS	$ 1,827,625	$ (1,417,072)	$ 410,553
Special assessment	444,244	--	444,244
Franchise fees	1,648,851	--	1,648,851
Utility taxes	185,807	--	185,807
Interest	652,785	--	652,785
Lease	1,066,503	--	1,066,503
Extra police services	192,578	--	192,578
Other miscellaneous services	129,981	--	129,981
Total Governmental Activities	$ 6,148,374	$ (1,417,072)	$ 4,731,302

LEASE RECEIVABLE

The City, as lessor, has several ground leases for communication towers (cell phone towers). As of September 30, 2025, the remaining lease terms under these agreements, including options to extend, range from one to nine years. An initial lease receivable was recorded in the amount of $1,863,265. As of September 30, 2025, the value of the lease receivable is $1,066,503. The value of the deferred inflow of resources as of September 30, 2025, was $947,354, and the City recognized lease revenue of $201,563 and interest income of $11,786 during the fiscal year. The following schedule represents the future principal and interest revenue to be received:

Fiscal Year Ending September 30	Principal	Interest	Total
2026	$ 216,403	$ 8,844	$ 225,247
2027	145,745	6,444	152,189
2028	156,208	4,879	161,087
2029	123,719	3,110	126,830
2030	128,644	2,431	131,075
2031 - 2034	295,783	3,748	299,531
Total	$ 1,066,503	$ 29,456	$ 1,095,959

NOTE 4 – PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair market value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment roll meets all of the appropriate requirements of State law. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills.

The tax levy of the City is established by the Council prior to October 1st of each year during the budget process. The Palm Beach County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The millage rate assessed by the City for the year ended September 30, 2025, was 5.0537 ($5.0537 for each $1,000 of assessed valuation).

Taxes may be paid less a 4% discount in November, or at declining discounts each month through the month of February. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Delinquent taxes on real property bear interest at 18% per year. On or prior to June 1st following the tax year, certificates are offered for sale for all delinquent taxes on real property.

After sale, tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations. At September 30, 2025, unpaid delinquent taxes are not material and have not been recorded by the City.

NOTE 5 – CAPITAL ASSETS

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

	Balance October 1, 2024	Additions/ Transfers	Retirements/ Transfers	Balance September 30, 2025
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 19,633,403	$ --	$ --	$ 19,633,403
Construction in progress	31,023,475	29,911,091	(18,075,933)	42,858,633
Total capital assets not being depreciated	50,656,878	29,911,091	(18,075,933)	62,492,036
Capital assets being depreciated/amortized:				
Buildings	82,037,896	9,632,583	(48,994)	91,621,485
Roadways	80,846,076	--	--	80,846,076
Drainage and structures	18,052,974	--	--	18,052,974
Machinery and equipment	46,224,571	8,952,666	(1,847,759)	53,329,478
Improvements other than buildings	56,308,117	2,121,166	(1,459,542)	56,969,741
Leased vehicles (right-of-use asset)	15,150,065	2,140,316	--	17,290,381
Total capital assets being depreciated/amortized	298,619,699	22,846,731	(3,356,295)	318,110,135
Less accumulated depreciation/amortization:				
Buildings	(37,144,807)	(3,135,351)	41,645	(40,238,513)
Roadways	(54,354,326)	(1,472,829)	--	(55,827,155)
Drainage and structures	(6,117,497)	(171,761)	--	(6,289,258)
Machinery and equipment	(32,893,232)	(4,225,508)	1,822,822	(35,295,918)
Improvements other than buildings	(26,413,721)	(2,872,693)	1,375,260	(27,911,154)
Leased vehicles (right-of-use asset)	(5,273,606)	(2,551,060)	--	(7,824,666)
Total accumulated depreciation and amortization	(162,197,189)	(14,429,202)	3,239,727	(173,386,664)
Total capital assets being depreciated, net	136,422,510	8,417,529	(116,568)	144,723,471
Governmental Activities Capital Assets, Net	$187,079,388	$ 38,328,620	$ (18,192,501)	$207,215,507

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Governmental Activities		
General government	$	1,891,712
Public safety		3,816,116
Culture and recreation		5,865,927
Physical environment		2,519,799
Transportation		335,648
Total Depreciation and Amortization Expense – Governmental Activities	$	14,429,202

NOTE 6 – LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2025, was as follows:

	Balance October 1, 2024	Additions	Reductions	Balance September 30, 2025	Due Within One Year
Governmental Activities					
Debt Payable					
Public improvement bonds from direct borrowings	$ 41,800,000	$ --	$ (4,500,000)	$ 37,300,000	$ 4,615,000
Leases payable	7,249,093	--	(1,411,054)	5,838,039	1,301,421
Lease liabilities	10,244,990	2,318,275	(2,352,329)	10,210,936	2,500,178
Total Debt Payable	59,294,083	2,318,275	(8,263,383)	53,348,975	8,416,599
Other Liabilities					
Compensated absences	5,879,610	10,635,007	(5,795,765)	10,718,852	297,062
Claims payable	463,950	14,232,397	(14,119,535)	576,812	576,812
Total Other Liabilities	6,343,560	24,867,404	(19,915,300)	11,295,664	873,874
Total Governmental Activities	$ 65,637,643	$ 27,185,679	$ (28,178,683)	$ 64,644,639	$ 9,290,473

The general fund is typically used to liquidate net pension and OPEB liabilities.

NOTE 6 – LONG-TERM DEBT (CONTINUED)

CAPITAL FINANCING

The City has entered into various agreements to finance the acquisition of fire rescue and police vehicles. At September 30, 2025, the cost of equipment held under these agreements was approximately $10,000,000 and the accumulated amortization was approximately $2,776,000. Amortization expense related to the equipment is included in depreciation expense in the accompanying financial statements. Future payments for the City's agreements through maturity are as follows as of September 30, 2025:

Year Ending September 30,	Governmental Activities
2026	$ 1,449,136
2027	1,350,600
2028	1,023,303
2029	799,623
2030	794,318
2031 - 2032	889,720
Total Minimum Lease Payments	6,306,700
Less amount representing interest	(468,661)
Present Value of Minimum Lease Payments	$ 5,838,039

NOTE 6 – LONG-TERM DEBT (CONTINUED)

LEASES

The principal and interest requirements to maturity for the City's GASB 87 leases are presented below:

Year Ending September 30	Principal	Interest	Total
2026	$ 2,371,975	$ 481,504	$ 2,853,478
2027	2,435,330	306,858	2,742,188
2028	2,095,523	153,457	2,248,980
2029	1,305,507	49,856	1,355,364
2030	749,885	10,114	759,999
2031 - 2034	1,226,773	5,528	1,232,300
Total	$ 10,184,993	$ 1,007,316	$ 11,192,309

BONDS PAYABLE

Public Improvement Bonds

On November 6, 2003, the City Council approved, through adoption of Resolution 174, 2003, the issuance of Public Improvement Bonds in one or more series for the purpose of financing the costs of acquiring, constructing and installing capital and non-capital projects and refunding prior obligations issued by the City. The bonds are payable from non-ad valorem revenues.

NOTE 6 – LONG-TERM DEBT (CONTINUED)

BONDS PAYABLE (CONTINUED)

		Outstanding Balance
Public Improvement Bonds		
Series 2017		
On February 9, 2017, the City approved, through adoption of Resolution 14, 2017, the issuance of the Public Improvement Bond, Series 2017, in the amount of $30,000,000 for the purpose of financing the cost of certain infrastructure projects within the City relating to the one-cent sales surtax. Interest at the rate of 2.20% is payable semiannually on April 1 and October 1. Principal is payable in annual installments of $2,725,000 to $3,300,000, with the final payment due October 1, 2026. Debt service payments will be made from the one-cent sales surtax capital improvements fund.	$	6,530,000
Series 2021		
On January 14, 2021, the City approved, through adoption of Resolution 7, 2021, the issuance of the Public Improvement Bond, Series 2021, in the amount of $14,000,000 for the purpose of financing the cost of an 18 hole par-three golf course and related facilities. Interest at the rate of 2.15% is payable semiannually on October 1 and March 1. Principal is payable in annual installments of $405,000 to $860,000, with the final payment due October 1, 2040. Debt service payments will be made from the general fund.		11,800,000
Series 2023		
On March 2, 2023, the City approved, through adoption of Resolution 9, 2023, the issuance of the Public Improvement Bond, Series 2023, in the amount of $20,100,000 for the purpose of financing the cost of infrastructure road projects, pickleball courts and the Burns Road Recreation Center renovations. Interest at the rate of 3.74% is payable semiannually on October 1 and March 1. Principal is payable in annual installments of $400,000 to $1,415,000, with the final payment due October 1, 2042. Debt service payments will be made from the general fund.		18,970,000
Total Public Improvement Bonds	$	37,300,000

NOTE 6 – LONG-TERM DEBT (CONTINUED)

BONDS PAYABLE (CONTINUED)

Annual debt service payments to maturity for all bonds are as follows:

Year Ending September 30	Public Improvement Bonds from Direct Borrowings Principal	Interest	Total
2026	$ 4,615,000	$ 1,050,377	$ 5,665,377
2027	4,725,000	936,058	5,661,058
2028	1,470,000	855,916	2,325,916
2029	1,510,000	810,684	2,320,684
2030	1,555,000	764,061	2,319,061
2031-2035	8,535,000	3,065,116	11,600,116
2036-2040	9,935,000	1,646,006	11,581,006
2041-2043	4,955,000	242,715	5,197,715
Total	$ 37,300,000	$ 9,370,933	$ 46,670,933

NOTE 7 – INTERFUND TRANSFERS

The following is a summary of transfers by fund type for the year ended September 30, 2025:

	Transfer In		
Transfer Out	General Fund	Non-major Governmental Funds	Total
General Fund	$ --	$ 4,010,000	$ 4,010,000
Recreation Impact Fund	2,324,129	--	2,324,129
Total Funds	$ 2,324,129	$ 4,010,000	$ 6,334,129

Transfers were made to move funds from the General Fund to the Recreation Special Revenue Fund to cover variances between actual and estimated Revenues. The General Fund transfer to the Recreation Impact Fund was to fund the Burns Road Community Center Renovations.

NOTE 8 – PENSION PLANS

COST-SHARING DEFINED BENEFIT PLANS

In October 2006, the City approved, through the adoption of Resolution 84, 2006, the participation in the Florida Retirement System ("FRS") for general employees, including elected officials and senior management. Employees participating in another City retirement plan that were hired prior to October 1, 2006, had the right to elect to continue participating in the City plan or discontinue participation in the City plan and join the FRS. Employees that elected to join the FRS were eligible for past service credit, at the City's expense, for the period of the participation in the City retirement plan, up to 9.75 years. Additional past service credit could be purchased at the employee's expense.

There are two defined benefit plans as part of the Florida Retirement System. The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) for eligible employees, and the Health Insurance Subsidy Program ("HIS").

HIS is a cost-sharing, multiple-employer defined benefit pension plan. The FRS and HIS were created by the Florida Legislature and are administered by the State of Florida, Department of Management Services, Division of Retirement. FRS provides retirement, disability or death benefits for retirees or their designated beneficiaries while HIS assists retirees in paying costs related to health insurance. All retirement legislation must comply with Article X, Section 14 of the State Constitution and Part VII, Chapter 112 Florida Statutes. Both of these provisions require that any increase in retirement benefits must be funded concurrently on an actuarially sound basis.

Both plans are included as a fiduciary fund in the State of Florida's Annual Comprehensive Financial Report. The report is available via the Florida Department of Financial Services' homepage at www.myfloridacfo.com. FRS issues a publicly available financial report that includes statements of financial condition, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants, and benefit payments, as well as a description of the retirement plans. The report is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided

HIS - The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

FRS –The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan 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. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants. DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan 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. 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 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided (continued)
Benefits under the Plan 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 plan's 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.

Below is the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011
Retirement up to age 62 or up to 30 years of service 1.60%
Retirement at age 63 or with 31 years of service 1.63%
Retirement at age 64 or with 32 years of service 1.65%
Retirement at 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 at age 66 or with 34 years of service 1.63%
Retirement at age 67 or with 35 years of service 1.65%
Retirement at age 68 or with 36 or more years of service 1.68%

Elected County Officers 3.00%

Senior Management Service Class 2.00%

Special Risk Regular Class 3.00%

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Benefits Provided (continued)

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.

Employees in the Florida Retirement System Pension Plan and Investment Plan are required to contribute 3% of their income as part of SB 2100 FRS reform measures that passed in the 2011 Florida legislative session. The total amount of employee contributions was $908,790 during the year ended September 30, 2025. Contribution percentage amounts are subject to change each year based on legislative law changes, investment experience and the actuarial experience of the trust fund. As of September 30, 2025, the City's required annual contribution is 14.03% of the covered salary for general employees, 33.24% for senior management, 54.57% for elected officials, and 35.19% for special risk. The City's contribution to FRS for the fiscal year ended September 30, 2025 was $5,276,937, equal to 100% of the required contribution for the fiscal year. Included in these rates is 2.00% relating to the HIS plan for all classes of employees.

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

At September 30, 2025, the City reported liabilities of $19,137,482 for its proportionate share of the FRS net pension liability and $8,990,854 for the HIS 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 June 30, 2025. The City's proportionate share of the net pension liability was based on the City's fiscal year 2024 contributions relative to the fiscal year 2024 contributions of all participating members. At September 30, 2025, the City's proportionate share was 0.061663932 percent for the FRS plan and 0.0701454493 percent for the HIS plan, which was an increase of 0.00057 percent and 0.00167 percent respectively, from the proportionate share measured as of June 30, 2024.

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

For the fiscal year ended September 30, 2025, the City recognized pension expense of $3,222,384. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	$ 2,044,085	$ 53,669	$ 2,097,754
Assumption changes	2,222,359	79,579	2,301,938
Net difference between projected and actual earnings on pension plan investments	--	--	--
Changes in proportion and differences between City contributions and proportionate share of contributions	1,079,308	943,385	2,022,693
Employer contributions subsequent to the measurement date	1,011,830	171,159	1,182,989
Total Deferred Outflows of Resources	$ 6,357,582	$ 1,247,792	$ 7,605,374

	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	$ --	$ 14,262	$ 14,262
Assumption changes	--	2,174,657	2,174,657
Net difference between projected and actual earnings on pension plan investments	3,195,196	7,483	3,202,679
Total Deferred Inflows of Resources	$ 3,195,196	$ 2,196,402	$ 5,391,598

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

The deferred outflows of resources related to pensions, totaling $1,182,989, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year (FY 2026). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Employer Share of Deferred Outflows / (Inflows)		
Year Ending September 30	FRS	HIS	Total
2026	$ 3,678,910	$ (170,181)	$ 3,508,729
2027	(283,656)	(298,390)	(582,046)
2028	(654,503)	(268,630)	(923,133)
2029	(590,195)	(213,791)	(803,986)
2030	--	(168,777)	(168,777)
Total	$ 2,150,556	$ (1,119,769)	$ 1,030,787

Actuarial Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
Mortality table	PUB-2010 base table projected generationally with Scale MP-2021	PUB-2010 base table projected generationally with Scale MP-2021
Experience study	7/1/18-6/30/23	7/1/18-6/30/23
Actuarial cost method	Individual Entry Age Normal	Individual Entry Age Normal
Investment rate of return	6.70%	5.20%
Projected salary increases	3.50%	3.50%
Inflation	2.40%	2.40%

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. 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	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%			

Discount Rate

The discount rate used to measure the total pension liability was 6.70% for the FRS plan. The 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 calculating the total pension liability is equal to the long-term expected rate of return. The HIS program uses a pay as you go funding structure, therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Since the prior measurement date, the discount rate for FRS remained consistent. The HIS discount rate was increased from 3.65% to 5.20%.

NOTE 8 – PENSION PLANS (CONTINUED)

COST-SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

The following table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2025.

	City's Proportionate Share of the Net Pension Liability		
Pension Plan	1% Decrease	Current Discount Rate	1% Increase
FRS	$ 37,557,014	$ 19,137,482	$ 3,694,814
HIS	10,138,635	8,990,854	8,028,230

Discount Rate: The discount rate used to measure the total pension liability was 6.70% for FRS and 5.20% for HIS.

Pension Plan Fiduciary Net Position

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

CITY SPONSORED – DEFINED BENEFIT PLANS

Plan Descriptions

The City is the sponsor of three single-employer defined benefit plans: City of Palm Beach Gardens Police Officers' Pension Fund (the "Police Pension") covering police officers, City of Palm Beach Gardens Retirement Plan for Firefighters (the "Fire Pension") covering Firefighters, and City of Palm Beach Gardens Retirement Plan for General Employees (the "General Employees' Pension"). The defined benefit plan for general employees was closed to new employees hired after May 1, 1995. All three plans are reported as pension trust funds. The City Council is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

Plan Descriptions (continued)

At the election of the Pension Boards, separate audited financial statements are produced for the Police Pension and the Fire Pension. The General Employees' Pension does not issue separate statements. The stand-alone statements for the Police Pension and the Fire Pension are available on the City's homepage at www.pbgfl.gov.

Each pension plan has its own board that acts as plan administrator and trustee. Each plan's assets may only be used for the payment of benefits to the members and beneficiaries of the plan in accordance with the terms of each plan document. The costs of administering each plan are financed in the appropriate pension trust fund.

The General Employees' Pension Board has three members and is comprised of a plan member or retiree or HR administrator if one of these is unable to serve; the City's finance administrator and the City manager or designee.

The Police and Fire Pension Boards are managed by a five-member Board of Trustees comprised of two members appointed by City Council, two members that are elected by plan membership, and a fifth member who is chosen by the other four members.

Basis of Accounting

The Plans' financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer and State of Florida contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments

Investments are reported at fair value except for money market funds and commercial paper which are at amortized cost, and are managed by third party money managers. The Plans' independent custodians and individual money managers price each instrument using various third party pricing sources. The benefits and refunds of the defined benefit pension plans are recognized when due and payable in accordance with the terms of the plan.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS

General Employees' Pension

The Plan provides normal retirement, early retirement, deferred retirement, disability retirement and death benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. A participant may retire with normal benefits after age 62 with 10 years of credited service. Reduced early retirement benefits are available once a participant reaches age 55 and accumulates 10 years of credited service. Normal retirement benefits are calculated at 2.5% of the participant's average earnings times the participant's credited service years. A participant becomes 100% vested after 10 years of credited service. Early retirement benefits are the same as normal retirement benefits, reduced by 0.55% for each of the first sixty months by which the early retirement age precedes age 62 and further reduced by 0.27% for each of the next twenty-four months by which the early retirement age precedes age 62. Average earnings for purposes of calculating benefits is the average of the three highest years of pensionable earnings out of the last five years of employment. Salary means the average monthly earnings reported to the Internal Revenue Service for income tax purposes.

Disability Benefits
A participant must become totally and permanently disabled prior to his termination of employment as determined by the pension board. The disability benefit is a monthly 10-year certain and life annuity equal to the participant's monthly accrued benefit, but offset as necessary to preclude the total of the participant's worker's compensation, 50% of the participant's social security disability benefit, and any other City-provided disability compensation from exceeding his final monthly salary excluding overtime. For this purpose, the amount of any lump sum worker's compensation payment is converted to an equivalent monthly benefit payable for 10 years certain by dividing the lump sum amount by 83.9692. A disabled participant may elect the single life annuity or a joint and contingent annuity in lieu of the 10-year certain and life form of payment. Regardless of the form of payment, benefits cease upon the participant's recovery from the disability prior to normal retirement date.

