

WEST PALM BEACH POLICE PENSION FUND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024





Public Pension Coordinating Council
Public Pension Standards Award
For Funding and Administration
2025

Presented to

West Palm Beach Police Fund

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in blue ink, reading 'Robert A. Wylie', is positioned above the printed name and title.

Robert A. Wylie
Program Administrator

WEST PALM BEACH POLICE PENSION FUND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
West Palm Beach Police Pension Fund
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of the West Palm Beach Police Pension Fund (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2025 and 2024, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, information regarding the fiduciary net position of the Plan as of September 30, 2025 and 2024, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

The Board of Trustees
West Palm Beach Police Pension Fund
West Palm Beach, Florida

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Emphasis of Matter

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

The Board of Trustees
West Palm Beach Police Pension Fund
West Palm Beach, Florida

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 22 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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



Tampa, Florida
February 20, 2026

WEST PALM BEACH POLICE PENSION FUND
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025 AND 2024

	2025	2024
Assets:		
Cash	\$ 1,159	\$ 14,791
Receivables:		
DROP loans	1,051,583	1,182,964
Interest and dividends	214,439	165,543
Broker-dealers	81,984	-
Other	2,005	5,169
Total receivables	1,350,011	1,353,676
Prepaid expenses	-	6,071
Investments:		
U.S. Government obligations	9,074,342	4,320,380
U.S. Government agency obligations	8,397,631	6,217,808
Corporate bonds	759,588	701,151
Domestic stocks	104,849,975	106,114,708
Domestic equity investment funds	215,810,666	200,328,340
International equity investment funds	79,847,244	74,404,300
Fixed income investment funds	46,392,195	38,991,528
Real estate investment funds	54,667,871	55,633,901
Temporary investment funds	7,726,263	8,374,085
Total investments	527,525,775	495,086,201
Total Assets	528,876,945	496,460,739
Liabilities:		
Accounts payable	734,642	658,349
Accounts payable, broker-dealers	86,641	41,416
Total Liabilities	821,283	699,765
Net Position Restricted for Pensions	\$ 528,055,662	\$ 495,760,974

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

WEST PALM BEACH POLICE PENSION FUND
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Additions:		
Contributions:		
Employer	\$ 8,025,741	\$ 5,798,628
Plan members	3,238,908	2,712,131
Buy back	103,939	110,403
DROP	1,377,298	536,307
415 Rollover	107,728	243,977
Total contributions	12,853,614	9,401,446
 Intergovernmental revenue:		
Chapter 185 state excise tax rebate	2,375,756	2,262,213
 Investment income:		
Net appreciation in fair value of investments	38,122,346	65,694,968
Interest	608,428	1,052,769
Dividends	6,632,144	4,810,602
Class action revenue	21,244	28,194
Total investment income	45,384,162	71,586,533
Less investment expenses	2,077,796	2,115,577
Net investment income	43,306,366	69,470,956
Total additions	58,535,736	81,134,615
 Deductions:		
Benefits:		
Age and service	15,163,380	14,163,431
Disability	1,408,809	1,216,271
Share accounts	2,448,292	2,865,299
DROP accounts	6,293,223	5,619,022
Refunds	377,543	196,211
Administrative expenses	549,801	582,432
Total deductions	26,241,048	24,642,666
 Net Increase in Net Position	 32,294,688	 56,491,949
 Net Position Restricted for Pensions:		
Beginning of year	495,760,974	439,269,025
End of year	\$ 528,055,662	\$ 495,760,974

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

**WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 1 - DESCRIPTION OF PLAN

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

The Plan is a single-employer defined benefit pension plan covering all full-time police officers of the city of West Palm Beach, Florida (the “City”).

As of October 1, 2024, the date of the most recent actuarial valuation, the Plan’s membership consisted of:

Retirees and beneficiaries:

Currently receiving benefits	274
DROP retirees	54
Terminated employees entitled to but not yet receiving benefits	10

Total	338
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Current employees:

Vested	99
Nonvested	150

Total	249
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General - The Plan was created in 1947 by a Special Act of the Florida legislature, Chapter 2498 I, Section 16, Laws of Florida, as amended. Participation in the Plan is required as a condition of employment. The Plan provides for retirement, death and disability benefits. In addition, the Plan is a local law plan subject to provisions of Chapter 185 of the state of Florida Statutes.

