

Saltmarsh

Saltmarsh, Cleaveland & Gund

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
City of Boynton Beach Police Officers' Pension Fund
Boynton Beach, Florida

Opinion

We have audited the financial statements of the City of Boynton Beach Police Officers' Pension Fund (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2024 and 2023, and the related statements of changes in fiduciary net position for the 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, 2024 and 2023, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibility

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

The Board of Trustees
City of Boynton Beach Police Officers' Pension Fund
Boynton Beach, Florida

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 23 through 27 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 28 is presented for the purpose of additional analysis and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Tampa, Florida
February 11, 2025

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

	2024	2023
Assets:		
Cash	\$ 50,640	\$ 24,938
Receivables:		
Plan members	-	53,108
DROP loans	169,035	101,238
Broker-dealers	1,753,286	672,034
Total receivables	1,922,321	826,380
Prepaid expenses	15,223	14,528
Investments:		
Multi-manager bond investment fund	26,671,162	26,802,506
Domestic equity investment funds	110,889,718	82,726,755
Fixed income investment fund	17,740,920	8,699,558
Real estate investment fund	3,408,256	7,408,474
Temporary investment funds	158	3,381
Total investments	158,710,214	125,640,674
Total Assets	160,698,398	126,506,520
Liabilities:		
Accounts payable	87,146	94,937
Due to broker-dealers	48,266	22,551
Total Liabilities	135,412	117,488
Net Position Restricted for Pensions	\$ 160,562,986	\$ 126,389,032

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

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

	2024	2023
Additions to Net Position Attributed to:		
Contributions:		
Employer	\$ 7,863,802	\$ 7,136,079
Plan members	1,444,751	1,266,777
Plan members, buy-back	182,734	44,954
Rollover to DROP	100,125	235,163
Total contributions	9,591,412	8,682,973
Intergovernmental revenue:		
Chapter 185 state excise tax rebate	1,187,462	1,143,969
Investment income:		
Net appreciation in fair value of investments	32,372,962	12,396,299
Interest	4,562	5,061
Dividends	792,981	182,909
Total investment income	33,170,505	12,584,269
Less investment expenses	391,903	508,465
Net investment income	32,778,602	12,075,804
Total additions	43,557,476	21,902,746
Deductions from Net Position Attributed to:		
Benefits:		
Age and service	8,233,006	8,245,554
Disability	380,051	421,657
DROP payments	481,049	373,198
Refunds	108,810	60,104
Administrative expenses	180,606	174,987
Total deductions	9,383,522	9,275,500
Net Increase in Net Position	34,173,954	12,627,246
Net Position Restrictd for Pensions:		
Beginning of year	126,389,032	113,761,786
End of year	\$ 160,562,986	\$ 126,389,032

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

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 - DESCRIPTION OF PLAN

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

General - The Plan was created in 1981 by Section 18 of an Ordinance adopted by the City of Boynton Beach, Florida (the “City”), as amended.

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

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

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

Retirees and beneficiaries:	
Currently receiving benefits	158
DROP Retirees	25
Terminated employees entitled to but not yet receiving them	18
Total	201
Current employees:	
Vested	48
Nonvested	67
Total	115

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Pension Benefits - A participant hired before October 1, 2019, may retire with normal benefits after reaching age 55 and accumulating 10 or more years of credited service, at 20 years of service without regard to age, or at age 50 with 15 years of credited service. Those hired on or after October 1, 2019, may retire with 25 years of service regardless of age, or age 55 with 10 years of service. Normal retirement benefits are based on 3% (3.5% if hired before October 1, 2015) of the participant's average final compensation times the number of his or her credited years of service, with a maximum of 85% of average final compensation, provided that the benefit is at least 2.75% of average final compensation for each year of service. The average final compensation for the purposes of calculating benefits is the participant's average salary during the 5 highest years of the last 10 years of creditable service prior to retirement.

A participant with 10 or more years of credited service is eligible for early retirement. These benefits begin upon application on or after reaching age 50 and are counted the same as normal retirement, based upon the participant's average final compensation and credited service at the date of termination. Benefits are reduced by 1.5% per year for each year by which the participant's age at retirement preceded the participant's normal retirement age.

The vesting period for members hired on or after October 1, 2016, is 10 years. The vesting period for members hired before October 1, 2016, is 5 years.