Eligibility for disability benefits begins from the participant's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the participant's average final compensation, and not less than 2.0% of the participant's average final compensation times his or her credited service years. Non-service incurred disability benefits are 2.5% of the participant's average final compensation times his or her credited service years up to a maximum of 50% of average final compensation.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

General Employees' Pension (continued)

Death Benefits
If a vested participant dies prior to retirement, the participant's beneficiary receives a 10-year certain annuity equal to the participant's monthly accrued benefit, payable beginning at the participant's early or normal retirement age. If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

Termination Benefits
Termination benefits for unvested participants are the return of the participant's contributions. For participants who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

Police Pension

The Plan provides retirement, death and disability benefits for its members. Benefit provisions are established and may be amended by the City of Palm Beach Gardens, in conjunction with the Palm Beach County Police Benevolent Association. A member hired before September 13, 2012 may retire with normal benefits after the earlier of age 52 with 10 years of credited service, or 20 years of credited service regardless of age. A member hired on or after September 13, 2012 may retire with normal benefits upon the attainment of age 55 and 10 years of credited service. Reduced early retirement benefits are available once a member reaches age 50 and accumulates 10 years of credited service. For members retiring prior to September 13, 2012, normal retirement benefits are 3.5% of the member's average monthly earnings times his or her credited service years, up to a maximum of 100% of average monthly earnings, plus a monthly supplemental benefit of $12.50 per year of service. For members hired prior to September 13, 2012 and retiring on or after September 13, 2012, but not having attained the normal retirement date prior to September 13, 2012, normal retirement benefits are 3.5% of the member's average monthly earnings times his or her credited service years earned prior to September 13, 2012 plus 2.75% of the member's average monthly earnings times his or her credited service years earned on or after September 13, 2012 through October 1, 2019, plus 3.0% of the member's average monthly earnings times his or her credited service years earned after October 1, 2019, up to a maximum of 75% of average monthly earnings, plus a monthly supplemental benefit of $12.50 per year of service. For members hired on or after September 13, 2012, normal retirement benefits are 2.75% of the member's average monthly earnings times his or her credited service years through October 1, 2019, plus 3.0% of the member's average monthly earnings times his or her

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Police Pension (continued)

credited service years earned after October 1, 2019, up to a maximum of 75% of average monthly earnings, plus a monthly supplemental benefit of $12.50 per year of service. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which early retirement precedes the normal retirement date. Average monthly earnings for purposes of calculating benefits is the average of salary during the last five years of employment producing the highest average. Salary means the average monthly earnings reported to the Internal Revenue Service for income tax purposes, plus deferred compensation. Beginning with salary after December 31, 2008, the definition of salary includes amounts paid by the City as differential wages to members who are absent from employment while in qualified military service. Notwithstanding the preceding two sentences, effective September 13, 2012, salary will henceforth mean base pay, excluding all other compensation, provided that the salary of any member employed on September 13, 2012 shall include payment for unused accrued sick and annual leave up to the dollar amount of unused sick and annual leave that the member has accrued as of September 13, 2012. However, in no event will the salary of any member who is employed on September 13, 2012 be less than the member's salary on September 12, 2012 as determined in accordance with the definition of salary in effect on September 12, 2012.

Subsequent to year end, on March 7, 2026, the City adopted Ordinance 2, 2026, which amended the plan and provides an automatic annual post-retirement COLA for new sets of retirees/DROP participants (0.5%, 1.0%, or 1.5%, depending on retirement date), with the first COLA prorated and effective after separation.

Deferred Retirement Option Plan
Any member who attains 20 years of service or age 52 with 10 years of service may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment as a police officer. The election to enter the DROP must be made prior to completing 25 years of credited service. Upon participation in the DROP, the member becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member at the first to occur of: termination of employment, 30 years of credited service or 5 years of participation.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Police Pension (continued)

Disability Benefits
Eligibility for disability benefits begins from the member's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the member's current compensation, and not less than the accrued pension benefit. Non-service incurred disability benefits are calculated the same as a normal retirement pension based on average monthly earnings and credited service at the time of disability, but not less than 25% of average monthly earnings or the accrued pension benefit, whichever is greater.

Death Benefits
Pre-retirement death benefits for service related deaths are paid to the member's beneficiary for life. Benefits are calculated at 50% of the member's average monthly earnings, with a minimum equal to the accrued pension benefit (with no early retirement reduction). Pre-retirement death benefits for non-service related deaths are paid to the member's beneficiary for life. For members with less than 5 years of contributing service at the date of death, the benefit is the return of the member's contributions without interest. For members with 5 years or more of contributing service at the date of death, the benefit is equal to that payable at early or normal retirement age. If the member is eligible for normal retirement, the benefit is equal to his or her accrued pension benefit, and is payable for life.

Termination Benefits
Termination benefits for unvested members are the return of the member's contributions. For members who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension

The Plan provides normal retirement, early retirement, deferred retirement, disability retirement and death benefits. The benefit provisions are established and may be amended under the authority of City Ordinance. A participant may retire with normal benefits after the earlier of age 52 with 10 years of credited service, or 25 years of credited service regardless of age. Reduced early retirement benefits are available once a participant reaches age 50 and accumulates 10 years of credited service. Normal retirement benefits are 3.0% of the participant's average final compensation times the participant's credited service years up to a maximum of 99% (75% for participants retiring on or after September 13, 2012 who were not eligible for normal retirement or who did not have an accrued pension benefit in excess of 75% of average final compensation on that date) of average final compensation. Early retirement benefits are the same as normal retirement benefits, reduced by 3.0% for each year by which the commencement of benefits precedes age 52. Average final compensation for purposes of calculating benefits is one twelfth of the average annual salary for the best five years of the last ten years of credited service. Salary means the total compensation for services rendered to the City as a firefighter is reportable on the participant's W-2 form plus all tax deferred, tax-sheltered or tax exempt items of income derived from elective employee payroll deduction or salary reduction. Notwithstanding the preceding sentence, effective September 13, 2012, salary shall exclude all overtime compensation as well as payments for unused accrued sick and annual leave; provided the salary of any participant employed on September 13, 2012 shall include payment for unused accrued sick and annual leave up to the number of hours of unused sick and annual leave accrued on September 13, 2012.

Deferred Retirement Option Plan
Any participant who attains 25 years of service or age 52 with 10 years of service may elect to participate in the deferred retirement option plan (DROP) while continuing his or her active employment as a firefighter. Upon participation in the DROP, the participant becomes a retiree for all Plan purposes so that he or she ceases to accrue any further benefits under the Plan. Normal retirement payments that would have been payable to the participant as a result are accumulated and invested in the DROP plan to be distributed to the participant upon his or her termination of employment. Participation in the DROP plan ceases for a participant at the first to occur of: termination of employment or 5 years of participation.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension (continued)

Disability Benefits
Eligibility for disability benefits begins from the participant's date of hire, if the disability is service connected, or after 10 years of service if non-service connected. Service-incurred disability benefits are 60% of the participant's average final compensation, and not less than 2.0% of the participant's average final compensation times his or her credited service years. Non-service incurred disability benefits are 2.5% of the participant's average final compensation times his or her credited service years up to a maximum of 50% of average final compensation.

Death Benefits
The death benefit for a participant who was partially or fully vested, but had not attained at least age 50, is a payment of the participant’s accrued pension benefit to the participant's beneficiary for 10 years, beginning on the date that the participant would have attained age 52 for a normal retirement benefit or age 50 for an early retirement benefit, at the option of the beneficiary. The death benefit for a participant who was not vested is a return of the participant’s contributions to the participant’s beneficiary.

On July 1, 2019, in accordance with Chapter 2019-21, Laws of Florida, certain disability benefits were granted to firefighters participating in an employer-sponsored retirement plan. The retirement plan must consider the firefighter totally and permanently disabled in the line of duty if he or she meets the retirement plan’s definition of totally and permanently disabled due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer. Cancer is defined in Section 112.1816(1), Florida Statutes.

Termination Benefits
Termination benefits for unvested participants are the return of the participant's contributions. For participants who are vested when they terminate, their vested accrued pension benefit is payable at the early or normal retirement date. Full vesting occurs at the completion of 10 years of credited service.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

Fire Pension (continued)

Cost of Living Adjustments
Beginning January 1, 2004, and each January 1 thereafter, all participants receiving benefits, excluding disability retirees, shall receive an age based cost of living adjustment. The amount will be 1.0% for participants who are age 53, 2.0% for participants who are age 54, and 3.0% for participants who are age 55 or greater. Effective January 1, 2013, the applicable percentage for participants who are age 55 or greater, and who were not employed and eligible for normal retirement on September 13, 2012, shall be 1.5%.

All Plans

The plan membership as of October 1, 2024 for the General Employees' and for the Police and Fire, the date of the latest actuarial valuation are listed below:

	General Employees'	Police	Fire
Active Employees	2	113	120
Inactive Employees or Beneficiaries Currently Receiving Benefits	7	104	88
Inactive Employees Entitled to but not yet Receiving Benefits	1	6	32
Total	10	223	240

Contributions
The Florida Constitution requires local governments to make the actuarially determined contribution. The Florida Division of Retirement reviews and approves each local government's actuarial report for funding purposes. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Fire Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the State has ascertained that the local government has met their actuarial funding requirement for the then most recently completed fiscal year.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

BENEFIT TERMS (CONTINUED)

All Plans (continued)

Contributions (continued)
The following schedule summarizes the contribution rates for the City and its plan members:

	General Employees'	Police	Fire
Contribution Rates:			
City	2.72%	45.47%	37.25%
State	N/A	6.77%	10.13%
Plan members	6.00%	8.60%	6.00%

The Police Officers' and Firefighters' Pension Plans are partially funded by contributions from the State of Florida under Chapters 185 and 175, respectively, of the Florida Statutes. This contribution consists of excise taxes collected by the State on property and casualty insurance premiums on policies written within the City and totaled $2,794,657 for the year ended September 30, 2025: $1,534,550 for property insurance contracts for firefighters and $1,260,107 for casualty insurance contracts for police officers. These amounts are recognized as insurance premium tax revenues and public safety expenditures in the General Fund.

NET PENSION LIABILITY

The City's net pension liability was measured as of September 30, 2024 for the Police Pension and Fire Pension and the General Employees' Pension was measured as of September 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial accounting valuation as of these dates.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Actuarial Assumptions
The total pension liability was determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2024 for the Police Pension and Fire Pension and the General Employees' Pension used an actuarial valuation as of October 1, 2024 updated to September 30, 2025. The following actuarial assumptions, applied to all measurement periods:

	General Employees'	Police	Fire
Mortality Table	PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.	PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.	PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.
Investment rate of return	7.00%	6.00%	6.85%
Projected salary increases	5.00%	5.5% - 6.75%	4% - 5.5%
Inflation	0.00%	2.25%	2.50%
Cost of living adjustments	0.00%	N/A	1%-3%

The actuarial assumptions used in the September 30, 2023 accounting valuation for the Police Pension and Fire Pension were based on the results of an actuarial experience study for the period of October 1, 2013 – September 30, 2020. The assumptions used in the September 30, 2024 accounting valuation for the General Employees' Pension were based on the results of an actuarial experience study for the period of October 1, 2014 – September 30, 2017.

Long-term Expected Rate of Return
The long-term expected rate of return for the General Employees' Pension, Police Pension and the Fire Pension investments were determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the General Employee's Pension, Police Pension and Fire Pension plan's target asset allocation as of September 30, 2025 are summarized and included in the following table.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Long-term Expected Rate of Return (continued)

Plan	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
General Employees	Core bonds	15.00%	1.60%
	Coreplus	15.00%	2.10%
	U.S. large cap equity	25.00%	4.60%
	U.S. small cap equity	14.00%	5.50%
	Non-U.S. equity	21.00%	6.70%
	Real estate	10.00%	5.00%
Fire	Domestic equity	50.00%	7.50%
	Foreign equity securities	10.00%	8.50%
	Domestic fixed income	20.00%	2.50%
	Real estate	10.00%	4.50%
	Alternative	10.00%	6.17%
Police	Domestic equity	47.50%	7.50%
	International equity	10.00%	8.50%
	Domestic bonds	22.50%	2.50%
	International bonds	0.00%	3.50%
	Real estate	12.50%	4.50%
	Alternative Assets	7.50%	5.99%

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for the General Employees' Pension, 6.00% for the Police Pension, and 6.75% for the Fire Pension. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made as legally required. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

The changes in the net pension liability at the measurement date, were as follows:

	General Employees'	Police	Fire
Total Pension Liability			
Service Cost	$ 20,186	$ 3,809,457	$ 2,799,868
Interest	214,027	8,476,723	11,459,146
Share Plan Allocation	--	312,894	352,527
Differences Between Expected and Actual Experience	(30,873)	(476,716)	1,489,497
Changes of Assumptions	--	--	2,024,619
Benefit Payments Including Refunds of Employee Contributions	(127,881)	(6,907,472)	(8,686,612)
Net Change in Total Pension Liability	75,459	5,214,886	9,439,045
Total Pension Liability - Beginning	3,148,795	140,766,549	168,830,236
Total Pension Liability - Ending (a)	$ 3,224,254	$ 145,981,435	$ 178,269,281

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Changes in the Net Pension Liability (continued)

	General Employees'		Police	Fire
Plan Fiduciary Net Position				
Contributions - Employer	$ 3,660		$ 5,205,649	$ 5,973,737
Contributions - State	--		1,101,003	1,455,126
Contributions - Employee	13,441		1,024,295	634,822
Net Investment Income (Loss)	293,890		23,855,612	30,052,688
Benefit Payments Including Refunds of Employee Contributions	(127,881)		(6,907,472)	(8,686,612)
Administrative Expense	(13,772)		(197,168)	(139,291)
Net Change in Plan Fiduciary Net Position	169,338		24,081,919	29,290,470
Plan Fiduciary Net Position - Beginning	3,582,246	*	121,749,020	134,687,238
Plan Fiduciary Net Position - Ending (b)	$ 3,751,584		$ 145,830,939	$ 163,977,708
Net Pension (Asset) Liability - Ending (a) - (b)	$ (527,330)		$ 150,496	$ 14,291,573
Plan Fiduciary Net Position as a % of the Total Pension Liability	116.36%		99.90%	91.98%
Covered Payroll	$ 131,535		$ 10,800,267	$ 10,580,367
Net Pension Liability as a % of Covered Payroll	n/a		1.39%	135.08%

* The amount does not agree to the General Employees' Pension Trust Fund by $1,933 due to differences related to the timing of an adjusting journal entry.

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

NET PENSION LIABILITY (CONTINUED)

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate
The following presents the City's net pension (asset) liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates:

	Net Pension (Asset) Liability		
Pension Plan	1% Decrease	Current Discount Rate	1% Increase
General Employees'	$ (208,765)	$ (527,330)	$ (802,478)
Police	14,756,796	150,496	(11,998,382)
Fire	37,126,077	14,291,573	(4,182,637)

Discount Rate: The discount rate used to measure the total pension liability was 7.00% for General Employees, 6.00% for Police and 6.75% for the Fire Plan.

Pension plan fiduciary net position. Detailed information about the Police Pension and Fire Pension fiduciary net position is available in the separately issued financial reports. The General Employees' fiduciary net position information is shown below:

General Employees Pension Trust Fund
Statement of Fiduciary Net Position
September 30, 2025

Assets	
Cash and cash equivalents	$ 30,013
Investments	3,721,571
Receivables	318
Total Assets	3,751,902
Liabilities	
Accounts payable	2,251
Net Position Restricted for Pension Benefits	$ 3,749,651

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

The General Employees' statement of changes in fiduciary net position information is shown below:

General Employees Pension Trust Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2025

Additions		
Contributions:		
Employer	$	3,660
Employees		13,550
Total Contributions		17,210
Investment earnings:		
Net increase in the fair value of investments		293,890
Less investment expenses		(11,981)
Net investment gain		281,909
Total Additions		299,119
Deductions		
Pension benefits		127,881
Administrative expenses		2,251
Total Deductions		130,132
Change in Net Position		168,987
Net Position Restricted for Pension Benefits:		
Beginning		3,580,664
Ending	$	3,749,651

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

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

For the fiscal year ended September 30, 2025, The City recognized pension expense of $7,552,080. Deferred outflows and inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources			
	General Employees'	Police	Fire	Total
Differences between expected and actual experience	$ 139,236	$ 77,321	$ 3,318,639	$ 3,535,196
Assumption changes	--	1,695,379	3,346,374	5,041,753
Net difference between projected and actual earnings on pension plan investments	--	8,999,978	--	8,999,978
Employer and State contributions subsequent to the measurement date	--	--	6,607,472	6,607,472
Total Deferred Outflows of Resources	$ 139,236	$ 10,772,678	$ 13,272,485	$ 24,184,399

	Deferred Inflows of Resources			
	General Employees'	Police	Fire	Total
Differences between expected and actual experience	$ 294,899	$ 595,519	$ 2,902,240	$ 3,792,658
Net difference between projected and actual earnings on pension plan investments	--	18,834,124	10,029,465	28,863,589
Total Deferred Inflows of Resources	$ 294,899	$ 19,429,643	$ 12,931,705	$ 32,656,247

NOTE 8 – PENSION PLANS (CONTINUED)

CITY SPONSORED – DEFINED BENEFIT PLANS (CONTINUED)

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

Deferred outflows of resources related to City contributions made subsequent to the measurement date of $6,607,472 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending September 30	General Employees'	Police	Fire	Total
2026	$ 40,687	$ (2,137,114)	$ (108,480)	$ (2,204,907)
2027	(98,547)	851,899	1,819,898	2,573,250
2028	(88,321)	(4,001,693)	(4,253,380)	(8,343,394)
2029	(9,482)	(3,370,057)	(4,310,417)	(7,689,956)
2030	--	--	585,687	585,687
Total	$ (155,663)	$ (8,656,965)	$ (6,266,692)	$ (15,079,320)

The following summarizes the pension related amounts for the City as of the indicated measurement date:

	Measurement Date	Net Pension (Asset) Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense (Income)
FRS	6/30/2025	$ 19,137,482	$ 6,357,582	$ 3,195,196	$ (1,145,214)
HIS	6/30/2025	8,990,854	1,247,792	2,196,402	(170,230)
General Employees'	9/30/2025	(527,330)	139,236	294,899	(89,451)
Police	9/30/2024	150,496	10,772,678	19,429,643	2,442,090
Fire	9/30/2024	14,291,573	13,272,485	12,931,705	3,010,115
Total		$ 42,043,075	$ 31,789,773	$ 38,047,845	$ 4,047,310

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS

Investment Plan

The Florida State Board of Administration ("SBA") administers the defined contribution plan officially titled the FRS Investment Plan. 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. City 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. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Cost 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. Allocations to the investment member's accounts during the 2024-25 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 8.30%, Special Risk Administrative Support class 9.95%, Special Risk class 16.00%, Senior Management Service class 9.67% and County and Local Elected Officers class 13.34%.