The Plan, in accordance with the above statutes, is governed by a five-member Board of Trustees (the “Board”). Two police officers, two City residents and a fifth member elected by the other four members constitute the Board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City and the Fraternal Order of Police Lodge 2 negotiate to establish benefit levels.

Pension Benefits - Members may retire with normal benefits after reaching age 50 with 20 or more years of credited service; age 55 with 10 or more years of credited service; or with 25 or more years of continuous service, regardless of age. Benefits are based on the member’s final average salary (“FAS”), years of credited service, and the pension multiplier. FAS is the average monthly salary during the 3 years of credited service producing the highest average.

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Members age 50 with 10 or more years of service are eligible for early retirement benefits. Benefits are calculated in the same manner as for normal retirement and are reduced by 3% per year that the member's age at termination precedes the normal retirement age.

Death Benefits - Benefits for service-related deaths are the greater of 2/3 of the member's highest 12 consecutive months' salary, or the current top step police officer pay. Benefits for non-service-related deaths of members with at least 5 years of service are 2/3 of the accrued normal benefit, with a minimum of 1/7 of the member's FAS.

Disability Benefits - Disability benefits for service-related disabilities are equal to the accrued normal retirement benefit, with a minimum of 2/3 of the member's FAS to the later of age 55 or 5 years after disability. After expiration of the minimum benefit, the service-related disability benefit is recalculated to be the member's normal retirement benefit, but with additional service credit granted to the later of age 55 or 5 years of disability.

Non-service-related disability benefits for members with at least 5 years of service are equal to the accrued normal retirement benefit. The minimum benefit is 25% of FAS if credited service is 10 or more years, or 20% of FAS if credited service is less than 10 years.

Cost of Living Adjustments ("COLA") - For retirees at least age 65 who have been retired at least 1 year, the Plan provides for an annual COLA adjustment equal to the increase in the Consumer Price Index, with a maximum of 3% per year.

Deferred Retirement Option Plan ("DROP") - Any participant who is eligible to receive a normal retirement benefit may elect to participate in a DROP while continuing his or her active employment as a police officer. 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; however, members are still eligible to receive allocations to Chapter 185 Share accounts. Normal retirement payments that would have been payable to the member as a result of retirement are accumulated and invested in the DROP to be distributed to the member upon his or her termination of employment. Participation in the DROP ceases for a member after the earlier of 5 years or 30 years of service.

Members may borrow from their DROP accounts a minimum of \$5,000 up to a maximum equal to the lesser of \$50,000 or 50% of their DROP account balance. The loans are secured by the balance in the members' DROP account and bear interest at the lowest published prime rate at the issue date for the loan. Principal and interest is paid ratably through monthly payments.

Share Accounts - There is a separate Share account created for each member of the Plan. The Share accounts are funded by Chapter 185 state excise tax rebates. Chapter 185 receipts are allocated to the Share accounts every October 1 in proportion to each member's number of pay periods during the preceding calendar year. On September 30 of each year, Share accounts are credited with a pro rata share of excess Plan investment savings and forfeited accounts. At retirement, termination (vested), disability or death, the Share accounts may be distributed to the members.

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Supplemental Pension Distributions - The Board may make a supplemental distribution each year from net accumulated investment and mortality experience from all sources, to the extent of investment earnings in excess of 7% (to a maximum 2% excess) for members hired before April 1, 1987, and in excess of 8.25% (to a maximum of 0.75% excess) for members hired after March 31, 1987, plus one-half of investment earnings in excess of 9%, if any, for all members, applied to the actuarial present value of future pension benefits estimated to be paid to retirees and beneficiaries. There were no supplemental distributions for the years ended September 30, 2025 and 2024.

Refund of Participant Contributions - If a nonvested member retires, dies, or terminates employment with the City, the accumulated contributions may be refunded to the member or the designated beneficiary, without interest.