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 City.

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS (CONTINUED)

Investment Plan (continued)
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 FRS 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 City's Investment Plan pension expense totaled $1,673,740 for the fiscal year ended September 30, 2025.

Defined Contribution Plan
The City of Palm Beach Gardens Money Purchase Plan (the "General Plan") and the City of Palm Beach Gardens Executive Plan (the "Executive Plan") are defined contribution pension plans established by the City and administered by ICMA Retirement Corporation to provide benefits at retirement to the employees of the City. The General Plan was closed to new employees hired on or after October 1, 2006.

Employees of the City that were hired prior to October 1, 2006, and elected not to join the FRS are eligible to participate in the General Plan. There were nine plan members during the fiscal year. The City contributes to the General Plan an amount equal to the FRS contribution rate at the time of election (9.85% general employee and 13.12% senior management) of the employee's base salary each month. Employees also contribute an amount equal to 4% of their base salary in the General Plan. The City's contributions for each employee (and interest allocated to the employees' accounts) are fully vested after one year of continuous service. Plan revisions and contribution requirements are established and may be amended by the City Council.

The City Manager is the only employee eligible to participate in the Executive Plan. The City contributes 15% to the Executive Plan. As part of the employment agreement with the City Manager, the City contributes 3% of the base salary to the Executive Plan, in addition to the 15%.

The City's contributions were calculated using the base salary amount of $581,778 for the General Plan and $476,785 for the Executive Plan. The City made its required contributions of $119,850 for the General Plan and $62,555 for the Executive Plan and employees made their required contributions of $57,305 to the General Plan.

NOTE 8 – PENSION PLANS (CONTINUED)

DEFINED CONTRIBUTION PLANS (CONTINUED)

Deferred Compensation Plan (continued)
The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. This plan, available to all City employees, permits them to defer the payment of a portion of their salary until future years. Participation in this plan is voluntary and the City makes no contributions to this plan on behalf of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All amounts of compensation deferred, including the investments and earnings thereon, vest with the employee and are not subject to the claims of the City's general creditors.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

The City follows the guidance contained in Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* for certain post-employment health care benefits provided by the City for the fiscal year ended September 30, 2025.

PLAN DESCRIPTION

The City provides certain healthcare benefits to active and retired employees and their dependents. The health plan is a single employer plan administered by the City. The benefits, levels of benefit, employee contributions, and employer contributions are governed by the City and can be amended by the City through management recommendations to, and approval by, City Council as part of the annual budget adoption process. The plan is not reported as a trust fund nor has an irrevocable trust or equivalent arrangement been established to account for the plan. As a result, the plan does not issue a separate financial report. The activity of the plan is reported in the City's Self-Insurance fund, an internal service fund.

BENEFITS PROVIDED

Retired City employees can continue the same medical coverage they had as active employees. The City provides postemployment health care benefits to its retired employees and their dependents. To be eligible for benefits, an employee must reach retirement eligibility in their respective pension plan.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

BENEFITS PROVIDED (CONTINUED)

All health care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, and substance abuse care; dental care; and prescriptions. Upon a retired employee reaching 65 years of age, Medicare becomes the primary insurer and the City's plan will not pay benefits already paid by Medicare.

MEMBERSHIP

As of September 30, 2025, membership consisted of:

	Membership September 30, 2025
Active Employees	560
Inactive Employees or Beneficiaries Currently Receiving Benefits	123
Total	683

FUNDING POLICY

The City establishes the individual premium to be paid by the retired employees. The State of Florida prohibits the City from separately rating retired employees and active employees. As a result, the City's premium charges to retired employees can be no more than the premium cost applicable to active employees. Generally accepted accounting principles, however, require that the actuarial information presented below be calculated using age adjusted premiums approximating claim costs for retirees separate from the active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. For the fiscal year ended September 30, 2025, retired employees contributed $1,154,201 to the plan. For those employees, through its Self-Insurance Fund, the City paid $2,408,572 in claims and administrative costs resulting in a net cost of $1,254,371. Active employees do not contribute 100% of the premium cost to the plan until retirement.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY

The City's total OPEB liability was measured as of September 30, 2024. The total OPEB liability was determined by an actuarial accounting valuation as of October 1, 2024. It was determined not to reclassify any long-term amounts that are considered to be due within one year in relation to the Total OPEB Liability as the current amount is not material.

Actuarial Assumptions
The total OPEB liability in the October 1, 2024 actuarial valuation was determined using actuarial assumptions and other inputs, applied to all periods included in the measurement.

The actuarial assumptions included a 3.88% investment discount rate, inflation rate of 2.6%, an annual healthcare cost trend rate of 7.0% decreasing until it reaches 4.04%, and payroll growth of 2.40%, 2.25%, and 2.50%, respectively for General employees, Police employees, and Fire employees. Life expectancies were based upon data found in the SOA Pub 2010 Headcount-Weighted Mortality Table, projected on a fully generational basis with mortality improvement scale MP-2021. The actuarial value of assets was not determined as the City has not advance funded its obligation. The actuarial assumptions used in the valuation were based on October 1, 2024 census data, which included data and medical claims from October 2019-October 2024.

Changes in the Total OPEB Liability
The changes in the total OPEB liability at the measurement date, were as follows:

Total OPEB Liability	
Service cost	$ 558,880
Interest cost	542,883
Changes of benefit terms	--
Differences between expected and actual experience	(1,844,151)
Changes of assumptions	2,152,242
Benefit payments	(654,412)
Net Change in Total OPEB Liability	755,442
Total OPEB Liability - Beginning	11,575,731
Total OPEB Liability - Ending	$ 12,331,173
Covered Payroll	$ 52,043,091
Total OPEB Liability as a Percentage of Payroll	23.69%

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the City's total pension liability calculated using the current discount rates and the liability using discount rates that are one percentage point lower and one percentage point higher than the current rates:

	1% Decrease 2.88%	Current Discount Rate 3.88%	1% Increase 4.88%
Total OPEB Liability	$ 13,437,580	$ 12,331,173	$ 11,334,146

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the City's total OPEB liability calculated using the current healthcare cost trend rates and the liability using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current rates:

	1% Decrease 3.04%	Healthcare Cost Trend Rate 4.04%	1% Increase 5.04%
Total OPEB Liability	$ 11,094,160	$ 12,331,173	$ 13,785,606

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, The City recognized OPEB expense of $1,263,606. Deferred outflows and inflows of resources related to OPEB are as follows:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 1,856,925	$ 1,861,231
Assumption Changes	2,098,814	1,169,090
Total	$ 3,955,739	$ 3,030,321

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

TOTAL OPEB LIABILITY (CONTINUED)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30	Amount
2026	$ 225,328
2027	328,287
2028	241,299
2029	(6,427)
2030	34,232
Thereafter	102,699
Total	$ 925,418

NOTE 10 – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various claims and legal actions occurring in the course of operations. While the ultimate outcome of the litigation cannot be determined at this time, management believes that amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.

NOTE 11 – COMMITMENTS

Commitments on major construction contracts consist of the following:

Project	Total Project Authorization	Expended at September 30, 2025	Balance to Complete
Burns Road Community Center	$ 31,960,202	$ 29,873,683	$ 2,086,519
Fire Station 6	10,050,000	9,872,759	177,241
Police Department Expansion	4,855,000	3,224,360	1,630,640
District Park Field House	18,424,945	2,102,531	16,322,414
Kyoto Gardens Bridge Widening	7,000,000	1,918,599	5,081,401
TOD Misc. Improvements	2,655,000	1,881,504	773,496
Burns Road Playground Replacement	1,318,619	1,171,405	147,214
	$ 76,263,766	$ 50,044,842	$ 26,218,924

SOLID WASTE, RECYCLING, AND VEGETATIVE WASTE COLLECTION SERVICES

On January 4, 2018, the City entered into an agreement to retain the services of Waste Management, Inc. of Florida and granting an exclusive solid waste, recycling and vegetative waste collection services franchise. The agreement is for a period of ten years commencing April 1, 2018 through March 31, 2028, with no options to renew. The cost of the contract totaled $4,076,495 for the year ended September 30, 2025.

ENCUMBRANCES

Encumbrance accounting, in which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized by the City during the year. Because appropriations expire at year end, even if encumbered, it is the City's policy to re-appropriate such amounts at the beginning of the next fiscal year. Encumbrances outstanding at year end are reported as part of restricted and assigned fund balances. Below is a listing of outstanding encumbrances by fund at September 30, 2025:

Fund	Encumbrances Outstanding
General fund	$ 14,306,658
Non-major governmental funds	1,540,119
Total	$ 15,846,777

NOTE 12 – JOINTLY GOVERNED ORGANIZATION

The City, through an interlocal agreement with certain other municipalities and Palm Beach County, created the Seacoast Utility Authority (“Seacoast”) which provides water and sewer service to the citizens of each of the participating municipalities and a portion of Palm Beach County. Seacoast’s governing board is comprised of one member from each participating entity. Seacoast is an independent authority organized under the laws of the State of Florida and the City has no participating equity ownership in Seacoast. The City paid $460,508 to Seacoast during the fiscal year for water and sewer service and connection fees relating to capital projects.

NOTE 13 – RISK MANAGEMENT AND HEALTH INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omission; and natural disasters for which the City carries commercial insurance. Specifically, the City purchases commercial insurance for property, liability, and workers’ compensation. The City is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of $200,000/$300,000 for all claims relating to the same accident. There have been no significant reductions in insurance coverage from the prior year. In addition, there have been no settlements in excess of insurance coverage for the past three fiscal years.

SELF-INSURANCE FUND

During fiscal year 2009, the City established the Self-Insurance Fund (internal service fund) to account for medical insurance claims of City employees and their covered dependents. Under this program, the fund provides the employee with an unlimited lifetime maximum benefit. A maximum deductible of $450,000 for specific claims has been set. Commercial insurance for specific loss claims in excess of the coverage provided by the fund is supplied by Symetra Life Insurance Company. The City has contracted with Blue Cross/Blue Shield to perform certain administrative functions, such as monitoring, reviewing and paying claims. Settled claims have not exceeded the excess insurance limits during the fiscal year.

All City departments participate in the program and make payments to the Self-Insurance Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims, claims reserves, and administrative costs.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (“IBNR”).

NOTE 13 – RISK MANAGEMENT AND HEALTH INSURANCE (CONTINUED)

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether the expenses are allocated to specific claims. Changes in claims liabilities were as follows:

Fiscal Year Ended	Claims Payable Beginning of Year	Claims and Changes in Estimates	Claim Payments	Claims Payable End of Year
9/30/2024	$ 493,432	$ 10,709,481	$ (10,738,963)	$ 463,950
9/30/2025	463,950	14,232,397	(14,119,535)	576,812

NOTE 14 – INVESTMENT IN JOINT VENTURE

The City entered into an interlocal agreement with two other municipalities in Palm Beach County to purchase and operate a county-wide public safety communications system. The interlocal agreement established the Municipal Public Safety Communications Consortium of Palm Beach County ("MPSCC") whose purpose is to provide its members with expanded radio communication services (via the 800MHz trunked radio system) to aid in public safety over a larger geographical region. The MPSCC is a cost sharing organization. Its annual budget is prepared by the Executive Director and approved by the Board of Directors of MPSCC. The member municipalities of the MPSCC are obligated for the debt incurred by the consortium and each municipality is responsible for their respective portion of costs incurred by the MPSCC. The City's initial investment in this joint venture was $676,200, which represented 13.8% of the total consortium investment. During the current fiscal year, the City had expenditures of $235,611 relating to the consortium. The City's investment in the joint venture is $2,968,600 as of September 30, 2025. Separate financial statements for the MPSCC may be obtained from, the City of Palm Beach Gardens Finance Department, Attention: Arienne Panczak, Finance Administrator, 10500 N. Military Trail, Palm Beach Gardens, Florida 33410.

NOTE 15 – INTERLOCAL AGREEMENT

On September 30, 2010, the City adopted Resolution 74, 2010, entering into an agreement with three other municipalities (the Town of Jupiter, Town of Juno Beach, and Jupiter Inlet Colony) to provide consolidated police dispatch operations in Palm Beach County. On September 17, 2014, the Village of North Palm Beach entered the interlocal agreement, and on March 2, 2020, the Village of Tequesta entered the interlocal agreement. The Northern Municipal Regional Communications Center's ("NMRCC") budget for the fiscal year was $5,838,123 which was offset by $496,425 in Palm Beach County 911 reimbursements. In addition, each participating municipality was responsible for its pro-rata share of administrative service fees totaling $562,287.

The allocation of expenditures to the four municipalities is based on population with the City's share at 42.0%, the Town of Jupiter at 41.9%, the Village of North Palm Beach at 9.0%, the Village of Tequesta at 4.2%, the Town of Juno Beach at 2.7% and the Jupiter Inlet Colony at 0.2%. The City received payments from the Town of Jupiter, Town of Juno Beach, Village of North Palm Beach and Jupiter Inlet Colony for dispatch services totaling $3,452,604, which included an administrative services fee of $326,107. The City was responsible for $2,479,878. Actual expenditures were less than the dispatch operations budget during the fiscal year by $283,179. The accumulated portion of payments from municipalities that exceed actual expenditures is shown as restricted for law enforcement on the governmental funds balance sheet.

NOTE 16 – CONDUIT DEBT OBLIGATIONS

On December 7, 2017, the City adopted Resolution 83, 2017, authorizing the issuance of a debt obligation of the City in the amount of $10,257,000 with the proceeds loaned to St. Mark's Church, Inc. and used for the purpose of refinancing certain outstanding debt of the borrower in connection with the acquisition, construction, and equipping of facilities for a pre-kindergarten to grade eight school. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2025, the outstanding balance of the debt was $7,875,742.

NOTE 17 – TAX ABATEMENT

On July 11, 2019, the City adopted Ordinance 13, 2019, approving an economic development ad valorem tax exemption with Carrier Corporation. The tax exemption will be for a period of ten years commencing on January 1, 2020 and expiring on December 31, 2029. The economic development incentive approves a 100% exemption for the first five years and a 50% exemption for the next five years. The impact of the tax abatement on the current fiscal year's ad valorem tax revenues was a reduction of $389,255.

PALM BEACH
Gardens

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Adopted Budget	Legally Adopted Budget Amendments	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues					
Taxes:					
Ad valorem taxes	$ 96,603,554	$ --	$ 96,603,554	$ 96,592,325	$ (11,229)
Local business taxes	1,600,000	--	1,600,000	1,770,840	170,840
Utility taxes	2,100,000	--	2,100,000	2,219,896	119,896
Special assessment	115,000	--	115,000	109,588	(5,412)
Franchise fees	6,380,000	--	6,380,000	7,988,604	1,608,604
Licenses and permits	9,289,000	--	9,289,000	15,128,252	5,839,252
Intergovernmental	9,055,000	--	9,055,000	10,603,086	1,548,086
Charges for services	8,669,500	--	8,669,500	11,077,902	2,408,402
Fines and forfeitures	267,000	--	267,000	654,324	387,324
Investment income	606,000	--	606,000	5,422,730	4,816,730
Miscellaneous	1,647,250	--	1,647,250	3,373,223	1,725,973
Total Revenues	136,332,304	--	136,332,304	154,940,770	18,608,466
Expenditures					
General Government:					
City Council	611,954	35,000	646,954	494,391	152,563
Administration	1,484,476	(18,797)	1,465,679	1,531,893	(66,214)
Purchasing and Contract Management	262,291	--	262,291	259,391	2,900
Information Technology	5,195,702	50,200	5,245,902	4,946,250	299,652
City Clerk	1,191,964	--	1,191,964	1,070,519	121,445
Legal Services	732,520	--	732,520	787,807	(55,287)
Public Communications	728,617	--	728,617	679,116	49,501
Engineering Services	1,187,992	--	1,187,992	1,176,840	11,152
Human Resources	1,167,961	--	1,167,961	1,088,886	79,075
Finance	1,342,038	--	1,342,038	1,398,307	(56,269)
General Services	9,986,386	322,899	10,309,285	10,301,932	7,353
Planning and Zoning:					
Administration	660,030	862,642	1,522,672	859,232	663,440
Development Compliance	827,329	--	827,329	802,619	24,710
Planning	1,397,077	--	1,397,077	1,313,773	83,304
GIS	632,727	--	632,727	597,781	34,946
Construction Services - Building	2,737,210	--	2,737,210	2,694,792	42,418
Code Enforcement	1,506,837	--	1,506,837	1,363,663	143,174
Total general government	31,653,111	1,251,944	32,905,055	31,367,192	1,537,863
Public safety:					
Police	39,801,306	237,027	40,038,333	38,524,844	1,513,489
Fire and Emergency Services	34,166,730	(68,424)	34,098,306	35,708,494	(1,610,188)
Total public safety	73,968,036	168,603	74,136,639	74,233,338	(96,699)

(Continued)

See notes to required supplementary information.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Adopted Budget	Legally Adopted Budget Amendments	Final Revised Budget	Actual	Variance With Final Budget Positive (Negative)
Culture and Recreation:					
Administrative Services	$ 656,733	$ --	$ 656,733	$ 492,458	$ 164,275
Seniors and Wellness	78,036	--	78,036	42,197	35,839
Aquatics	666,417	--	666,417	605,560	60,857
Tennis	373,376	--	373,376	289,698	83,678
Programs	295,029	--	295,029	269,275	25,754
Total cultural and recreation	2,069,591	--	2,069,591	1,699,188	370,403
Physical Environment:					
Administrative Services	1,708,338	(6,937)	1,701,401	1,862,809	(161,408)
Facilities Maintenance	5,463,274	649,926	6,113,200	5,648,750	464,450
Stormwater and Street Maintenance	5,064,424	5,400	5,069,824	4,070,957	998,867
Parks and Grounds	6,104,351	39,262	6,143,613	6,066,827	76,786
Total physical environment	18,340,387	687,651	19,028,038	17,649,343	1,378,695
Capital outlay	15,697,629	34,629,814	50,327,443	21,995,021	28,332,422
Debt Service:					
Principal	2,437,067	--	2,437,067	3,010,806	(573,739)
Interest	1,245,090	--	1,245,090	1,256,525	(11,435)
Total debt service	3,682,157	--	3,682,157	4,267,331	(585,174)
Total Expenditures	145,410,911	36,738,012	182,148,923	151,211,413	30,937,510
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,078,607)	(36,738,012)	(45,816,619)	3,729,357	49,545,976
Other Financing Sources/(Uses)					
Transfers in	2,324,129	--	2,324,129	2,324,129	--
Transfers out	3,000,000	(7,010,000)	(4,010,000)	(4,010,000)	--
Leases (right-of-use asset) acquired	--	--	--	1,280,651	1,280,651
Bond proceeds	--	1,430,148	1,430,148	--	(1,430,148)
Total Other Financing Sources/(Uses)	5,324,129	(5,579,852)	(255,723)	(405,220)	(149,497)
Net Change in Fund Balances	(3,754,478)	(42,317,864)	(46,072,342)	3,324,137	49,396,479
Fund Balance, Beginning	38,697,212	37,042,796	75,740,008	94,812,669	19,072,661
Fund Balance, Ending	$ 34,942,734	$ (5,275,068)	$ 29,667,666	$ 98,136,806	$ 68,469,140

See notes to required supplementary information.