Buy-Back Additional Years of Credited Service - Certain members may buy-back credited service by paying into the Plan the amount of contributions that the member would otherwise have paid for such service, plus amounts actuarially determined such that the crediting of service does not result in any cost to the Plan.

Basis of Accounting:

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

Basis of Presentation:

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

Cash and Temporary Investment Funds:

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

Valuation of Investments:

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

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

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Valuation of Investments (Continued):

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of Plan investments. Realized gains and losses on investments that had been held in more than one reporting period and sold in the current period were included as a change in the fair value reported in the prior period(s) and the current period.

Custody of Assets:

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

Authorized Plan Investments:

The Board recognizes that the obligations of the Plan are long-term and that its investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the Prudent Investor Rule and Chapter 185 of the Florida Statutes. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, common or preferred stocks, convertible securities, equity funds, high quality bonds or notes, fixed income funds, and real estate funds.

Actuarial Cost Method:

The Plan utilizes the Entry Age Normal Cost Method for funding purposes. Under this method, the normal cost is the sum of the individual normal costs for all active members. For an active member, the normal cost is the member's normal cost accrual rate, multiplied by the participant's current compensation.

Reporting Entity:

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

The Plan is included in the City's Annual Comprehensive Financial Report ("ACFR") for the years ended September 30, 2025 and 2024, which are separately issued documents. Anyone wishing further information about the City is referred to the City's ACFR.

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

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funding Policy:

Members are required to contribute 11% of their salary to the Plan. The City's funding policy is to make an actuarially computed annual contribution to the Plan in an amount, such that when combined with members' contributions and the state insurance excise tax rebate, all members' benefits will be fully provided for by the time that they retire.

Payment of Benefits:

Benefit payments to members are recorded upon distribution.

Administrative Expenses:

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

Federal Income Taxes:

A favorable determination letter dated October 22, 2015, indicating that the Plan is qualified and exempt from federal income taxes was issued by the Internal Revenue Service. Although the Plan has been amended since receiving this determination, the Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code.

Use of Estimates:

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

Reclassifications:

Certain amounts in the financial statements for the fiscal year ended September 30, 2024 have been reclassified to conform to the presentation used in the financial statements for the fiscal year ended September 30, 2025.

Subsequent Events:

Management has considered subsequent events through February 20, 2026, which is the date the financial statements were available to be issued.

**WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 3 - PLAN TERMINATION

Although it has not expressed any intention to do so, the City may terminate the Plan in accordance with the provisions of the Special Act governing the Plan and the provisions of Florida Statute §185.37. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each police officer in the Plan at such termination date would be non-forfeitable.

NOTE 4 - NET REALIZED AND UNREALIZED APPRECIATION OF INVESTMENTS

The Plan's investments appreciated in value during the years ended September 30, 2025 and 2024 as follows:

	2025	2024
Realized appreciation	\$ 19,985,342	\$ 12,600,340
Unrealized appreciation	18,137,004	53,094,628
	\$ 38,122,346	\$ 65,694,968

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits:

Fiduciary International of the South ("FTIOS") periodically holds uninvested cash in its respective capacity as custodian for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

Asset Allocation:

The Plan's adopted asset allocation as of September 30, 2025 is as follows:

Asset Class	Target
Domestic equity	40%
International equity	14%
Domestic bonds	22%
International bonds	0%
Real estate	14%
Alternative assets	10%
	100%

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Asset Allocation (Continued):

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

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

Concentrations:

The Plan held the following investments that represented 5% or more of the Plan's fiduciary net position as of September 30, 2025 and 2024.

Investment Organization	2025		2024	
	Fair Value	% of Fiduciary Net Position	Fair Value	% of Fiduciary Net Position
Rhumblin International Pooled Index Trust	\$ 34,971,166	6.6%	\$ 30,353,445	6.1%
Rhumblin S&P 500 Pooled Index Fund	52,787,475	10.0%	49,603,107	10.0%
U.S. Real Estate Investment Fund, LLC	35,962,825	6.8%	34,919,172	7.0%

Foreign Tax Withholdings and Reclaims:

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

Rate of Return:

The annual money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2025 and 2024, the annual money-weighted rate of return was 9.23% and 15.7%, respectively.

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 6 - INVESTMENTS

The Plan's investments at both fair value and cost or adjusted cost as of September 30, 2025 and 2024 are summarized as follows:

Investment Type	2025		2024	
	Cost	Fair Value	Cost	Fair Value
U.S. Government obligations	\$ 8,950,131	\$ 9,074,342	\$ 4,143,159	\$ 4,320,380
U.S. Government agency obligations	8,059,961	8,397,631	6,097,608	6,217,808
Corporate bonds	749,940	759,588	723,301	701,151
Domestic stocks	83,852,060	104,849,975	85,119,093	106,114,708
Domestic equity investment funds	99,863,508	215,810,666	104,234,126	200,328,340
International equity investment funds	58,853,931	79,847,244	53,238,712	74,404,300
Fixed income investment funds	43,902,459	46,392,195	38,447,899	38,991,528
Real estate investment funds	40,232,457	54,667,871	41,180,139	55,633,901
Temporary investments	7,726,263	7,726,263	8,374,085	8,374,085
Total investments	<u>\$ 352,190,710</u>	<u>\$ 527,525,775</u>	<u>\$ 341,558,122</u>	<u>\$ 495,086,201</u>

The Plan held the following fixed income investments as of September 30, 2025 and 2024:

Investment Type	Fair Value		Standard & Poor's Credit Rating	Effective Duration (Years)
	2025	2024		
U.S. Government obligations	\$ 9,074,342	\$ 4,320,380	AA+	5.25
U.S. Government agency obligations	8,397,631	6,217,808	AA+	11.27
Corporate bonds	759,588	701,151	AA-	5.26
Temporary investments	7,726,263	8,374,085	N/A	N/A
Total	<u>\$ 25,957,824</u>	<u>\$ 19,613,424</u>		

**WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 7 - RESTRICTIONS

A portion of the Plan’s net position restricted for pensions is designated for benefits that accrue in relation to the Share and DROP accounts. Allocations to the Share and DROP accounts as of September 30, 2025 and 2024 are as follows:

	2025	2024
Restricted for Share accounts (fully funded)	\$ 82,073,044	\$ 78,262,198
Restricted for DROP accounts (fully funded)	100,962,602	91,465,117
Total restricted for DROP and Share	183,035,646	169,727,315
Restricted for defined benefits	345,020,016	326,033,659
 Total net position restricted for pensions	 \$ 528,055,662	 \$ 495,760,974

NOTE 8 - PLAN AMENDMENTS

There were no amendments during the fiscal years ended September 30, 2025 and 2024.

NOTE 9- ACTUARIAL ASSUMPTION CHANGES

The actuarial assumptions were changed during the fiscal year ended September 30, 2025, as follows:

- The rates of salary increase were updated for the first year only to include a 17% increase effective on October 1, 2024.
- As mandated by Chapter 2015-157, Laws of Florida, the assumed mortality rates were changed to the rates used in Milliman’s July 1, 2024, Florida Retirement System valuation report for special risk employees.

These changes increased the City’s net pension liability by \$26,347,823.

The actuarial assumptions were changed during the fiscal year ended September 30, 2024, as follows:

The assumed rates of salary increase, retirement, withdrawal, and disability were updated, along with loads added to pre-fund the gains/losses for the supplemental pension distribution and the DROP/Share account interest crediting rate. In addition, the actuarial value of assets calculation was revised to use 5-year smoothing, effective September 30, 2022.

These changes increased the City’s net pension liability by \$6,777,411.

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 10 - ACTUARIAL METHOD CHANGES

There were no actuarial method changes during the fiscal years ended September 30, 2025 and 2024.