NOTE 1 – BUDGETARY INFORMATION

State of Florida statutes require that all municipal governments establish budgetary systems and approve annual operating budgets. The Council annually adopts an operating budget and appropriates funds for the general fund, special revenue funds (except the extra duty police fund), capital projects funds and the proprietary fund. The procedures for establishing budgetary data are as follows:

Prior to the first Council meeting in August of each year, the City Manager submits a proposed operating budget to the Council for the next fiscal year commencing the following October 1. The proposed budget includes expenditures and the means of financing them.

The Council holds public meetings to obtain taxpayer comments.

Upon completion of the public hearings, a final operating budget is legally enacted through the passage of an ordinance before September 30th. Estimated fund balances are considered in the budgetary process.

A City ordinance establishes the legal level of budgetary control at the fund level. Any increase in the total amount appropriated for all funds must be approved by ordinance of the Council. Any transfer between funds must be approved by the City Manager and by ordinance of the City Council. Transfers from the Council contingency account must be approved by the City Council. Any other budget transfer within the same fund must be approved by the City Manager.

The adopted budgets are prepared in accordance with generally accepted accounting principles. The Council also adopts non-appropriated operating budgets for the proprietary funds substantially on a basis consistent with generally accepted accounting principles, except that depreciation is not budgeted and capital outlay purchases are presented as expenditures. The reported budgetary data represents the final appropriated budgets after amendments adopted by the Council.

NOTE 2 – BUDGET AND ACTUAL COMPARISONS

The Budgetary Comparison Schedule for the General Fund is required to be prepared under the basis of accounting used in preparing the budget. As indicated in Note 1, the modified accrual basis of accounting is used for budgetary purposes. On-behalf payments from the State of Florida for Police and Fire-Rescue pensions are not included in the budget. As a result, General Fund revenue and expenditures reported in the budget and actual statement differ from the corresponding amounts reported on the basis of U.S. generally accepted accounting principles. These differences can be reconciled as follows:

	Revenue	Expenditures
Budgetary basis	$ 154,940,770	$ 151,211,413
State on-behalf payments for Police and Fire-Rescue pension contributions not included in budgetary basis	2,794,657	2,794,657
GAAP Basis	$ 157,735,427	$ 154,006,070

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement Date, September 30,	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service cost	$ 390,934	$ 377,769	$ 374,846	$ 466,435	$ 576,290	$ 623,385	$ 585,523	$ 558,880
Interest cost	264,888	300,906	323,509	262,168	229,610	221,348	486,703	542,883
Changes of benefit terms	--	--	--	975,411	--	--	--	--
Differences between expected and actual experience	(194,561)	15,392	31,877	(1,189,051)	315,210	3,494,604	(35,714)	(1,844,151)
Changes of assumptions	(293,572)	(459,782)	817,600	(156,833)	206,734	(2,008,259)	(208,235)	2,152,242
Benefit payments	(115,134)	(325,087)	(461,170)	(364,446)	(743,859)	(1,245,663)	(663,654)	(654,412)
Net Change in Total OPEB Liability	52,555	(90,802)	1,086,662	(6,316)	583,985	1,085,415	164,623	755,442
Total OPEB Liability - Beginning	8,699,609	8,752,164	8,661,362	9,748,024	9,741,708	10,325,693	11,411,108	11,575,731
Total OPEB Liability - Ending	$ 8,752,164	$ 8,661,362	$ 9,748,024	$ 9,741,708	$ 10,325,693	$ 11,411,108	$ 11,575,731	$ 12,331,173
Covered Payroll	$ 34,490,167	$ 36,593,959	$ 38,275,907	$ 40,334,635	$ 42,647,080	$ 42,647,080	$ 47,338,587	$ 52,043,091
Total OPEB Liability as a Percentage of Payroll	25.38%	23.67%	25.47%	24.15%	24.21%	26.76%	24.45%	23.69%

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

There are no assets held in trust to pay related benefits for the OPEB plan.

Changes of assumptions:
The discount rate was changed as follows:

Discount Rate	
9/30/2019	3.83%
9/30/2020	2.75%
9/30/2021	2.41%
9/30/2022	2.19%
9/30/2023	4.40%
9/30/2024	4.63%
9/30/2025	3.88%

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION PLAN

Measurement Date, September 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service cost	$ 28,547	$ 29,083	$ 28,765	$ 17,504	$ 17,744	$ 17,759	$ 18,601	$ 22,278	$ 20,095	$ 20,186
Expected interest growth	225,546	229,409	245,929	245,555	247,256	250,695	243,181	203,143	218,194	214,027
Unexpected investment income	--	--	--	--	--	--	--	--	--	--
Changes of benefit terms	--	--	--	--	--	--	--	--	--	--
Differences between expected and actual experience	45,110	92,626	(9,661)	(5,122)	11,593	(247,830)	(708,895)	104,900	(170,608)	(30,873)
Changes of assumptions	--	122,668	--	--	--	(30,187)	--	--	--	--
Benefit payments, including refunds of member contributions	(240,519)	(237,655)	(233,373)	(231,946)	(229,887)	(137,514)	(123,571)	(116,562)	(125,542)	(127,881)
Net Change in Total Pension Liability	58,684	236,131	31,660	25,991	46,706	(147,077)	(570,684)	213,759	(57,861)	75,459
Total Pension Liability - Beginning	3,311,486	3,370,170	3,606,301	3,637,961	3,663,952	3,710,658	3,563,581	2,992,897	3,206,656	3,148,795
Total pension liability - Ending	$ 3,370,170	$ 3,606,301	$ 3,637,961	$ 3,663,952	$ 3,710,658	$ 3,563,581	$ 2,992,897	$ 3,206,656	$ 3,148,795	$ 3,224,254
Plan Fiduciary Net Position										
Contributions - employer	$ 146,187	$ 253,534	$ 104,336	$ 262,022	$ 57,497	$ 116,012	$ 95,682	$ --	$ 21,510	$ 13,441
Contributions - member	9,976	10,111	10,927	11,296	11,280	11,831	14,113	12,217	12,971	3,660
Expected interest growth	151,081	160,489	194,699	154,504	180,820	200,517	238,978	202,021	212,021	246,472
Unexpected investment income (loss)	24,668	154,538	--	--	--	372,829	(696,176)	51,128	394,193	47,418
Benefit payments, including refunds of member contributions	(240,519)	(237,655)	(233,373)	(231,946)	(229,887)	(137,514)	(123,571)	(116,562)	(125,542)	(127,881)
Administrative expense	(10,675)	(11,796)	(10,513)	(10,661)	(10,925)	(11,690)	(12,757)	(12,138)	(12,849)	(13,772)
Net Change in Plan Fiduciary Net Position	80,718	329,221	66,076	185,215	8,785	551,985	(483,731)	136,666	502,304	169,338
Plan Fiduciary Net Position - Beginning	2,205,007	2,285,725	2,614,946	2,681,022	2,866,237	2,875,022	3,427,007	2,943,276	3,079,942	3,582,246
Plan Fiduciary Net Position - Ending	2,285,725	2,614,946	2,681,022	2,866,237	2,875,022	3,427,007	2,943,276	3,079,942	3,582,246	3,751,584
City's Net Pension (Asset) Liability - Ending	$ 1,084,445	$ 991,355	$ 956,939	$ 797,715	$ 835,636	$ 136,574	$ 49,621	$ 126,714	$ (433,451)	$ (527,330)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.82%	72.51%	73.70%	78.23%	77.48%	96.17%	98.34%	96.05%	113.77%	116.36%
Covered Payroll	$ 176,405	$ 174,581	$ 176,946	$ 106,824	$ 109,969	$ 112,007	$ 117,535	$ 132,586	$ 128,259	$ 131,535
City's Net Pension Liability as a Percentage of Covered Payroll	614.75%	567.85%	540.81%	746.76%	759.88%	121.93%	42.22%	95.57%	n/a	n/a

Note to Schedule:

The Plan Fiduciary Net Position ending balance does not agree to the General Employees' Pension Trust Fund for the below fiscal years due to differences related to the timing of employer contributions and adjusting journal entries.

Fiscal Year	Variance
2017	$ 92,024
2018	939
2019	58,515
2020	946
2021	1,063
2022	1,276
2023	1,318
2024	1,582
2025	1,933

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GENERAL EMPLOYEES' PLAN

For Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions Recognized By the Plan	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	$ 149,812	$ 146,187	$ 3,625	$ 176,405	82.87%
2017	182,198	253,534	(71,336)	174,581	145.22%
2018	182,198	104,336	77,862	176,946	58.96%
2019	204,525	262,022	(57,497)	106,824	245.28%
2020	114,994	57,497	57,497	109,969	52.28%
2021	116,012	116,012	--	112,007	103.58%
2022	95,682	95,682	--	117,535	81.41%
2023	--	--	--	132,586	0.00%
2024	21,510	21,510	--	128,259	16.77%
2025	3,660	3,660	--	131,535	2.78%

Note: Information is only included for pension plans that do not issue stand-alone financial statements.

Notes to Schedule:

Valuation Date	October 1, 2024
Asset Valuation Method	4-year smoothed
Actuarial Cost Method	Aggregate Cost
Amortization Method	Level percent of pay, open
Amortization Period	30 years
Actuarial Assumptions:	
Investment return	7.00%
Projected salary increases	5.00%
Inflation	(1)
Cost of living adjustments	(1)

(1) Included in projected salary increases

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
DEFINED BENEFIT PENSION PLANS

	Annual Money-Weighted Rate of Return, Net of Investment Expense		
For Fiscal Year Ended September 30,	General Employees'	Police	Fire
2016	8.15%	10.96%	8.21%
2017	13.74%	13.60%	14.37%
2018	7.63%	11.27%	8.75%
2019	5.73%	1.34%	5.35%
2020	6.50%	7.73%	5.36%
2021	20.02%	23.01%	19.86%
2022	-13.39%	-11.25%	-14.40%
2023	8.77%	9.63%	10.04%
2024	20.02%	19.45%	22.05%
2025	8.35%	10.48%	9.41%

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION PLAN

Measurement Date, September 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	$ 1,232,020	$ 1,321,153	$ 1,496,123	$ 1,708,681	$ 2,042,596	$ 2,646,201	$ 2,941,199	$ 3,459,247	$ 3,722,047	$ 3,809,457
Interest	6,501,215	6,705,476	6,883,615	7,040,412	7,225,485	7,583,691	7,701,514	7,953,674	8,162,982	8,476,723
Change in Excess State Money	--	--	--	--	--	--	--	--	--	--
Share Plan Allocation	(426,717)	(70,233)	74,487	94,711	219,362	133,929	135,474	190,649	259,119	312,894
Changes of Benefit Terms	--	--	--	--	1,667,089	--	--	--	--	--
Differences Between Expected and Actual Experience	911,791	53,192	533,315	370,717	587,484	705,317	127,364	(486,206)	--	(476,716)
Changes of Assumptions	750,916	1,038,564	989,323	1,030,495	1,084,094	387,537	2,323,788	2,419,917	--	--
Benefit Payments Including Refunds of Employee Contributions	(3,297,505)	(3,946,901)	(6,546,403)	(6,150,399)	(6,339,560)	(6,044,195)	(6,312,509)	(7,073,896)	(7,151,394)	(6,907,472)
Net Change in Total Pension Liability	5,671,720	5,101,251	3,430,460	4,094,617	6,486,550	5,412,480	6,916,830	6,463,385	4,992,754	5,214,886
Total Pension Liability - Beginning	92,196,502	97,868,222	102,969,473	106,399,933	110,494,550	116,981,100	122,393,580	129,310,410	135,773,795	140,766,549
Total Pension Liability - Ending (a)	$ 97,868,222	$ 102,969,473	$ 106,399,933	$ 110,494,550	$ 116,981,100	$ 122,393,580	$ 129,310,410	$ 135,773,795	$ 140,766,549	$ 145,981,435
Plan Fiduciary Net Position										
Contributions - Employer	$ 3,007,780	$ 2,897,754	$ 2,843,423	$ 2,834,931	$ 3,566,126	$ 3,685,878	$ 4,119,614	$ 4,416,118	$ 4,719,149	$ 5,205,649
Contributions - State	524,479	643,259	624,188	664,636	913,938	743,073	746,163	856,513	993,453	1,101,003
Contributions - Employee	422,145	452,421	515,513	599,553	694,166	755,910	882,102	854,303	888,285	1,024,295
Net Investment Income (Loss)	925,754	8,107,238	10,747,480	9,658,544	2,046,222	7,131,158	23,717,145	(14,576,176)	10,633,174	23,855,612
Benefit Payments Including Refunds of Employee Contributions	(3,297,505)	(3,946,901)	(6,546,403)	(6,150,399)	(6,339,560)	(6,044,195)	(6,312,509)	(7,073,896)	(7,151,394)	(6,907,472)
Administrative Expense	(116,088)	(132,973)	(121,211)	(134,667)	(144,764)	(147,675)	(154,039)	(159,383)	(159,161)	(197,168)
Other	--	--	--	--	--	--	--	--	--	--
Net Change in Plan Fiduciary Net Position	1,466,565	8,020,798	8,062,990	7,472,598	736,128	6,124,149	22,998,476	(15,682,521)	9,923,506	24,081,919
Plan Fiduciary Net Position - Beginning	72,626,331	74,092,896	82,113,694	90,176,684	97,649,282	98,385,410	104,509,559	127,508,035	111,825,514	121,749,020
Plan Fiduciary Net Position - Ending (b)	74,092,896	82,113,694	90,176,684	97,649,282	98,385,410	104,509,559	127,508,035	111,825,514	121,749,020	145,830,939
Net Pension Liability - Ending (a) - (b)	$ 23,775,326	$ 20,855,779	$ 16,223,249	$ 12,845,268	$ 18,595,690	$ 17,884,021	$ 1,802,375	$ 23,948,281	$ 19,017,529	$ 150,496
Plan Fiduciary Net Position as a % of the Total Pension Liability	75.71%	79.75%	84.75%	88.37%	84.10%	85.39%	98.61%	82.36%	86.49%	99.90%
Covered Payroll	$ 4,908,663	$ 5,260,709	$ 5,994,337	$ 6,971,547	$ 8,071,698	$ 8,789,651	$ 9,501,186	$ 9,933,756	$ 10,321,314	$ 10,800,267
Net Pension Liability as a % of Covered Payroll	484.35%	396.44%	270.64%	184.25%	230.38%	203.47%	18.97%	241.08%	184.25%	1.39%

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION PLAN

For Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions Recognized By the Plan	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	$ 3,316,250	$ 3,456,991	$ (140,741)	$ 5,260,709	65.71%
2017	3,256,067	3,393,124	(137,057)	5,994,337	56.61%
2018	3,394,168	3,404,856	(10,688)	6,971,547	48.84%
2019	3,754,169	4,260,702	(506,533)	8,071,698	52.79%
2020	4,295,022	4,295,022	--	8,789,651	48.86%
2021	4,730,303	4,730,303	--	9,501,186	49.79%
2022	5,025,262	5,081,982	(56,720)	9,933,756	51.16%
2023	5,329,838	5,453,483	(123,645)	10,321,314	52.84%
2024	5,871,513	5,993,758	(122,245)	10,800,267	55.50%
2025	5,667,804	5,801,131	(133,327)	11,382,419	50.97%

Notes to Schedule:

Valuation Date	October 1, 2023
Asset Valuation Method	The Actuarial Value of Assets is calculated by recognizing 20% of the difference between the fair value of assets and expected actuarial asset value.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent, closed
Amortization Period	11 years
Actuarial Assumptions:	
Investment return	6.0%
Projected salary increases:	5.5%-6.75%
Inflation	2.25%
Cost of living adjustments	N/A

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
FIRE PENSION PLAN

Measurement Date, September 30,	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service Cost	$ 1,760,152	$ 1,637,466	$ 1,799,419	$ 1,899,698	$ 2,064,570	$ 2,064,067	$ 2,172,566	$ 2,356,584	$ 2,461,790	$ 2,799,868
Interest	6,786,918	7,174,074	7,817,426	8,615,415	9,012,325	9,558,047	10,030,601	10,586,382	11,272,673	11,459,146
Change in Excess State Money	--	--	--	--	--	--	--	--	--	--
Share Plan Allocation	222,133	51,623	483,485	188,808	141,612	--	--	22,569	305,926	352,527
Changes of Benefit Terms	--	--	--	--	(9,669)	--	--	--	--	--
Differences Between Expected and Actual Experience	(1,460,746)	(1,684,439)	3,648,972	(1,326,161)	1,733,462	290,458	1,835,449	3,323,775	(4,353,362)	1,489,497
Changes of Assumptions	2,004,899	5,890,763	3,032,216	--	1,520,614	2,308,619	1,747,657	1,849,773	--	2,024,619
Benefit Payments Including Refunds of Employee Contributions	(1,935,428)	(1,803,517)	(2,353,058)	(3,607,721)	(4,508,950)	(5,693,121)	(5,768,156)	(6,084,396)	(5,919,136)	(8,686,612)
Net Change in Total Pension Liability	7,377,928	11,265,970	14,428,460	5,770,039	9,953,964	8,528,070	10,018,117	12,054,687	3,767,891	9,439,045
Total Pension Liability - Beginning	85,665,110	93,043,038	104,309,008	118,737,468	124,507,507	134,461,471	142,989,541	153,007,658	165,062,345	168,830,236
Total Pension Liability - Ending (a)	$ 93,043,038	$ 104,309,008	$ 118,737,468	$ 124,507,507	$ 134,461,471	$ 142,989,541	$ 153,007,658	$ 165,062,345	$ 168,830,236	$ 178,269,281
Plan Fiduciary Net Position										
Contributions - Employer	$ 3,746,995	$ 3,088,524	$ 3,048,414	$ 4,082,027	$ 6,899,640	$ 2,471,144	$ 4,352,840	$ 5,286,754	$ 5,639,145	$ 5,973,737
Contributions - State	726,993	568,403	483,485	723,847	699,764	723,647	696,406	795,211	1,361,925	1,455,126
Contributions - Employee	445,465	455,983	449,828	472,093	492,488	496,843	553,635	583,630	586,436	634,822
Net Investment Income	835,212	6,152,911	11,585,691	8,475,048	5,689,306	6,086,224	23,666,785	(20,557,642)	12,353,556	30,052,688
Benefit Payments Including Refunds of Employee Contributions	(1,935,428)	(1,803,517)	(2,353,058)	(3,607,721)	(4,508,950)	(5,693,121)	(5,768,156)	(6,084,396)	(5,919,136)	(8,686,612)
Administrative Expense	(84,807)	(91,145)	(101,089)	(101,721)	(158,798)	(146,597)	(135,198)	(125,172)	(138,159)	(139,291)
Other	--	--	--	--	--	--	--	--	--	--
Net Change in Plan Fiduciary Net Position	3,734,430	8,371,159	13,113,271	10,043,573	9,113,450	3,938,140	23,366,312	(20,101,615)	13,883,767	29,290,470
Plan Fiduciary Net Position - Beginning	69,224,751	72,959,181	81,330,340	94,443,611	104,487,184	113,600,634	117,538,774	140,905,086	120,803,471	134,687,238
Plan Fiduciary Net Position - Ending (b)	$ 72,959,181	$ 81,330,340	$ 94,443,611	$ 104,487,184	$ 113,600,634	$ 117,538,774	$ 140,905,086	$ 120,803,471	$ 134,687,238	$ 163,977,708
Net Pension Liability - Ending (a) - (b)	$ 20,083,857	$ 22,978,668	$ 24,293,857	$ 20,020,323	$ 20,860,837	$ 25,450,767	$ 12,102,572	$ 44,258,874	$ 34,142,998	$ 14,291,573
Plan Fiduciary Net Position as a % of the Total Pension Liability	78.41%	77.97%	79.54%	83.92%	84.49%	82.20%	92.09%	73.19%	79.78%	91.98%
Covered Payroll	$ 9,695,082	$ 7,599,715	$ 7,497,133	$ 7,868,225	$ 8,208,129	$ 8,280,709	$ 8,994,500	$ 9,684,103	$ 9,766,622	$ 10,580,367
Net Pension Liability as a % of Covered Payroll	207.16%	302.36%	324.04%	254.45%	254.15%	307.35%	134.56%	457.03%	349.59%	135.08%

Note to Schedule:

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIRE PENSION PLAN

For Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions Recognized By the Plan	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2016	$ 3,605,305	$ 3,605,305	$ --	$ 7,599,715	47.44%
2017	3,531,899	3,531,899	--	7,497,133	47.11%
2018	4,807,157	4,807,157	--	7,868,225	61.10%
2019	5,228,578	7,599,404	(2,370,826)	8,208,129	92.58%
2020	5,054,544	3,194,793	1,859,751	8,280,709	38.58%
2021	5,374,214	5,049,245	324,969	8,994,500	56.14%
2022	6,103,890	6,059,396	44,494	9,684,103	62.57%
2023	5,944,943	6,695,144	(750,201)	9,766,622	68.55%
2024	6,342,930	7,076,336	(733,406)	10,580,367	66.88%
2025	5,814,231	6,215,233	(401,002)	12,271,488	50.65%

Notes to Schedule:

Valuation Date	October 1, 2023
Asset Valuation Method	The Actuarial Value of Assets utilizes a four-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a four-year period.
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of pay, closed
Amortization Period	15 years
Actuarial Assumptions:	
Investment return	6.85%
Projected salary increases:	see below
Inflation	2.50%
Cost of living adjustments	[1]

Projected salary increases:

Service	Increase
<5	5.5%
5+	4.0%

[1] 1.0% increase for members who are Age 53, 2.0% increase for members who are age 54, and 3.0% increase for members who are Age 55 or greater.