NOTE 11 - RISK AND UNCERTAINTIES

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

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

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE

Fair Value Hierarchy:

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

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

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

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

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

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

The Plan has the following recurring fair value measurements as of September 30, 2025 and 2024:

- *Domestic stocks, domestic equity investment funds, international equity investment funds, fixed income investment funds, temporary investment funds* - Valued at the quoted net asset value (“NAV”) of shares held by the Plan at year end.
- *U.S. Government obligations, U.S. Government agency obligations, corporate bonds, domestic equity investment funds, international equity investment funds* - Valued using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.
- *Domestic equity investment funds, fixed income investment fund, real estate investment funds* - Valued at the NAV per unit of the Plan’s ownership interest. The NAV is used as a practical expedient to estimate fair value. These investments are excluded from the fair value hierarchy.

Investment Type	Level 1	Level 2	Level 3	2025
U.S. Government obligations	\$ -	\$ 9,074,342	\$ -	\$ 9,074,342
U.S. Government agency obligations	-	8,397,631	-	8,397,631
Corporate bonds	-	759,588	-	759,588
Domestic stocks	104,849,975	-	-	104,849,975
Domestic equity investment funds	56,092,309	96,643,931	-	152,736,240
International equity investment funds	44,876,078	34,971,166	-	79,847,244
Fixed income investment funds	36,269,451	-	-	36,269,451
Temporary investment funds	7,726,263	-	-	7,726,263
Total investments by fair value level	<u>\$ 249,814,076</u>	<u>\$ 149,846,658</u>	<u>\$ -</u>	<u>399,660,734</u>

Investments Measured at NAV:

Domestic equity investment funds	63,074,426
Fixed income investment fund	10,122,744
Real estate investment funds	54,667,871
Total investments measured at NAV	<u>127,865,041</u>

Total, September 30, 2025 \$ 527,525,775

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

<u>Investments Measured at NAV</u>	<u>2025 Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Real estate investment funds:				
JPMCB Special Situation Property Fund	\$ 13,908,572	\$ -	Quarterly	60 days
Affiliated Housing Impact Fund	4,406,672	3,503,754	Quarterly	60 days
Affiliated Housing Impact Fund II	389,802	9,410,392	Quarterly	60 days
U.S. Real Estate Investment Fund, LLC	35,962,825	-	Quarterly	60 days
Total	<u>54,667,871</u>	<u>12,914,146</u>		
Domestic equity investment funds:				
HighVista Private Equity IX, LP	14,021,535	2,310,000		
HighVista Private Equity VII, LP	9,360,528	840,000		
Taurus Private Markets Fund, LP	9,132,820	3,390,000		
Taurus Private Markets Fund II, LP	4,414,906	8,340,000		
ETG Co-Invest Opportunities Fund, LP Class A	19,308,923	-		
ETG Co-Invest Opportunities Fund, LP Class D	6,835,714	3,837,814		
Total	<u>63,074,426</u>	<u>18,717,814</u>		
Fixed income investment fund:				
Lazard Emerging Markets Debt Blend Fund (US) LP	10,122,744	-		
Total investments measured at NAV	<u>\$ 127,865,041</u>	<u>\$ 31,631,960</u>		

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

NOTE 12 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

Investment Type	Level 1	Level 2	Level 3	2024
U.S. Government obligations	\$ -	\$ 4,320,380	\$ -	\$ 4,320,380
U.S. Government agency obligations	-	6,217,808	-	6,217,808
Corporate bonds	-	701,151	-	701,151
Domestic stocks	106,114,708	-	-	106,114,708
Domestic equity investment funds	49,845,267	88,381,187	-	138,226,454
International equity investment funds	44,050,855	30,353,445	-	74,404,300
Fixed income investment funds	29,572,263	-	-	29,572,263
Temporary investment funds	8,374,085	-	-	8,374,085
Total investments by fair value level	<u>\$ 237,957,178</u>	<u>\$ 129,973,971</u>	<u>\$ -</u>	<u>367,931,149</u>

Investments Measured at NAV:

Domestic equity investment funds	62,101,886
Fixed income investment fund	9,419,265
Real estate investment funds	55,633,901

Total investments measured at NAV 127,155,052

Total, September 30, 2024 \$ 495,086,201

Investments Measured at NAV	2025 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
<i>Real estate investment funds:</i>				
JPMCB Special Situation Property Fund	\$ 13,908,572	\$ -	Quarterly	60 days
Affiliated Housing Impact Fund	4,406,672	3,503,754	Quarterly	60 days
Affiliated Housing Impact Fund II	389,802	9,410,392	Quarterly	60 days
U.S. Real Estate Investment Fund, LLC	35,962,825	-	Quarterly	60 days
Total	<u>54,667,871</u>	<u>12,914,146</u>		
<i>Domestic equity investment funds:</i>				
HighVista Private Equity IX, LP	14,021,535	2,310,000		
HighVista Private Equity VII, LP	9,360,528	840,000		
Taurus Private Markets Fund, LP	9,132,820	3,390,000		
Taurus Private Markets Fund II, LP	4,414,906	8,340,000		
ETG Co-Invest Opportunities Fund, LP Class A	19,308,923	-		
ETG Co-Invest Opportunities Fund, LP Class D	6,835,714	3,837,814		
Total	<u>63,074,426</u>	<u>18,717,814</u>		
<i>Fixed income investment fund:</i>				
Lazard Emerging Markets Debt Blend Fund (US) LP	10,122,744	-		
Total investments measured at NAV	<u>\$ 127,865,041</u>	<u>\$ 31,631,960</u>		

**WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

NOTE 13 - NET PENSION LIABILITY OF THE CITY

The components of net pension liability of the City on September 30, 2025 were as follows:

	2025	2024
Total pension liability	\$ 627,450,618	\$ 575,168,860
Plan fiduciary net position	528,055,662	495,760,974
City's net pension liability	\$ 99,394,956	\$ 79,407,886
Plan fiduciary net position as a percentage of total pension liability	84.16%	86.19%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of September 30, 2024, updated to September 30, 2025, using the following actuarial assumptions applied to all measurement periods.

Inflation	2.5%
Salary increases	3.5% - 8.5% depending on service, including inflation
Investment rate of return	7%

Mortality Rate Healthy Lives:

Females: PUB-2010 Benefits Weighted Safety Healthy Employee

Males: PUB-2010 Benefits Weighted Safety Healthy Employee, set forward one year

Mortality Rate Healthy Retiree Lives:

Females: PUB-2010 Benefits Weighted Safety Healthy Retiree

Males: PUB-2010 Benefits Weighted Safety Healthy Retiree, set forward one year

Mortality Rate Disabled Lives:

Females: PUB-2010 Headcount Weighted General Disabled Retiree, set forward one year

Males: PUB-2010 Headcount Weighted General Disabled Retiree

All rates are projected generationally with Mortality Improvement Scale MP-2021.

The above mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System ("FRS"). The above rates are outlined in Milliman's July 1, 2024, FRS valuation report for special risk employees, with appropriate adjustments made based on Plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was performed as of March 7, 2024.

WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

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

Actuarial Assumptions (Continued):

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	40%	7.50%
International equity	14%	8.50%
Domestic bonds	22%	2.50%
International bonds	0%	3.50%
Real estate	14%	4.50%
Alternative assets	10%	5.96%

Discount Rate:

The discount rate used to measure the total pension liability was 7%. 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 sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**WEST PALM BEACH POLICE PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

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

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

The following presents the net pension liability of the City, calculated using the discount rate of 7%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease 6%	Current Single Discount Rate 7%	1% Increase 8%
City's net pension liability	\$ 154,908,136	\$ 99,394,956	\$ 54,712,886