CITY OF PALM BEACH GARDENS, FLORIDA

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

June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.061663932%	0.061089441%	0.059046917%	0.058534826%	0.055407078%	0.049358246%	0.049933421%	0.050299922%	0.047587909%	0.038860308%
City's proportionate share of the net pension liability	$ 19,137,482	$ 23,632,269	$ 23,528,328	$ 21,779,659	$ 4,185,375	$ 21,392,591	$ 17,196,375	$ 15,150,597	$ 14,081,016	$ 9,812,258
City's covered payroll	$ 31,511,646	$ 30,025,634	$ 25,755,548	$ 23,205,717	$ 21,413,044	$ 19,828,390	$ 19,073,189	$ 18,215,273	$ 16,481,558	$ 14,725,436
City's proportionate share of the net pension liability as a percentage of its covered payroll	60.73%	78.71%	91.35%	93.85%	19.55%	107.89%	90.16%	83.18%	85.43%	66.63%
Plan fiduciary net position as a percentage of the total pension liability	66.08%	86.70%	94.97%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68.

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 3,681,762	$ 3,459,271	$ 2,840,536	$ 2,497,788	$ 2,110,770	$ 1,639,956	$ 1,548,296	$ 1,433,507	$ 1,238,830	$ 947,671
Contributions in relation to the contractually required contribution	(3,681,762)	(3,459,271)	(2,840,536)	(2,497,788)	(2,110,770)	(1,639,956)	(1,548,296)	(1,433,507)	(1,238,830)	(947,671)
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's covered payroll	$ 31,511,646	$ 29,383,454	$ 25,629,719	$ 24,563,467	$ 21,049,403	$ 20,799,178	$ 19,225,025	$ 18,272,280	$ 17,317,803	$ 14,920,339
Contributions as a percentage of covered payroll	11.68%	11.77%	11.08%	10.17%	10.03%	7.88%	8.05%	7.85%	7.15%	6.35%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68.

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PROGRAM

June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.070145449%	0.068474307%	0.064674912%	0.063510946%	0.060474077%	0.057120688%	0.056895930%	0.056601158%	0.053413415%	0.047598032%
City's proportionate share of the net pension liability	$ 8,990,854	$ 10,271,815	$ 10,271,239	$ 7,418,055	$ 7,418,015	$ 6,974,343	$ 6,366,085	$ 5,990,730	$ 5,711,200	$ 5,547,353
City's covered payroll	$ 31,511,646	$ 30,025,634	$ 25,755,548	$ 23,205,717	$ 21,413,044	$ 19,828,390	$ 19,073,189	$ 18,215,273	$ 16,481,558	$ 14,725,436
City's proportionate share of the net pension liability as a percentage of its covered payroll	28.53%	34.21%	39.88%	31.97%	34.64%	35.17%	33.38%	32.89%	34.65%	37.67%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68.

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

CITY OF PALM BEACH GARDENS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PROGRAM

September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 626,934	$ 579,724	$ 425,443	$ 417,786	$ 355,467	$ 329,160	$ 315,938	$ 306,950	$ 282,679	$ 243,970
Contributions in relation to the contractually required contribution	(626,934)	(579,724)	(425,443)	(417,786)	(355,467)	(329,160)	(315,938)	(306,950)	(282,679)	(243,970)
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's covered payroll	$ 31,511,646	$ 29,383,454	$ 25,629,719	$ 24,563,467	$ 21,049,403	$ 20,799,178	$ 19,225,025	$ 18,272,280	$ 17,317,803	$ 14,920,339
Contributions as a percentage of covered payroll	1.99%	1.97%	1.66%	1.70%	1.69%	1.58%	1.64%	1.68%	1.63%	1.64%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68.

This schedule is intended to have 10 years of data. Additional data to be compiled as information becomes available.

PALM BEACH
Gardens

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

OTHER GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than debt service or capital projects. The nonmajor special revenue funds of the City are as follows:

Police Training Fund – This fund is established to account for fees collected from traffic citations to be used for the training and education of the City's police.

Extra Duty Police Fund – This fund is used to account for revenues to be used to fund extra police duty.

Local Option Gas Tax Fund – This fund is established to account for the receipt of local option gas taxes. The use of these funds is restricted for transportation related capital improvements or maintenance costs.

Recreation Programs Fund – This fund is used to account for revenues and costs related to special programs such as special events and athletic programs.

Golf Course Fund – This fund is used to account for revenues and costs related to the operations of the City's Golf Course.

Housing Fund – This fund is used to account for revenues to be used to fund affordable housing initiatives.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are established to account for financial resources to be used for the acquisition and construction of major capital facilities, other than those financed by proprietary funds. The nonmajor capital projects funds of the City are as follows:

Recreation Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing recreational opportunities and services in the City.

Police Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of law enforcement services in the City.

Fire Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of enhancing the level of fire/rescue services in the City.

Art Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing art and cultural activities.

Road Impact Capital Project Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of providing increased traffic service levels.

Capital Improvement & Replacement Fund – This fund is established to account for the receipt and disbursement of debt proceeds and special assessments related to infrastructure and capital improvement and replacement projects.

One-Cent Sales Surtax Capital Projects Fund – This fund is established to account for the receipt and disbursement of a voter approved one-cent sales infrastructure surtax restricted for the purpose of constructing infrastructure projects within the City.

Public Facilities Impact Capital Projects Fund – This fund is established to account for the receipt and disbursement of developer paid impact fees restricted for the purpose of improving public facilities within the City.

Mobility Fund – This fund is established to account for the receipt and disbursement of developer paid mobility fees restricted for the purpose of improving multimodal transportation systems within the City.

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue Funds						
	Police Training	Extra Duty Police	Local Option Gas Tax	Recreation Programs	Golf Course	Housing	Total
Assets							
Cash and cash equivalents	$ 43,097	$ 339,118	$ 892,735	$ 1,419,582	$ 1,573,419	$ 5,672,276	$ 9,940,227
Receivables	--	192,578	--	--	11,917	--	204,495
Lease receivables	--	--	--	--	69,354	--	69,354
Due from other governments	--	--	73,295	--	--	--	73,295
Inventory	--	--	--	135,362	484,519	--	619,881
Total Assets	$ 43,097	$ 531,696	$ 966,030	$ 1,554,944	$ 2,139,209	$ 5,672,276	$ 10,907,252
Liabilities							
Accounts payable	$ --	$ 2,876	$ 39,210	$ 103,814	$ 121,177	$ 9,083	$ 276,160
Contracts and retainage payable	--	--	--	--	25,893	--	25,893
Accrued liabilities	--	--	--	12,191	71,670	--	83,861
Unearned revenue	--	--	--	114,443	1,990	--	116,433
Total Liabilities	--	2,876	39,210	230,448	220,730	9,083	502,347
Deferred Inflows of Resources							
Leases	--	--	--	--	50,061	--	50,061
Fund Balances							
Nonspendable:							
Inventory	--	--	--	135,362	484,519	--	619,881
Restricted for:							
Capital improvements	--	--	--	--	--	--	--
Road Improvements	--	--	--	--	--	--	--
Transit improvements	--	--	926,820	--	--	--	926,820
Law enforcement	43,097	528,820	--	--	--	--	571,917
Art improvements	--	--	--	--	--	--	--
Assigned to:							
Recreation	--	--	--	1,189,134	1,383,899	--	2,573,033
General government	--	--	--	--	--	5,663,193	5,663,193
Total Fund Balances	43,097	528,820	926,820	1,324,496	1,868,418	5,663,193	10,354,844
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 43,097	$ 531,696	$ 966,030	$ 1,554,944	$ 2,139,209	$ 5,672,276	$ 10,907,252

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)

SEPTEMBER 30, 2025

	Capital Projects Funds										
	(Previous Year Major Fund) Recreation Impact	Police Impact	Fire Impact	Art Impact	(Previous Year Major Fund) Road Impact	Capital Improvement & Replacement	One-Cent Sales Surtax Capital Improvements	Public Facilities Impact	Mobility Fee	Total	Total Other Governmental Funds
Assets											
Cash and cash equivalents	$ 7,209,464	$ 2,758,316	$ 1,122,265	$ 2,025,359	$ 5,052,517	$ 143,937	$ 12,639,154	$ 491,601	$ 2,978,890	$ 34,421,503	$ 44,361,730
Receivables	--	--	--	--	--	--	--	--	--	--	204,495
Lease receivables	--	--	--	--	--	--	--	--	--	--	69,354
Due from other governments	--	--	--	--	--	--	378,546	--	--	378,546	451,841
Inventory	--	--	--	--	--	--	--	--	--	--	619,881
Total Assets	$ 7,209,464	$ 2,758,316	$ 1,122,265	$ 2,025,359	$ 5,052,517	$ 143,937	$ 13,017,700	$ 491,601	$ 2,978,890	$ 34,800,049	$ 45,707,301
Liabilities											
Accounts payable	$ 3,562	$ --	$ 587	$ --	$ 4,194	$ --	$ --	$ 248	$ --	$ 8,591	$ 284,751
Contracts and retainage payable	1,330,827	434	--	--	610	--	531	--	10,465	1,342,867	1,368,760
Accrued liabilities	--	--	--	--	--	--	--	--	--	--	83,861
Unearned revenue	--	--	--	757,720	143,965	--	--	--	274,922	1,176,607	1,293,040
Total Liabilities	1,334,389	434	587	757,720	148,769	--	531	248	285,387	2,528,065	3,030,412
Deferred Inflows of Resources											
Leases	--	--	--	--	--	--	--	--	--	--	50,061
Fund Balances											
Nonspendable:											
Inventory	--	--	--	--	--	--	--	--	--	--	619,881
Restricted for:											
Capital improvements	5,875,075	2,757,882	1,121,678	--	--	143,937	13,017,169	491,353	--	23,407,094	23,407,094
Road Improvements	--	--	--	--	4,903,748	--	--	--	--	4,903,748	4,903,748
Transit improvements	--	--	--	--	--	--	--	--	2,693,503	2,693,503	3,620,323
Law enforcement	--	--	--	--	--	--	--	--	--	--	571,917
Art improvements	--	--	--	1,267,639	--	--	--	--	--	1,267,639	1,267,639
Assigned to:											
Recreation	--	--	--	--	--	--	--	--	--	--	2,573,033
General government	--	--	--	--	--	--	--	--	--	--	5,663,193
Total Fund Balances	5,875,075	2,757,882	1,121,678	1,267,639	4,903,748	143,937	13,017,169	491,353	2,693,503	32,271,984	42,626,828
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,209,464	$ 2,758,316	$ 1,122,265	$ 2,025,359	$ 5,052,517	$ 143,937	$ 13,017,700	$ 491,601	$ 2,978,890	$ 34,800,049	$ 45,707,301

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds						
	Police Training	Extra Duty Police	Local Option Gas Tax	Recreation Programs	Golf Course	Housing	Total
Revenues							
Intergovernmental	$ --	$ --	$ 902,432	$ --	$ --	$ --	$ 902,432
Impact fees	--	--	--	--	--	--	--
Charges for services	--	--	--	6,984,995	5,811,485	--	12,796,480
Fines and forfeitures	13,581	--	--	--	--	--	13,581
Investment income	--	4,929	26,116	61,512	68,613	146,699	307,869
Miscellaneous	--	1,187,085	155,360	(6,650)	139,019	--	1,474,814
Total Revenues	13,581	1,192,014	1,083,908	7,039,857	6,019,117	146,699	15,495,176
Expenditures							
Current:							
General government	--	--	--	--	--	193,420	193,420
Public safety	25,466	1,021,311	--	--	--	--	1,046,777
Culture and recreation	--	--	--	8,953,760	5,752,964	--	14,706,724
Transportation	--	--	999,365	--	--	--	999,365
Capital outlay	--	--	100,455	820,412	328,877	--	1,249,744
Debt service:							
Principal	--	--	--	--	253,966	--	253,966
Interest	--	--	--	--	12,231	--	12,231
Total Expenditures	25,466	1,021,311	1,099,820	9,774,172	6,348,038	193,420	18,462,227
Excess (deficiency) of revenues over (under) expenditures	(11,885)	170,703	(15,912)	(2,734,315)	(328,921)	(46,721)	(2,967,051)
Other Financing Sources							
Transfers in	--	--	--	3,000,000	--	--	3,000,000
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources	--	--	--	3,000,000	--	--	3,000,000
Net Change in Fund Balances	(11,885)	170,703	(15,912)	265,685	(328,921)	(46,721)	32,949
Fund Balances - Beginning, as previously reported	54,982	358,117	942,732	1,058,811	2,197,339	5,709,914	10,321,895
Change within financial reporting entity (major to non-major)	--	--	--	--	--	--	--
Fund Balances - Beginning, as restated	54,982	358,117	942,732	1,058,811	2,197,339	5,709,914	10,321,895
Fund Balances - Ending	$ 43,097	$ 528,820	$ 926,820	$ 1,324,496	$ 1,868,418	$ 5,663,193	$ 10,354,844

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Capital Project Funds										
	(Previous Year Major Fund) Recreation Impact	Police Impact	Fire Impact	Art Impact	(Previous Year Major Fund) Road Impact	Capital Improvement & Replacement	One-Cent Sales Surtax Capital Improvements	Public Facilities Impact	Mobility Fee	Total	Total Other Governmental Funds
Revenues											
Intergovernmental	$ --	$ --	$ --	$ --	$ --	$ --	$ 6,293,870	$ --	$ --	$ 6,293,870	$ 7,196,302
Impact fees	2,855,440	493,888	670,861	354,870	1,070,177	--	--	291,465	152,776	5,889,477	5,889,477
Charges for services	--	--	--	--	--	--	--	--	--	--	12,796,480
Fines and forfeitures		--	--	--	--	--	--	--	--	--	13,581
Investment income	318,562	65,751	19,222	50,310	132,088	--	252,273	10,585	60,875	909,666	1,217,535
Miscellaneous	--	--	--	--	--	--	--	--	--	--	1,474,814
Total Revenues	3,174,002	559,639	690,083	405,180	1,202,265	--	6,546,143	302,050	213,651	13,093,013	28,588,189
Expenditures											
Current:											
General government	--	--	--	--	--	--	--	--	--	--	193,420
Public safety	--	--	--	--	--	--	--	--	--	--	1,046,777
Culture and recreation	--	--	--	--	--	--	--	--	--	--	14,706,724
Transportation	--	--	--	--	--	--	--	--	--	--	999,365
Capital outlay	12,008,928	--	--	288,065	210,990	16,790	46,853	336,661	374,976	13,283,263	14,533,007
Debt service:											
Principal	--	--	--	--	--	--	3,160,000	--	--	3,160,000	3,413,966
Interest	--	--	--	--	--	--	178,420	--	--	178,420	190,651
Total Expenditures	12,008,928	--	--	288,065	210,990	16,790	3,385,273	336,661	374,976	16,621,683	35,083,910
Excess (deficiency) of revenues over (under) expenditures	(8,834,926)	559,639	690,083	117,115	991,275	(16,790)	3,160,870	(34,611)	(161,325)	(3,528,670)	(6,495,721)
Other Financing Sources (Uses)											
Transfers in	--	--	--	--	--	10,000	--	--	1,000,000	1,010,000	4,010,000
Transfers out	(2,324,129)	--	--	--	--	--	--	--	--	(2,324,129)	(2,324,129)
Total Other Financing Sources (Uses)	(2,324,129)	--	--	--	--	10,000	--	--	1,000,000	(1,314,129)	1,685,871
Net Change in Fund Balances	(11,159,055)	559,639	690,083	117,115	991,275	(6,790)	3,160,870	(34,611)	838,675	(4,842,799)	(4,809,850)
Fund Balances - Beginning, as previously reported	--	2,198,243	431,595	1,150,524	--	150,727	9,856,299	525,964	1,854,828	16,168,180	26,490,075
Change within financial reporting entity (major to non-major)	17,034,130	--	--	--	3,912,473	--	--	--	--	20,946,603	20,946,603
Fund Balances - Beginning, as restated	17,034,130	2,198,243	431,595	1,150,524	3,912,473	150,727	9,856,299	525,964	1,854,828	37,114,783	47,436,678
Fund Balances - Ending	$ 5,875,075	$ 2,757,882	$ 1,121,678	$ 1,267,639	$ 4,903,748	$ 143,937	$ 13,017,169	$ 491,353	$ 2,693,503	$ 32,271,984	$ 42,626,828

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE TRAINING - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	$ 9,000	$ 9,000	$ 13,581	$ 4,581
Total Revenues	9,000	9,000	13,581	4,581
Expenditures				
Current:				
Public Safety	--	--	25,466	(25,466)
Total Expenditures	--	--	25,466	(25,466)
Net Change in Fund Balance	9,000	9,000	(11,885)	(20,885)
Fund Balance - Beginning	(9,000)	(9,000)	54,982	63,982
Fund Balance - Ending	$ --	$ --	$ 43,097	$ 43,097