NOTE 14 - COMMITMENTS AND CONTINGENCIES

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

REQUIRED SUPPLEMENTAL SCHEDULES

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability:				
Service cost	\$ 8,034,057	\$ 7,380,140	\$ 7,042,697	\$ 6,369,952
Interest	39,573,999	37,218,574	34,257,582	31,879,437
Benefit changes	-	-	-	3,178,061
Difference between expected and actual experience of the total pension liability	156,344	4,776,508	25,334,396	21,461,831
Assumption changes	26,347,823	6,777,411	-	9,749,489
Benefit payments	(27,308,546)	(23,864,023)	(30,196,118)	(20,491,059)
Refunds	(377,543)	(196,211)	(78,566)	(233,429)
Other (DROP and Share adjustments)	5,855,624	3,042,497	2,663,945	2,202,103
Net change in total pension liability	<u>52,281,758</u>	<u>35,134,896</u>	<u>39,023,936</u>	<u>54,116,385</u>
Total pension liability, beginning	<u>575,168,860</u>	<u>540,033,964</u>	<u>501,010,028</u>	<u>446,893,643</u>
Total pension liability, ending (a)	<u><u>\$ 627,450,618</u></u>	<u><u>\$ 575,168,860</u></u>	<u><u>\$ 540,033,964</u></u>	<u><u>\$ 501,010,028</u></u>
Plan fiduciary net position:				
Contributions - employer	\$ 8,025,741	\$ 5,798,628	\$ 5,657,198	\$ 5,354,106
Contributions - employer (from state)	2,375,756	2,262,213	1,985,387	1,814,266
Contributions - members (including buyback contributions)	3,342,847	2,822,534	3,173,908	3,096,544
Net investment income (loss)	43,306,366	69,470,956	33,162,662	(49,468,909)
Benefit payments	(25,313,704)	(23,864,023)	(30,196,118)	(20,491,059)
Refunds	(377,543)	(196,211)	(78,566)	(233,429)
Administrative expenses	(549,801)	(582,432)	(406,647)	(454,123)
Other	1,485,026	780,284	678,558	336,645
Net change in plan fiduciary net position	<u>32,294,688</u>	<u>56,491,949</u>	<u>13,976,382</u>	<u>(60,045,959)</u>
Plan fiduciary net position - beginning	<u>495,760,974</u>	<u>439,269,025</u>	<u>425,292,643</u>	<u>485,338,602</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 528,055,662</u></u>	<u><u>\$ 495,760,974</u></u>	<u><u>\$ 439,269,025</u></u>	<u><u>\$ 425,292,643</u></u>
Net pension liability (asset) - ending (a)-(b)	<u><u>\$ 99,394,956</u></u>	<u><u>\$ 79,407,886</u></u>	<u><u>\$ 100,764,939</u></u>	<u><u>\$ 75,717,385</u></u>

2021	2020	2019	2018	2017	2016
\$ 6,132,849	\$ 6,248,573	\$ 5,950,838	\$ 4,969,598	\$ 4,465,713	\$ 4,119,566
32,083,247	30,656,907	29,213,639	27,649,993	26,458,916	25,142,553
-	-	-	2,595,355	-	-
(7,942,606)	1,972,997	2,559,101	2,535,765	335,340	264,885
(421,692)	4,439,753	4,539,371	3,904,405	5,183,638	2,275,600
(19,647,932)	(18,512,808)	(18,963,330)	(18,801,870)	(18,064,650)	(16,224,666)
(262,973)	(206,949)	(152,950)	(225,759)	(25,530)	(93,453)
2,287,089	1,773,794	1,613,818	2,765,374	2,237,938	1,683,012
12,227,982	26,372,267	24,760,487	25,392,861	20,591,365	17,167,497
434,665,661	408,293,394	383,532,907	358,140,046	337,548,681	320,381,184
<u>\$ 446,893,643</u>	<u>\$ 434,665,661</u>	<u>\$ 408,293,394</u>	<u>\$ 383,532,907</u>	<u>\$ 358,140,046</u>	<u>\$ 337,548,681</u>
\$ 5,935,584	\$ 5,240,652	\$ 4,363,006	\$ 3,556,968	\$ 3,285,065	\$ 59,726,454
1,597,683	1,611,609	1,483,310	1,455,967	1,333,046	1,259,981
2,934,287	2,806,839	2,787,968	2,679,979	2,427,068	2,336,635
94,692,056	25,816,070	9,669,966	33,555,721	44,494,434	21,229,525
(19,647,932)	(18,512,808)	(18,963,330)	(18,801,870)	(18,064,650)	(16,224,666)
(262,973)	(206,949)	(152,950)	(225,759)	(25,530)	(93,453)
(367,760)	(304,417)	(336,885)	(319,039)	(308,777)	(288,017)
402,251	162,185	130,508	1,309,407	904,892	423,031
85,283,196	16,613,181	(1,018,407)	23,211,374	34,045,548	68,369,490
400,055,406	383,442,225	384,460,632	361,249,258	327,203,710	258,834,220
<u>\$ 485,338,602</u>	<u>\$ 400,055,406</u>	<u>\$ 383,442,225</u>	<u>\$ 384,460,632</u>	<u>\$ 361,249,258</u>	<u>\$ 327,203,710</u>
<u>\$ (38,444,959)</u>	<u>\$ 34,610,255</u>	<u>\$ 24,851,169</u>	<u>\$ (927,725)</u>	<u>\$ (3,109,212)</u>	<u>\$ 10,344,971</u>