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 850,000	$ 850,000	$ 902,432	$ 52,432
Investment income	1,000	1,000	26,116	25,116
Miscellaneous	140,000	140,000	155,360	15,360
Total Revenues	991,000	991,000	1,083,908	92,908
Expenditures				
Current:				
Transportation	1,305,000	1,342,530	999,365	343,165
Capital outlay	50,000	250,622	100,455	150,167
Total Expenditures	1,355,000	1,593,152	1,099,820	493,332
Net Change in Fund Balance	(364,000)	(602,152)	(15,912)	586,240
Fund Balance - Beginning	364,000	602,152	942,732	340,580
Fund Balance - Ending	$ --	$ --	$ 926,820	$ 926,820

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION PROGRAMS - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	$ 6,693,201	$ 6,693,201	$ 6,984,995	$ 291,794
Investment income	6,000	6,000	61,512	55,512
Miscellaneous	--	--	(6,650)	(6,650)
Total Revenues	6,699,201	6,699,201	7,039,857	340,656
Expenditures				
Current:				
Culture and recreation	9,382,566	9,382,566	8,953,760	428,806
Capital outlay	50,000	50,000	820,412	(770,412)
Total Expenditures	9,432,566	9,432,566	9,774,172	(341,606)
Deficiency of Revenues Under Expenditures	(2,733,365)	(2,733,365)	(2,734,315)	(950)
Other Financing Sources				
Transfers in	3,000,000	3,000,000	3,000,000	--
Net Change in Fund Balance	266,635	266,635	265,685	(950)
Fund Balance - Beginning	(266,635)	(266,635)	1,058,811	1,325,446
Fund Balance - Ending	$ --	$ --	$ 1,324,496	$ 1,324,496

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOLF COURSE - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	$ 7,420,020	$ 7,420,020	$ 5,811,485	$ (1,608,535)
Investment income	10,000	10,000	68,613	58,613
Miscellaneous	224,143	224,143	139,019	(85,124)
Total Revenues	7,654,163	7,654,163	6,019,117	(1,635,046)
Expenditures				
Current:				
Culture and recreation	6,893,373	6,893,373	5,752,964	1,140,409
Capital outlay	175,000	850,380	328,877	521,503
Debt Service:				
Principal	95,590	95,590	253,966	(158,376)
Interest	12,231	12,231	12,231	--
Total Expenditures	7,176,194	7,851,574	6,348,038	1,503,536
Net Change in Fund Balance	477,969	(197,411)	(328,921)	(131,510)
Fund Balance - Beginning	(477,969)	197,411	2,197,339	1,999,928
Fund Balance - Ending	$ --	$ --	$ 1,868,418	$ 1,868,418

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOUSING - SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Investment income	$ --	$ --	$ 146,699	$ 146,699
Total Revenues	--	--	146,699	146,699
Expenditures				
Current:				
General government	--	256,097	193,420	62,677
Capital outlay	--	1,000,000	--	1,000,000
Total Expenditures	--	1,256,097	193,420	1,062,677
Net Change in Fund Balance	--	(1,256,097)	(46,721)	1,209,376
Fund Balance - Beginning	--	1,256,097	5,709,914	4,453,817
Fund Balance - Ending	$ --	$ --	$ 5,663,193	$ 5,663,193

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION IMPACT - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 1,273,568	$ 1,273,568	$ 2,855,440	$ 1,581,872
Investment income	5,000	5,000	318,562	313,562
Total Revenues	1,278,568	1,278,568	3,174,002	1,895,434
Expenditures				
Capital outlay	--	14,288,195	12,008,928	2,279,267
Total Expenditures	--	14,288,195	12,008,928	2,279,267
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,278,568	(13,009,627)	(8,834,926)	4,174,701
Other Financing Sources/(Uses)				
Transfers out	(2,324,129)	(2,324,129)	(2,324,129)	--
Total Other Financing Sources/(Uses)	(2,324,129)	(2,324,129)	(2,324,129)	--
Net Change in Fund Balance	(1,045,561)	(15,333,756)	(11,159,055)	4,174,701
Fund Balance - Beginning	1,045,561	15,333,756	17,034,130	1,700,374
Fund Balance - Ending	$ --	$ --	$ 5,875,075	$ 5,875,075

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE IMPACT - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 320,811	$ 320,811	$ 493,888	$ 173,077
Investment income	5,000	5,000	65,751	60,751
Total Revenues	325,811	325,811	559,639	233,828
Expenditures				
Capital outlay	--	72,272	--	72,272
Total Expenditures	--	72,272	--	72,272
Net Change in Fund Balance	325,811	253,539	559,639	161,556
Fund Balance - Beginning	(325,811)	(253,539)	2,198,243	(2,451,782)
Fund Balance - Ending	$ --	$ --	$ 2,757,882	$ (2,290,226)

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE IMPACT - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 430,839	$ 430,839	$ 670,861	$ 240,022
Investment income	2,500	2,500	19,222	16,722
Total Revenues	433,339	433,339	690,083	256,744
Net Change in Fund Balance	433,339	433,339	690,083	256,744
Fund Balance - Beginning	(433,339)	(433,339)	431,595	864,934
Fund Balance - Ending	$ --	$ --	$ 1,121,678	$ 1,121,678

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ART IMPACT - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ --	$ --	$ 354,870	$ 354,870
Investment income	2,000	2,000	50,310	48,310
Total Revenues	2,000	2,000	405,180	403,180
Expenditures				
Capital outlay	--	896,929	288,065	608,864
Total Expenditures	--	896,929	288,065	608,864
Net Change in Fund Balance	2,000	(894,929)	117,115	1,012,044
Fund Balance - Beginning	(2,000)	894,929	1,150,524	255,595
Fund Balance - Ending	$ --	$ --	$ 1,267,639	$ 1,267,639

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 138,129	$ 138,129	$ 1,070,177	$ 932,048
Investment income	5,000	5,000	132,088	127,088
Total Revenues	143,129	143,129	1,202,265	1,059,136
Expenditures				
Capital outlay	--	2,219,186	210,990	2,008,196
Total Expenditures	--	2,219,186	210,990	2,008,196
Net Change in Fund Balance	143,129	(2,076,057)	991,275	3,067,332
Fund Balance - Beginning	(143,129)	2,076,057	3,912,473	1,836,416
Fund Balance - Ending	$ --	$ --	$ 4,903,748	$ 4,903,748

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT & REPLACEMENT - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ --	$ --	$ --	$ --
Total Revenues	--	--	--	--
Expenditures				
Capital outlay	--	110,737	16,790	93,947
Total Expenditures	--	110,737	16,790	93,947
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	--	(110,737)	(16,790)	93,947
Other Financing Sources:				
Transfers in	--	10,000	10,000	--
Total Other Financing Sources	--	10,000	10,000	--
Net Change in Fund Balance	--	(100,737)	(6,790)	93,947
Fund Balance - Beginning	--	100,737	150,727	49,990
Fund Balance - Ending	$ --	$ --	$ 143,937	$ 143,937

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ONE-CENT SALES SURTAX CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 3,500,000	$ 3,500,000	$ 6,293,870	$ 2,793,870
Investment income	15,000	15,000	252,274	237,274
Total Revenues	3,515,000	3,515,000	6,546,144	3,031,144
Expenditures				
Capital outlay	--	299,382	46,853	252,529
Debt Service:				
Principal	3,160,000	3,160,000	3,160,000	--
Interest	178,420	178,420	178,420	--
Total Expenditures	3,338,420	3,637,802	3,385,273	252,529
Net Change in Fund Balance	176,580	(122,802)	3,160,871	2,778,615
Fund Balance - Beginning	(176,580)	122,802	9,856,298	9,733,496
Fund Balance - Ending	$ --	$ --	$ 13,017,169	$ 12,512,111

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC FACILITIES IMPACT - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 180,582	$ 180,582	$ 291,465	$ 110,883
Investment income	500	500	10,585	10,085
Total Revenues	181,082	181,082	302,050	120,968
Expenditures				
Capital outlay	--	361,143	336,661	24,482
Total Expenditures	--	361,143	336,661	24,482
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	181,082	(180,061)	(34,611)	145,450
Net Change in Fund Balance	181,082	(180,061)	(34,611)	145,450
Fund Balance - Beginning	(181,082)	180,061	525,964	345,903
Fund Balance - Ending	$ --	$ --	$ 491,353	$ 491,353

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOBILITY FEE - CAPITAL PROJECTS FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Impact fees	$ 920,598	$ 920,598	$ 152,776	$ (767,822)
Investment income	2,500	2,500	60,875	58,375
Total Revenues	923,098	923,098	213,651	(709,447)
Expenditures				
Capital outlay	703,000	3,194,105	374,976	2,819,129
Total Expenditures	703,000	3,194,105	374,976	2,819,129
Excess of Revenues Over Expenditures	220,098	(2,271,007)	(161,325)	2,109,682
Other financing sources:				
Transfers in	--	1,000,000	1,000,000	--
Net Change in Fund Balance	220,098	(1,271,007)	838,675	2,109,682
Fund Balance - Beginning	(220,098)	1,271,007	1,854,828	583,821
Fund Balance - Ending	$ --	$ --	$ 2,693,503	$ 2,693,503

CITY OF PALM BEACH GARDENS, FLORIDA

INTERNAL SERVICES FUNDS
COMBINING STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Fleet Management	Self Insurance	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 1,304,950	$ 9,631,916	$ 10,936,866
Inventory	585,037	--	585,037
Prepaid items	--	52,500	52,500
Total current assets	1,889,987	9,684,416	11,574,403
Noncurrent assets:			
Capital assets being depreciated and amortized, net	6,899,543	1,820	6,901,363
Total noncurrent assets	6,899,543	1,820	6,901,363
Total Assets	8,789,530	9,686,236	18,475,766
Deferred Outflows of Resources			
Deferred outflows relating to pensions	320,520	--	320,520
Deferred outflows relating to OPEB	83,280	--	83,280
Total Deferred Outflows of Resources	403,800	--	403,800
Liabilities			
Current liabilities:			
Accounts payable	139,314	1,335,371	1,474,685
Accrued interest payable	3,313	--	3,313
Lease liability	1,756,439	--	1,756,439
Lease payable, current portion	66,640	--	66,640
Total current liabilities	1,965,706	1,335,371	3,301,077
Noncurrent liabilities:			
Claims payable	--	576,812	576,812
Net pension liability	902,518	--	902,518
Total OPEB liability	292,954	--	292,954
Compensated absences payable	58,330	--	58,330
Lease liability	4,163,600	--	4,163,600
Lease payable, net of current portion	144,533	--	144,533
Total noncurrent liabilities	5,561,935	576,812	6,138,747
Total Liabilities	7,527,641	1,912,183	9,439,824
Deferred Inflows of Resources			
Deferred inflows relating to pensions	260,170	--	260,170
Deferred inflows relating to OPEB	65,370	--	65,370
Total Deferred Inflows of Resources	325,540	--	325,540
Net Position			
Net investment in capital assets	768,331	1,820	770,151
Unrestricted	571,818	7,772,233	8,344,051
Total Net Position	$ 1,340,149	$ 7,774,053	$ 9,114,202

CITY OF PALM BEACH GARDENS, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Fleet Management	Self Insurance	Total
Operating Revenues			
Charges for services	$ 6,556,571	$ --	$ 6,556,571
Employer contributions	--	11,549,583	11,549,583
Employee contributions	--	2,072,211	2,072,211
Pharmacy rebates	--	1,636,543	1,636,543
Miscellaneous	251,476	--	251,476
Total Operating Revenues	6,808,047	15,258,337	22,066,384
Operating Expenses			
Personnel expenses	1,296,372	--	1,296,372
Claims expense	--	14,232,397	14,232,397
Insurance premiums	--	793,643	793,643
Repair and maintenance	916,704	--	916,704
Fuel and chemicals	898,672	--	898,672
Equipment rental	575,754	--	575,754
Operating supplies	181,528	207,312	388,840
Other professional and contractual	20,372	1,342,383	1,362,755
Other expenses	17,052	--	17,052
Depreciation and amortization	2,265,068	3,121	2,268,189
Total Operating Expenses	6,171,522	16,578,856	22,750,378
Operating Income (Loss)	636,525	(1,320,519)	(683,994)
Nonoperating Revenues/(Expenses)			
Investment income	41,794	268,020	309,814
Gain on disposal of capital assets	156,252	--	156,252
Interest expense	(540,548)	--	(540,548)
Total Nonoperating Revenues/(Expenses)	(342,502)	268,020	(74,482)
Change in Net Position	294,023	(1,052,499)	(758,476)
Net Position - Beginning	1,046,126	8,826,552	9,872,678
Net Position - Ending	$ 1,340,149	$ 7,774,053	$ 9,114,202

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICES FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Fleet Management	Self Insurance	Total
Cash Flows from Operating Activities			
Receipts for interfund services provided	$ 6,556,571	$ 13,619,912	$ 20,176,483
Payments to suppliers for goods and services	(2,731,538)	(2,138,871)	(4,870,409)
Payments to employees for services	(1,410,252)	--	(1,410,252)
Payments for claims	--	(14,119,535)	(14,119,535)
Miscellaneous revenues	251,476	1,636,543	1,888,019
Net Cash Provided by (Used in) Operating Activities	2,666,257	(1,001,951)	1,664,306
Cash Flows from Capital and Related Financing Activities			
Purchases of capital assets	(913,564)	--	(913,564)
Proceeds from sale of capital assets	156,252	--	156,252
Principal paid on leases	(63,133)	--	(63,133)
Interest paid on leases	(15,241)	--	(15,241)
Principal paid on lease (right-of-use asset)	(1,775,481)	--	(1,775,481)
Interest paid on lease (right-of-use asset)	(525,307)	--	(525,307)
Net Cash Used in Capital and Related Financing Activities	(3,136,474)	--	(3,136,474)
Cash Flows from Investing Activities			
Redemption of investments	355,556	--	355,556
Interest earned	41,794	268,020	309,814
Net Cash Provided by Investing Activities	397,350	268,020	665,370
Net Decrease in Cash and Cash Equivalents	(72,867)	(733,931)	(806,798)
Cash and Cash Equivalents - Beginning of Year	1,377,817	10,365,847	11,743,664
Cash and Cash Equivalents - End of Year	$ 1,304,950	$ 9,631,916	$ 10,936,866
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 636,525	$ (1,320,519)	$ (683,994)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	2,265,068	3,121	2,268,189
Changes in operating assets/deferred outflows, and liabilities/deferred inflows:			
Inventory	(74,268)	--	(74,268)
Deferred outflows relating to pensions	50,000	--	50,000
Deferred outflows relating to OPEB	(22,482)	--	(22,482)
Accounts payable	(47,188)	204,467	157,279
Claims payable	--	112,862	112,862
Due to other funds	(22,576)	(1,882)	(24,458)
Net pension liability	(151,523)	--	(151,523)
Total OPEB liability	15,163	--	15,163
Compensated absences	(69,023)	--	(69,023)
Deferred inflows relating to pensions	67,014	--	67,014
Deferred inflows relating to OPEB	19,547	--	19,547
Total Adjustments	2,029,732	318,568	2,348,300
Net Cash Provided by (Used in) Operating Activities	$ 2,666,257	$ (1,001,951)	$ 1,664,306
Noncash Activities			
Initiation of lease liability	$ 1,037,625	$ --	$ 1,037,625

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2025

	Pension Trust Funds			
	General Employees	Police	Fire	Total
Assets				
Cash and cash equivalents	$ 30,013	$ 1,303,621	$ 51,982	$ 1,385,616
Investments:				
Money market funds	--	5,350,307	1,148,005	6,498,312
U.S. Government obligations	--	18,795,541	9,992,875	28,788,416
Mortgage backed securities	--	12,091,143	11,347,705	23,438,848
Municipal obligations	--	1,108,684	--	1,108,684
Fixed income funds	1,155,489	--	8,004,096	9,159,585
Collateralized mortgage obligations	--	--	722,274	722,274
Corporate obligations	--	4,650,570	6,102,723	10,753,293
Equity securities	--	28,637,034	111,447,900	140,084,934
Equity funds	1,444,359	--	9,408,227	10,852,586
Foreign bonds	--	--	676,001	676,001
International funds	817,845	26,718,292	927,766	28,463,903
Alternative investments	--	48,012,150	4,580,754	52,592,904
Real estate funds	303,878	13,454,162	13,378,611	27,136,651
Total investments	3,721,571	158,817,883	177,736,937	340,276,391
Receivables:				
Interest and dividends	--	222,104	172,934	395,038
State of Florida	--	--	512,690	512,690
Employees	318	--	--	318
Total receivables	318	222,104	685,624	908,046
Prepaid items	--	422,610	--	422,610
Total Assets	3,751,902	160,766,218	178,474,543	342,992,663
Liabilities				
Accounts payable	2,251	59,594	167,301	229,146
Pending trades payable	--	211,323	157,235	368,558
Total Liabilities	2,251	270,917	324,536	597,704
Net Position				
Net Position Restricted for Pension Benefits	$ 3,749,651	$ 160,495,301	$ 178,150,007	$ 342,394,959

CITY OF PALM BEACH GARDENS, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Funds			
	General Employees	Police	Fire	Total
Additions				
Contributions:				
Employer	$ 3,660	$ 4,933,470	$ 5,072,921	$ 10,010,051
State of Florida	--	1,260,107	1,534,550	2,794,657
Employees	13,550	993,055	737,756	1,744,361
Total contributions	17,210	7,186,632	7,345,227	14,549,069
Investment Earnings				
Net appreciation in fair value of investments	293,890	13,531,687	9,713,408	23,538,985
Interest and dividends	--	2,009,986	6,266,732	8,276,718
Other	--	218	--	218
Total investment earnings	293,890	15,541,891	15,980,140	31,815,921
Less investment expenses	(11,981)	(403,953)	(432,620)	(848,554)
Net Investment Earnings	281,909	15,137,938	15,547,520	30,967,367
Total Additions	299,119	22,324,570	22,892,747	45,516,436
Deductions				
Pension benefits	127,881	7,395,235	8,524,849	16,047,965
Refund of participant contributions	--	65,305	43,145	108,450
Administrative expenses	2,251	199,668	152,454	354,373
Total Deductions	130,132	7,660,208	8,720,448	16,510,788
Change in Net Position	168,987	14,664,362	14,172,299	29,005,648
Net Position - Beginning	3,580,664	145,830,939	163,977,708	313,389,311
Net Position - Ending	$ 3,749,651	$ 160,495,301	$ 178,150,007	$ 342,394,959

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Palm Beach Garden's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says.

Contents	Page

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

CITY OF PALM BEACH GARDENS, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018
Governmental Activities			
Net Investment in capital assets	$ 78,370,940	$ 87,952,986	$ 95,276,106
Restricted	12,549,249	9,051,076	10,702,072
Unrestricted	4,088,222	6,420,075	2,149,293
Total Governmental Activities Net Position	95,008,411	103,424,137	108,127,471
Primary Government			
Net Investment in capital assets	78,370,940	87,952,986	95,276,106
Restricted	12,549,249	9,051,076	10,702,072
Unrestricted	4,088,222	6,420,075	2,149,293
Total Primary Government Net Position	$ 95,008,411	$ 103,424,137	$ 108,127,471

Table 1

2019	2020	2021	2022	2023	2024	2025
$ 102,515,810	$ 112,859,024	$ 111,362,529	$ 118,285,524	$ 123,207,020	$ 127,572,588	$ 150,806,363
14,686,358	16,642,836	23,464,670	26,611,611	33,058,360	41,011,035	39,129,181
6,431,578	6,924,106	16,356,833	35,276,791	38,881,336	49,540,231	46,338,776
123,633,746	136,425,966	151,184,032	180,173,926	195,146,716	218,123,854	236,274,320
102,515,810	112,859,024	111,362,529	118,285,524	$ 123,207,020	127,572,588	150,806,363
14,686,358	16,642,836	23,464,670	26,611,611	33,058,360	41,011,035	39,129,181
6,431,578	6,924,106	16,356,833	35,276,791	38,881,336	49,540,231	46,338,776
$ 123,633,746	$ 136,425,966	$ 151,184,032	$ 180,173,926	$ 195,146,716	$ 218,123,854	$ 236,274,320

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018
Expenses			
Governmental activities:			
General Government	$ 17,541,387	$ 20,064,766	$ 21,148,515
Public Safety	43,962,040	48,503,388	50,752,213
Culture/Recreation	8,301,284	8,904,360	10,755,062
Physical Environment	9,700,482	10,991,757	11,936,744
Transportation	2,050,549	2,742,420	2,045,453
Interest on long-term debt	725,961	1,095,700	1,266,773
Other debt service costs	--	62,720	--
Total Governmental Activities Expenses	82,308,703	92,365,111	97,904,760
Program Revenues			
Governmental activities:			
Charges for services:			
General Government	11,868,769	13,300,392	13,245,743
Public Safety	6,075,497	7,094,400	6,955,992
Culture/Recreation	6,150,055	6,627,415	6,718,228
Physical Environment	1,660,821	185,809	310,747
Transportation	546,678	1,093,669	570,071
Operating grants and contributions	1,679,128	1,529,434	1,921,496
Capital grants and contributions	596,851	415,926	87,109
Total Governmental Activities Program Revenues	28,577,799	30,247,045	29,809,386
Total Primary Government Program Revenues	$ 28,577,799	$ 30,247,045	$ 29,809,386

2019	2020	2021	2022	2023	2024	2025
$ 26,322,940	$ 26,387,153	$ 24,161,709	$ 30,288,661	$ 34,988,995	$ 33,922,461	$ 37,466,841
51,936,783	55,430,678	60,409,881	57,160,045	74,270,154	83,283,841	87,780,372
10,518,847	10,761,387	11,805,008	13,911,022	17,269,984	20,963,626	24,232,959
12,881,501	14,739,278	15,755,751	14,415,604	15,562,270	18,154,294	19,175,464
2,510,201	2,284,421	2,345,466	1,916,721	2,757,831	2,980,402	1,326,328
1,121,978	866,902	821,587	863,633	941,236	2,234,316	1,839,655
--	--	59,000	--	64,750	--	--
105,292,250	110,469,819	115,358,402	118,555,686	145,855,220	161,538,940	171,821,619
13,321,888	15,516,812	18,999,934	21,760,802	22,766,922	27,209,292	26,853,696
6,975,745	7,845,228	7,708,650	8,786,615	9,182,545	11,197,270	12,045,322
9,934,801	6,495,652	7,198,794	9,997,449	9,847,736	13,694,131	16,071,535
798,365	653,488	368,005	562,667	918,131	762,767	891,251
249,836	3,194,235	1,747,622	2,557,021	1,739,524	2,938,309	1,222,953
2,326,455	4,496,879	3,201,518	8,179,973	8,228,824	5,706,919	4,433,133
5,135,658	50,748	2,949,930	2,999,410	1,020,688	799,013	270,883
38,742,748	38,253,042	42,174,453	54,843,937	53,704,370	62,307,701	61,788,773
$ 38,742,748	$ 38,253,042	$ 42,174,453	$ 54,843,937	$ 53,704,370	$ 62,307,701	$ 61,788,773

(Continued)

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018
Net (Expense) Revenue			
Governmental activities	$ (53,560,795)	$ (62,118,066)	$ (68,095,374)
Total Primary Government Net Expense	$ (53,560,795)	$ (62,118,066)	$ (68,095,374)
General Revenues and Other Changes in Net Position			
Governmental Activities:			
Taxes:			
Property taxes	$ 51,974,181	$ 55,324,350	$ 59,347,671
Local business tax	1,600,232	1,608,214	1,530,796
Public service taxes	2,015,310	2,028,360	2,069,939
Unrestricted intergovernmental:			
Sales tax and local option gas tax	4,736,527	7,010,462	8,754,312
State shared revenue	1,601,965	1,694,011	1,773,158
Local shared revenue	38,788	68,618	17,633
Unrestricted investment earnings (loss)	442,722	497,772	1,121,587
Gain on disposal of capital assets	293,043	397,739	182,618
Miscellaneous	1,534,383	1,904,266	2,372,299
Cumulative effect of change in accounting principle	--	--	(4,371,305)
Total Governmental Activities	64,237,151	70,533,792	72,798,708
Total Primary Government	64,237,151	70,533,792	72,798,708
Change in Net Position			
Governmental activities	$ 10,676,356	$ 8,415,726	$ 4,703,334
Total Primary Government	$ 10,676,356	$ 8,415,726	$ 4,703,334

2019	2020	2021	2022	2023	2024	2025
$ (66,549,502)	$ (72,216,777)	$ (73,183,949)	$ (63,711,749)	$ (92,150,850)	$ (99,231,239)	$ (110,032,846)
$ (66,549,502)	$ (72,216,777)	$ (73,183,949)	$ (63,711,749)	$ (92,150,850)	$ (99,231,239)	$ (110,032,846)
$ 62,162,541	$ 67,588,710	$ 69,931,518	$ 72,330,588	$ 79,555,916	$ 89,178,758	$ 96,592,325
1,538,888	1,590,949	1,587,489	1,577,931	1,583,926	1,727,366	1,770,840
1,983,296	1,913,129	1,904,408	2,004,552	2,026,243	2,136,533	2,219,896
8,962,747	8,494,954	10,055,755	12,019,081	12,888,000	12,979,584	13,198,029
1,850,104	1,708,901	2,012,696	2,614,350	2,621,204	2,591,032	2,639,264
7,572	--	11,469	40,484	--	--	--
2,795,006	1,763,480	166,002	(968,919)	5,491,255	8,783,530	6,950,079
1,008,446	95,446	86,594	111,193	147,407	--	--
1,747,177	1,853,428	2,186,084	2,972,383	2,809,689	4,811,574	4,812,177
--	--	--	--	--	--	--
82,055,777	85,008,997	87,942,015	92,701,643	107,123,640	122,208,377	128,182,610
82,055,777	85,008,997	87,942,015	92,701,643	107,123,640	122,208,377	128,182,610
$ 15,506,275	$ 12,792,220	$ 14,758,066	$ 28,989,894	$ 14,972,790	$ 22,977,138	$ 18,149,764
$ 15,506,275	$ 12,792,220	$ 14,758,066	$ 28,989,894	$ 14,972,790	$ 22,977,138	$ 18,149,764

CITY OF PALM BEACH GARDENS, FLORIDA

Table 3

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 10,289	$ 3,409,759	$ 4,519,841	$ 4,103,290	$ 413,791	$ 19,671	$ 10,205	$ 584,766	$ 590,168	$ 34,258
Restricted	486,302	852,620	1,066,476	902,687	1,026,535	17,121,616	8,798,285	6,760,861	2,106,970	4,831,130
Committed	2,350,475	2,324,225	2,297,975	2,324,225	2,324,225	1,843,141	2,667,092	2,518,042	2,500,592	2,489,787
Assigned	5,591,893	13,540,429	10,507,213	15,365,817	12,197,734	24,004,691	20,380,079	23,324,758	29,253,832	41,115,328
Unassigned	29,931,355	24,300,582	27,984,472	27,164,639	35,000,168	32,598,123	45,149,574	56,276,406	60,361,107	49,354,170
Total General Fund	38,370,314	44,427,615	46,375,977	49,860,658	50,962,453	75,587,242	77,005,235	89,464,833	94,812,669	97,824,673
All Other Governmental Funds										
Nonspendable	26,151	3,158,655	56,019	61,499	85,697	123,845	150,542	319,631	534,144	619,881
Restricted	12,062,947	37,870,178	35,865,179	22,717,256	17,169,748	19,853,202	21,562,114	41,492,126	38,470,614	33,770,721
Committed	--	--	--	--	--	--	--	--	--	--
Assigned	1,068,221	814,682	467,289	984,076	1,951,254	3,961,880	8,375,220	7,827,684	8,431,920	8,236,226
Total All Other Governmental Funds	13,157,319	41,843,515	36,388,487	23,762,831	19,206,699	23,938,927	30,087,876	49,639,441	47,436,678	42,626,828
Total Governmental Funds	$ 51,527,633	$ 86,271,130	$ 82,764,464	$ 73,623,489	$ 70,169,152	$ 99,526,169	$107,093,111	$139,104,274	$142,249,347	$140,451,501

CITY OF PALM BEACH GARDENS, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018
Revenues			
Ad valorem taxes	$ 51,974,181	$ 55,324,350	$ 59,347,671
Local business tax	1,600,232	1,608,214	1,530,796
Utility taxes	2,015,310	2,028,360	2,069,939
Special assessment	--	114,377	115,709
Franchise fees	5,425,438	5,564,984	5,542,336
Licenses and permits	4,905,124	5,832,223	5,392,299
Intergovernmental	8,078,313	10,256,074	12,473,767
Impact fees	1,730,260	2,934,014	1,735,643
Charges for services	10,709,338	11,993,327	12,825,955
Fines and forfeitures	321,570	172,986	173,132
Investment income	436,783	491,590	1,092,977
Miscellaneous	2,051,152	2,463,251	2,233,836
Total Revenues	89,247,701	98,783,750	104,534,060
Expenditures			
Current:			
General Government	15,762,838	16,736,979	17,633,866
Public Safety	43,328,804	44,110,412	47,018,092
Culture and Recreation	6,214,376	6,853,710	7,977,514
Physical Environment	8,203,345	9,606,325	10,733,099
Transportation	965,058	616,681	641,199
Capital outlay	12,108,700	13,585,815	18,570,340
Debt service:			
Principal	4,038,352	6,642,493	4,313,966
Interest	562,576	906,256	777,250
Bond issuance costs	--	62,720	--
Other debt service costs	--	--	--
Total Expenditures	91,184,049	99,121,391	107,665,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,936,348)	(337,641)	(3,131,266)
Other Financing Sources (Uses)			
Transfers in	3,191,233	1,801,320	1,701,843
Transfers out	(3,191,233)	(1,801,320)	(1,701,843)
Leases	1,152,030	1,965,638	2,641,100
Sale of capital assets	229,000	--	99,000
Bonds and notes issued	--	30,000,000	--
Refunding bonds issued	--	--	--
Premium on bond issuance	--	--	--
Refunded bonds redeemed	--	--	--
Payment to refunded bond escrow agent	--	--	--
Total Other Financing Sources (Uses)	1,381,030	31,965,638	2,740,100
Net Change in Fund Balances	$ (555,318)	$ 31,627,997	$ (391,166)
Debt Service as a Percentage of Noncapital Expenditures	5.71%	8.63%	5.64%

Table 4

2019	2020	2021	2022	2023	2024	2025
$ 62,162,541	$ 67,588,710	$ 69,931,518	$ 72,330,588	$ 79,555,916	$ 89,178,758	$ 96,592,325
1,538,888	1,590,949	1,587,489	1,577,931	1,583,926	1,727,366	1,770,840
1,983,296	1,913,129	1,904,408	2,004,552	2,026,243	2,136,533	2,219,896
135,785	112,970	112,436	112,402	131,359	110,682	109,588
5,808,900	5,473,521	5,731,627	6,777,359	7,721,199	7,223,525	7,988,604
5,344,130	7,468,226	10,499,890	12,194,137	11,488,408	16,315,681	15,128,252
13,119,959	14,539,106	17,563,365	20,469,346	19,523,178	21,733,200	20,081,356
3,801,311	6,113,239	4,823,723	5,632,813	2,876,003	6,971,110	5,889,477
13,401,124	12,026,469	15,305,499	16,484,074	18,972,352	21,751,025	23,874,382
275,187	446,788	234,777	435,452	328,901	326,797	667,905
2,717,467	1,727,033	167,778	(979,312)	5,342,229	8,382,694	6,640,265
3,275,551	2,275,905	7,472,519	7,967,029	8,148,971	3,679,696	4,848,037
113,564,139	121,276,045	135,335,029	145,006,371	157,698,685	179,537,067	185,810,927
20,752,846	21,419,757	21,802,557	26,737,073	26,583,656	29,189,487	31,872,840
51,433,031	52,912,658	55,792,581	60,306,624	67,558,631	74,203,344	77,562,083
7,546,130	7,267,346	9,469,515	9,571,469	12,805,350	14,563,462	16,395,842
11,766,857	13,569,137	13,873,167	13,469,681	14,720,429	16,502,650	17,659,318
958,324	801,697	364,616	364,616	976,575	1,086,234	999,365
24,328,627	22,490,033	7,610,571	24,009,905	20,810,598	37,557,741	36,528,028
6,532,722	6,183,646	4,870,543	5,789,621	6,263,280	6,000,153	6,424,772
965,681	798,283	642,349	942,357	784,605	1,452,807	1,447,176
--	--	59,000	--	64,750	--	--
--	--	--	--	--	--	--
124,284,218	125,442,557	114,484,899	141,191,346	150,567,874	180,555,878	188,889,424
(10,720,079)	(4,166,512)	20,850,130	3,815,025	7,130,811	(1,018,811)	(3,078,497)
1,691,845	3,879,864	--	--	10,856,103	11,247,898	6,334,129
(1,691,845)	(3,879,864)	(2,339,968)	--	(10,856,103)	(11,247,898)	(6,334,129)
679,504	712,175	14,000,000	3,751,917	--	--	--
899,600	--	--	--		--	--
--	--	--	--	20,100,000	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
1,579,104	712,175	11,660,032	3,751,917	20,100,000	--	--
$ (9,140,975)	$ (3,454,337)	$ 32,510,162	$ 7,566,942	$ 27,230,811	$ (1,018,811)	$ (3,078,497)
7.31%	6.68%	5.02%	5.70%	5.39%	5.13%	5.04%

CITY OF PALM BEACH GARDENS, FLORIDA

NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Real Property				
	Residential Property	Commercial Property	Industrial Property	Other Property	Total
2016	$ 7,120,899,821	$ 1,733,042,304	$ 75,316,429	$ 100,964,163	$ 9,030,222,717
2017	7,578,568,351	1,949,533,937	82,092,236	108,638,650	9,718,833,174
2018	8,205,876,033	2,140,701,464	91,118,225	106,370,063	10,544,065,785
2019	8,648,423,475	2,277,266,953	102,974,514	152,169,262	11,180,834,204
2020	9,457,125,507	2,506,801,419	114,807,321	205,391,600	12,284,125,847
2021	9,833,380,210	2,540,839,729	122,451,139	205,710,055	12,702,381,133
2022	10,284,320,919	2,531,413,360	135,888,514	198,258,941	13,149,881,734
2023	11,908,807,814	2,802,034,458	158,271,998	251,447,347	15,120,561,617
2024	13,908,939,671	3,206,963,487	172,374,250	91,609,710	17,379,887,118
2025	15,632,737,371	3,355,506,979	183,148,008	110,257,938	19,281,650,296

Note: Assessed values are established by the Palm Beach County Property Appraiser's Office as of January 1, each year. Assessments were increased to 100% of market value as of 1980.

Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $1,000 of assessed value.

Source: Palm Beach County Property Appraiser's Office

N/A - Information not available

Personal Property	Centrally Assessed	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
$ 400,381,117	$ 2,111,042	$ 10,121,325,333	5.6871	$ 12,267,715,478	82.50%
376,051,655	2,332,101	10,922,449,541	5.6781	13,251,477,046	82.42%
328,044,724	2,460,119	11,511,339,047	5.6678	14,150,783,918	81.35%
327,384,323	2,472,492	12,613,982,662	5.6003	14,779,198,726	85.35%
358,183,261	2,470,709	12,644,779,817	5.5500	15,861,880,186	79.72%
363,397,905	2,456,074	13,068,235,112	5.5500	16,333,485,027	80.01%
370,775,250	2,517,495	13,523,174,479	5.5500	17,148,602,745	78.86%
420,031,602	2,746,365	15,543,339,584	5.3200	22,229,583,284	69.92%
531,155,298	2,927,983	17,913,970,399	5.1700	28,604,963,518	62.63%
556,046,901	5,003,625	19,842,700,822	5.0537	30,136,439,375	65.84%

CITY OF PALM BEACH GARDENS, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

	City of Palm Beach Gardens				
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Palm Beach County School District	Palm Beach County
2016	5.5500	0.1371	5.6871	7.5120	4.9277
2017	5.5500	0.1281	5.6781	7.0700	4.9142
2018	5.5500	0.1178	5.6678	6.7690	4.9023
2019	5.5500	0.0503	5.6003	6.5720	4.8980
2020	5.5500	0.0000	5.5500	7.1640	4.8580
2021	5.5500	0.0000	5.5500	7.0100	4.8124
2022	5.5500	0.0000	5.5500	6.8750	4.8149
2023	5.3200	0.0000	5.3200	6.5190	4.7439
2024	5.1700	0.0000	5.1700	6.4570	4.5188
2025	5.0537	0.0000	5.0537	6.3140	4.5396

Note: All millage rates are based on $1 for every $1,000 of assessed value.

Source: City of Palm Beach Gardens Finance Department and Palm Beach County Property Appraiser's Office

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Palm Beach Gardens. Not all overlapping rates apply to all City of Palm Beach Gardens property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

Table 6

Overlapping Rates (1)					
Palm Beach County Health Care District	Palm Beach County Library System	South Florida Water Managemen District	Children's Services Council	Florida Inland Navigation District	Total Direct and Overlapping Rates
1.0426	0.5985	0.1459	0.6677	0.0320	20.6135
0.8993	0.5933	0.3307	0.6833	0.0320	20.2009
0.7808	0.5891	0.3100	0.6590	0.0320	19.7100
0.7261	0.5901	0.2936	0.6403	0.0320	19.3524
0.7261	0.5870	0.2795	0.6497	0.0320	19.8463
0.7261	0.5833	0.2675	0.6497	0.0320	19.6310
0.7261	0.5824	0.2572	0.6233	0.0320	19.4609
0.7261	0.5781	0.2301	0.5508	0.0320	18.7000
0.6761	0.5599	0.2301	0.4908	0.0288	18.1315
0.6561	0.5589	0.2301	0.4908	0.0288	17.8720

CITY OF PALM BEACH GARDENS, FLORIDA

Table 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value (1)
The Gardens Venture LLC	$ 376,258,293	1	2.78%	$ 266,208,023	1	2.82%
Florida Power & Light Co	344,298,471	2	2.55%			
Hp Palm Beach Investments LP	141,859,885	3	1.05%			
Centaur Palm Beach Owner LLC	136,827,824	4	1.01%			
Breit Mf San Merano LLC	132,990,700	5	0.98%			
Pr The Quaye Owner LLC	117,256,357	6	0.87%			
Avenir Development LLC	115,914,003	7	0.86%			
Nadg Brock Alton Pbg LP	93,592,124	8	0.69%			
Kh Esprit LLC	58,079,000	9	0.43%			
Carrier Corporation	53,307,148	10	0.39%			
Excel Gardens LLC				100,802,501	2	1.07%
GLL US Retail LP				78,650,000	3	0.83%
Realty Associates Fund IX LP				76,055,734	4	0.81%
Northlake Blvd LLC				67,911,766	5	0.72%
GK 3801 PBG Blvd LLC				55,387,280	6	0.59%
Landmark at Gardens Square				54,462,407	7	0.58%
WFGR Resort Core V LLC				51,886,647	8	0.55%
Devonshire at PGA National LLC				51,047,259	9	0.54%
11900 Valencia Gardens Av Apts				47,009,820	10	0.50%
	$ 1,570,383,805		11.61%	$ 849,421,437		9.01%

Source: Tax roll provided by Palm Beach County Property Appraisers Office.