WEST PALM BEACH POLICE PENSION FUND
SCHEDULE OF RATIOS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2016	96.94%	\$ 20,603,955	50.21%
2017	100.87%	21,679,436	-14.34%
2018	100.24%	23,929,891	-3.88%
2019	93.91%	25,098,209	99.02%
2020	92.04%	24,972,409	138.59%
2021	108.60%	24,064,836	-159.76%
2022	84.89%	26,101,927	290.08%
2023	81.34%	25,510,864	394.99%
2024	86.19%	24,655,736	322.07%
2025	84.16%	29,444,618	337.57%

WEST PALM BEACH POLICE PENSION FUND
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll**	Actual Contribution as a Percentage of Covered Payroll
2016	\$ 9,726,454	\$ 59,726,454	\$ (50,000,000)	\$ 20,603,955	289.88%
2017	3,285,065	3,285,065	-	21,679,436	15.15%
2018	3,131,968	3,556,968	(425,000)	23,929,891	14.86%
2019	4,363,006	4,363,006	-	25,098,209	17.38%
2020	5,240,652	5,240,652	-	24,972,409	20.99%
2021	5,935,584	5,935,584	-	24,064,836	24.66%
2022	5,354,106	5,354,106	-	26,101,927	20.51%
2023	5,657,198	5,657,198	-	25,510,864	22.18%
2024	5,798,628	5,798,628	-	24,655,736	23.52%
2025	8,019,554	8,025,741	(6,187)	29,444,618	27.26%

* Employer contribution for FYE 9/30/2016 includes \$50,000,000 proceeds from pension obligation bond.

** Covered Payroll was calculated based on actual member contributions for the fiscal year divided by the employee contribution rate.

WEST PALM BEACH POLICE PENSION FUND
NOTES TO SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2025

Valuation Date:

September 30, 2023

Actuarially determined contribution rates are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the September 30, 2023 actuarial valuation prepared by Gabriel, Roeder, Smith & Company.

WEST PALM BEACH POLICE PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2016	8.35%
2017	13.29%
2018	10.04%
2019	1.88%
2020	5.71%
2021	24.33%
2022	-9.82%
2023	8.52%
2024	15.70%
2025	9.23%

ADDITIONAL INFORMATION

WEST PALM BEACH POLICE PENSION FUND
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025		2024	
	Investment*	Administrative	Investment*	Administrative
Actuary fees	\$ -	\$ 57,418	\$ -	\$ 102,564
Administrator's fees	-	131,686	-	127,406
Audit fees	-	36,200	-	33,000
Accounting fees	-	10,385	-	19,600
Computer services	-	113,125	-	113,125
Education and dues	-	12,612	-	22,174
IME fees	-	26,774	-	36,952
Fiduciary insurance	-	19,800	-	19,359
Investment expenses	2,077,796	-	2,115,577	-
Legal fees	-	117,468	-	86,765
Office expenses	-	16,019	-	11,265
Seminar and travel expenses	-	8,314	-	10,222
Total investment and administrative expenses	<u>\$ 2,077,796</u>	<u>\$ 549,801</u>	<u>\$ 2,115,577</u>	<u>\$ 582,432</u>
Percentage of Plan net position	<u>0.39%</u>	<u>0.10%</u>	<u>0.43%</u>	<u>0.12%</u>

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