(1) See the Schedule of Net Assessed Value on page 120 for Estimated Actual Value of Taxable Property.

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percentage of Levy
2016	$ 53,644,793	$ 51,655,014	96.29%	$ 86,761	$ 51,741,775	96.45%
2017	57,333,007	55,238,312	96.35%	(78,158)	55,160,154	96.21%
2018	61,634,891	59,426,605	96.42%	38,589	59,465,194	96.48%
2019	64,463,323	62,125,467	96.37%	69,380	62,194,847	96.48%
2020	70,257,807	67,560,503	96.16%	34,208	67,594,711	96.21%
2021	72,528,705	69,853,078	96.31%	78,440	69,931,518	96.42%
2022	75,053,618	72,292,773	96.32%	37,815	72,330,588	96.37%
2023	82,690,567	79,489,941	96.13%	65,975	79,555,916	96.21%
2024	92,615,227	89,178,758	96.29%	28,528	89,207,286	96.32%
2025	100,279,057	89,178,758	88.93%	28,528	89,207,286	88.96%

Source: City of Palm Beach Gardens Finance Department and Palm Beach County Tax Collector's Office.

CITY OF PALM BEACH GARDENS, FLORIDA

Table 9

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities						
Year Ended September 30,	Revenue Bonds	General Obligation Bonds	Lease Payable	Leases Liabilities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2016	$ 10,889,118	$ 2,884,475	$ 2,676,052	$ --	$ 16,449,645	0.02%	319
2017	36,065,480	1,730,056	4,378,159	--	42,173,695	0.04%	802
2018	33,928,667	540,466	5,836,189	--	40,305,322	0.03%	749
2019	28,958,527	--	5,415,230	--	34,373,757	0.03%	618
2020	23,874,816	--	4,851,343	--	28,726,159	N/A	507
2021	34,179,509	--	3,503,284	4,085,693	41,768,486	N/A	699
2022	29,995,403	--	5,463,968	2,959,195	38,418,566	N/A	633
2023	45,895,000	--	8,245,309	4,693,182	58,833,491	N/A	956
2024	41,800,000	--	6,974,652	2,237,696	51,012,348	N/A	$817
2025	37,300,000	--	5,838,039	10,184,993	53,323,032	N/A	$737

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

(1) See the Schedule of Demographic and Economic Statistics on page 132 for population data.

Source: Audit Debt roll forward schedule

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	General Obligation Bonds	Percentage of Estimated Actual Taxable Value (1)	Per Capita (2)
2016	$ 2,884,475	0.05%	56
2017	1,730,056	0.03%	33
2018	540,466	0.01%	10
2019	--	0.00%	--
2020	--	0.00%	--
2021	--	0.00%	--
2022	--	0.00%	--
2023	--	0.00%	--
2024	--	0.00%	--
2025	--	0.00%	--

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

(1) See the Schedule of Net Assessed Value on page 120 for Estimated Actual Value of Taxable Property.

(2) See the Schedule of Demographic and Economic Statistics on page 132 for population data.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2025

Government Unit		Net Debt Outstanding	Percentage Applicable to the City of Palm Beach Gardens (1)		Amount Applicable to the City of Palm Beach Gardens
Debt Repaid with Property Taxes					
Palm Beach County	$	95,565,000	5.22%	$	4,988,493
Palm Beach County School Board		--	5.21%		--
Other Debt					
Palm Beach County		811,992,374	5.22%		42,386,002
Palm Beach County School Board		1,410,219,000	5.21%		73,472,410
Subtotal, Overlapping Debt					120,846,905
City of Palm Beach Gardens Direct Debt					53,323,032
Total Direct and Overlapping Debt				$	170,910,606

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business.

Source: Data provided by the Palm Beach County Finance Department and the Palm Beach County School Board.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County’s and School Board’s taxable assessed value that is within the City’s boundaries.

CITY OF PALM BEACH GARDENS, FLORIDA

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

2011 Public Improvement and Refunding Bonds

Fiscal Year Ended September 30,	Local Business Tax	Utility Taxes	Special Assessment	Franchise Fees	Licenses and Permits
2016	$ 1,600,232	$ 2,015,310	$ --	$ 5,425,438	$ 4,905,124
2017	1,608,214	2,028,360	114,377	5,564,984	5,832,223
2018	1,530,796	2,069,939	115,709	5,542,336	5,392,299
2019	1,538,888	1,983,296	135,785	5,808,900	5,344,130
2020	1,590,949	1,913,129	112,970	5,473,521	7,468,226
2021	1,587,489	1,904,408	112,436	5,731,627	10,499,890
2022	1,577,931	2,004,552	112,402	6,777,359	12,194,137
2023	1,583,926	2,026,243	131,359	7,721,199	11,488,408
2024	1,727,366	2,136,533	110,682	7,223,525	16,315,681
2025	1,770,840	2,219,896	109,588	7,988,604	15,128,252

	Non Ad Valorem Revenue Available for Debt Coverage	Debt Service		Coverage
		Principal	Interest	
2016	$ 35,543,260	$ 2,918,051	$ 453,439	10.54
2017	40,525,386	5,488,075	440,911	6.84
2018	43,450,746	3,268,015	749,601	10.82
2019	47,600,287	6,160,231	962,061	6.68
2020	47,574,096	6,352,730	811,131	6.64
2021	53,711,529	5,043,379	651,442	9.43
2022	67,042,967	5,693,572	944,657	10.10
2023	75,277,677	6,162,706	784,020	10.84
2024	83,387,199	5,402,232	1,441,516	12.18
2025	83,395,585	5,847,921	1,436,159	11.45

Note: The City's 2011 Public Improvement Revenue Bonds are obligations of the City payable solely from and secured solely by non ad valorem revenue. The original bonds were issued in November 2003 to refund certain prior obligations of the City. Additional bonds were issued in 2013, 2017 and 2021 to finance the cost of improvements to the City's golf course, parks, and facilities.

Source: City of Palm Beach Gardens Finance Department

Inter-governmental	Charges for Services	Fines and Forfeitures	Investment Income	Miscellaneous	Non Ad Valorem Revenue Available for Debt Coverage
$ 8,078,313	$ 10,709,338	$ 321,570	$ 436,783	$ 2,051,152	$ 35,543,260
10,256,074	11,993,327	172,986	491,590	2,463,251	40,525,386
12,473,767	12,825,955	173,132	1,092,977	2,233,836	43,450,746
13,119,959	13,401,124	275,187	2,717,467	3,275,551	47,600,287
14,539,106	12,026,469	446,788	1,727,033	2,275,905	47,574,096
17,516,577	12,969,026	233,699	162,102	2,994,275	53,711,529
20,469,346	16,484,074	435,452	(979,312)	7,967,026	67,042,967
19,531,206	18,812,977	328,900	5,354,398	8,299,061	75,277,677
21,733,200	21,751,025	326,797	7,593,076	4,469,314	83,387,199
20,081,356	23,940,842	667,905	6,640,265	4,848,037	83,395,585

CITY OF PALM BEACH GARDENS, FLORIDA

Table 13

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Year	Population (1)	Palm Beach County Personal Income (2) (In Thousands)	Palm Beach County Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2016	51,532	$ 103,876,015	$ 71,946	10,024	4.1%
2017	52,591	109,973,732	74,754	10,295	3.4%
2018	53,800	118,519,249	79,760	10,531	2.4%
2019	55,621	124,632,614	83,268	10,472	2.3%
2020	56,709	N/A	N/A	10,171	5.1%
2021	59,755	N/A	N/A	9,792	3.0%
2022	60,675	N/A	N/A	9,758	4.7%
2023	61,517	N/A	N/A	10,157	3.3%
2024	62,469	N/A	N/A	9,639	3.8%
2025	64,547	N/A	N/A	9,777	3.6%

Sources:

(1) University of Florida Bureau of Business and Economic Research
(2) U.S. Department of Commerce, Bureau of Economic Analysis
(3) Palm Beach County School Board Budget Office
(4) U.S. Bureau of Labor Statistics

N/A: Information not available

CITY OF PALM BEACH GARDENS, FLORIDA

Table 14

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS PRIOR

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Palm Beach County School Board (County-wide)	22,801	1	35.32%	1,193	1	4.67%
Tenet Healthcare Corp (County-wide)	5,734	2	8.88%	855	2	3.35%
HCA Florida Water Mgmt District (County-wide)	2,850	3	4.42%			
South Florida Water Mgmt District (County-wide)	1,371	4	2.12%			
Bank of America (County-wide)	1,000	5	1.55%			
Wells Fargo & Company (County-wide)	945	6	1.46%			
TBC Corporation (Headquarters)	870	7	1.35%	807	3	3.16%
Zimmer Biomet	400	8	0.62%			
City of Palm Beach Gardens	674	9	1.04%	496	5	1.94%
Belcan Engineering Group	396	10	0.61%	450	7	1.76%
PGA National Resort & Spa				780	4	3.05%
BIOMET 3i, Inc.				471	6	1.84%
LRP Publications (Headquarters)				285	8	1.12%
Synthes Anspach Companies				282	9	1.10%
Cross Match Technologies				150	10	0.59%
	37,041		57.39%	5,769		22.58%

Source: 2024 Business Development Board of Palm Beach County and City of Palm Beach Gardens' Economic Development Program

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of Employees										
General Government	81	84	86	92	94	96	101	103	104	106
Public Safety	283	298	309	317	317	322	350	355	374	409
Culture and Recreation	41	43	43	42	42	42	63	66	71	75
Physical Environment	67	71	77	78	79	79	82	82	83	84
Total Number of Employees	472	496	515	529	532	539	596	606	632	674

Source: City of Palm Beach Gardens Finance Department

CITY OF PALM BEACH GARDENS, FLORIDA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
General Government			
Information Technology:			
Number of online inspections scheduled	9,000	9,583	11,000
Number of online applications received	N/A	N/A	N/A
City Clerk:			
Public records request	316	157	207
Finance:			
A/P checks/ACH/EFT issued	2,969	2,610	2,605
Public Safety			
Police personnel and officers	163	168	176
Fire personnel	120	130	133
Number of police foot patrols	9,631	14,319	11,797
Number of police service calls	34,833	41,577	34,618
Number of fire rescue calls	10,876	10,800	12,098
Culture and Recreation			
Special event attendees	186,461	191,125	200,681
General program participants	16,010	17,706	20,913
Total program participants	N/A	N/A	N/A
Youth camp registrations	5,287	4,900	3,497
Tennis members	413	547	567
Rounds of golf played	39,781	--	--
Athletic field utilization (hours)	N/A	N/A	N/A
General pool admissions	26,128	9,924	24,907
Physical Environment			
Curb miles swept	2,000	2,364	1,762
Linear feet of storm drains cleaned/repaired	814	800	2,200
Permits issued	8,248	8,883	10,575
Value of permits	$ 294,899,950	$ 560,765,434	$ 360,719,935
Inspections performed	23,399	24,397	24,397

Sources: Various City Departments

Fiscal Year					
2019	2020	2021	2022	2023	2024
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	10,053	15,070
161	181	215	250	249	380
4,606	3,640	2,002	4,175	4,155	4,529
183	183	186	189	193	193
134	134	138	161	159	162
13,405	10,377	8,392	6,428	6,428	3,471
32,260	25,316	29,020	30,012	30,341	43,069
12,098	12,048	12,700	12,909	13,700	14,126
506,840	367,182	139,184	441,998	454,390	447,260
N/A	N/A	N/A	N/A	N/A	N/A
90,390	41,113	41,113	41,113	70,000	37,369
3,744	1,080	739	739	724	1,914
N/A	N/A	N/A	N/A	361	1,040
44,209	33,339	43,237	50,387	50,359	70,040
35,362	44,289	52,000	11,600	5,200	45,000
N/A	N/A	N/A	N/A	27,389	31,048
2,529	2,169	2,169	2,532	2,169	2,169
121	124	191	1,198	3,958	6,036
10,516	10,833	15,785	14,631	13,598	14,218
$ 344,059,889	$ 531,463,180	$ 674,039,640	$ 740,836,576	$ 1,030,783,182	$ 1,159,798,523
30,210	30,104	38,000	45,132	11,742	52,708

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

	Fiscal Year									
Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire stations	5	5	5	5	5	5	5	5	6	6
Transportation										
Miles of streets	59	59	61	61	61	61	61	64	64	78
Culture and Recreation										
Parks acreage	222	222	222	312	312	312	312	312	312	312
Parks	16	16	16	17	17	18	18	18	18	18
Golf courses	1	1	1	1	1	1	1	2	2	2
Golf course acreage	140	140	140	140	140	140	140	156	156	156
Multipurpose fields	15	15	17	17	17	17	17	17	16	16
Multipurpose rinks	1	1	1	1	1	1	1	1	2	0
Baseball/softball fields	17	17	17	17	18	18	18	18	18	17
Tennis courts	24	26	26	26	28	28	28	26	26	28
Pickleball courts	6	12	18	18	18	18	18	18	34	34
Playgrounds	17	17	17	17	17	17	17	20	17	21
Basketball courts	18	18	18	18	18	18	18	18	11	9
Racquetball courts	6	6	6	6	6	6	6	6	6	6
Skatepark	1	1	1	1	1	1	1	1	1	0
Swimming pools	3	3	3	3	3	3	3	3	3	3

Sources: Various City Departments

REPORTING SECTION

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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, City Council, and City Manager
City of Palm Beach Gardens, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City of Palm Beach Gardens, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 27, 2026. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Boca Raton, Florida
May 27, 2026

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Honorable Mayor, City Council, and City Manager
City of Palm Beach Gardens, Florida

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 27, 2026, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund as of September 30, 2025. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Boca Raton, Florida
May 27, 2026

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor, Pass-through Entity, Federal Program	Assistance Listing Number (ALN)	Grant/Contract Number	Expenditures
U.S. Department of Housing and Urban Development:			
Direct Programs:			
CDBG - Entitlement/Special Purpose Grants Cluster:			
Community Development Block Grant (CDBG)	14.218	B-18-MC-12-0065	$ 550
Community Development Block Grant (CDBG)	14.218	B-19-MC-12-0065	47,017
Community Development Block Grant (CDBG)	14.218	B-20-MW-12-0065	25,710
Community Development Block Grant (CDBG)	14.218	B-22-MC-12-0065	5,823
Community Development Block Grant (CDBG)	14.218	B-23-MC-12-0065	150,782
Total Community Development Block Grants/Entitlement Grants			229,882
Total Community Development Block Grants - Entitlement/Special Purpose Grants Cluster			229,882
Total U.S. Department of Housing and Urban Development			**229,882**
U.S. Department of Justice:			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	N/A	22,119
Edward Byrne Memorial Justice Assistance Grant - (BJA)	16.738	6N021	9,656
Total U.S. Department of Justice			**31,775**
U.S. Department of Transportation			
Passed through Florida Department of Transportation			
Highway Planning and Construction	20.205	G2H50	298,925
Total Highway Planning and Construction			298,925
Highway Safety Cluster:			
State and Community Highway Safety	20.600	G2P25	5,415
State and Community Highway Safety	20.600	G2S08	12,843
State and Community Highway Safety	20.600	G3429	24,569
State and Community Highway Safety	20.600	G3502	46,153
Total State and Community Highway Safety			88,980
Total Highway Safety Cluster			88,980
Total U.S. Department of Transportation			**387,905**
U.S. Department of the Treasury			
Direct Program:			
Coronavirus State And Local Fiscal Recovery Funds	21.027	N/A	815,176
Total U.S. Department of the Treasury			**815,176**
U.S. Department of Energy			
Direct Program:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SE0000687	41,001
Total U.S. Department of Energy			**41,001**
Total Expenditures of Federal Awards			**$ 1,505,739**

NOTE: No amounts were provided to subrecipients.

See notes to Schedule of Expenditures of Federal Awards

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

CITY OF PALM BEACH GARDENS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

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

Identification of the Major Federal Program:

ALN	Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B federal programs:	$1,000,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	_X_ Yes ____No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF PALM BEACH GARDENS, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CBIZ CPAs P.C.

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

P: 561.994.5050

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

To the Honorable Mayor, City Council, and City Manager
City of Palm Beach Gardens, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Palm Beach Gardens, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 27, 2026. We did not audit the financial statements of the City's Police Officers' Pension Fund and the City's Firefighters' Pension Fund as described in our report on the City's financial statements. Those statements were audited by other auditors. This management letter does not include any matters reported separately by those other auditors in their management letter, if any.

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 ("*Government Auditing Standards*"); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated May 27, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City 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 City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. 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) Program

Section 10.554(1)(i)6.a, Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2025, there was no PACE Program operating within the City's geographical boundaries.

Special District Component Unit

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component unit that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

CBIZ CPAs P.C.

Boca Raton, Florida
May 27, 2026

CBIZ CPAs P.C.

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

P: 561.994.5050

Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes

To the Honorable Mayor, City Council and City Manager
City of Palm Beach Gardens, Florida

We have examined the City of Palm Beach Gardens, Florida (the "City")'s compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2025. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City'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 City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

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

CBIZ CPAs P.C.

Boca Raton, Florida
May 27, 2026

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Arienne Panczak, Finance Administrator, who being duly sworn, deposes and says on oath that:

1. I am the Finance Administrator of City of Palm Beach Gardens, Florida, which is a local governmental of the State of Florida;

2. The governing body of City of Palm Beach Gardens, Florida, adopted (Ordinance No. **5, 2023** or Resolution No. ______) implementing an impact fee or authorized the City of Palm Beach Gardens, Florida, to receive and expend proceeds of an impact fee implemented by City of Palm Beach Gardens, Florida; and

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

FURTHER AFFIANT SAYETH NAUGHT.

Arienne C Panczak

Arienne Panczak, Finance Administrator

STATE OF FLORIDA
COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 25 day of March, 2026.

NOTARY PUBLIC STATE OF FLORIDA
Gracie Wong
Comm.: HH 593462
Expires: Sep. 16, 2028
Notary Public - State of Florida

NOTARY PUBLIC
Print Name Gracie Wong

Personally known ✓ or produced identification _______

Type of identification produced: ______________________

My Commission Expires:

____