Supplemental Retirement Benefits - Any retiree or beneficiary receiving pension benefits is entitled to supplemental pension benefits. One benefit pool is funded by 100% of the annual earnings and 10% of the principal created by the contributions received. These supplemental benefits are funded by a 1% contribution from the members and a 1% contribution from the Chapter 185 monies. Employees will contribute to this benefit through 20 years of service. The benefit is payable as a lump sum on October 1st each year. Another benefit pool consists of the Chapter 185 monies received in excess of the base amount of \$465,087, plus 1% of payroll. The benefit is payable as a lump sum on June 1st each year. The benefit pools are divided according to the total number of years of service rendered by all retirees, with a cap of 20 years per retiree. The benefits are divided on a pro-rata basis as defined in the ordinances.

Deferred Retirement Option Plan - Any Plan participant who is eligible to receive a normal retirement pension may elect to participate in a deferred retirement option plan ("DROP") while continuing his or her active employment as a police officer. 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 of retirement are accumulated and invested in the DROP to be distributed to the participant upon his or her termination of employment. For a participant hired before October 1, 2019, participation in the DROP ceases after the earlier of 5 years or the attainment of 30 years of service. For a participant hired on or after October 1, 2019, participation in the DROP ceases after the earlier of 8 years or the attainment of 33 years of service. Participants who remain in the DROP longer than 5 years are required to contribute 3% of their annual earnings to the Plan, beginning with the 61st month of DROP participation.

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Deferred Retirement Option Plan (Continued) - An employee's account in the DROP program shall earn interest in one of two ways. The options are summarized as follows:

- A. Gain or loss interest at the same rate as the Plan; or,
- B. At an annual fixed rate of 7%; or,
- C. A combination of both A and B.

Participants (after separation from service) 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 prime rate at the issue date for the loan. Principal and interest is paid ratably through monthly payments.

Disability Benefits - Disability benefits are paid to a participant for life. Benefits for service-related disabilities are calculated as 66 2/3% of the participant's salary at the time of disability. This amount is reduced by any social security and workers' compensation benefits received and will not be less than 42% of the participant's average final compensation. Benefits for non-service-related disabilities for participants with at least 10 years of service are equal to the participant's accrued normal retirement benefit, with a minimum of 25% and a maximum of 60% of the participant's average final compensation.

Death Benefits - Preretirement death benefits for participants are payable until the death of the beneficiary. For a service-related death, the beneficiary will receive the accrued normal retirement benefit taking into account compensation earned and service credited as of the date of death. with a minimum benefit equal to 30% of average final compensation. For a non-service related death of a participant with at least 10 years of service, the beneficiary will receive the accrued normal retirement benefit taking into account compensation earned and service credited as of the date of death. Beneficiaries of participants who die prior to vesting will receive a refund of the participants' accumulated contributions.

Postretirement death benefits are payable to the participant's eligible beneficiary depending on the survivor's benefit selected.

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

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

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

Basis of Presentation:

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

Cash and Temporary Investment Funds:

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

Valuation of Investments:

The Plan’s investments are stated at fair value. See Note 13 for discussion of fair value measurements.

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

Custody of Assets:

Custodial and investment services are provided to the Plan under contracts with national trust companies. The Plan’s investment policies are governed by Florida State Statutes and ordinances of the City.

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, high capitalization common or preferred stocks, pooled equity funds, high quality bonds or notes, foreign securities, and fixed income funds. In addition, the Board requires that Plan assets be invested with no more than 65% in stocks and convertible securities measured at cost at the end of each reporting period. Further information regarding the permissible investments from the Plan can be found in the statement of investment policies.

Actuarial Cost Method:

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

Reporting Entity:

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

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

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

Funding Policy:

Participants are required to contribute 8.5% of their annual earnings to the Plan. A rehired member may buy back one or more years of continuous past service by paying into the Plan the amount of contributions that the participant would otherwise have paid for such continuous past service, plus the interest that would have been earned had such funds been invested by the Plan during that time.

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

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payment of Benefits:

Benefit payments to participants are recorded upon distribution.

Administrative Expenses:

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

Federal Income Taxes:

A favorable determination letter indicating that the Plan is qualified and exempt from federal income taxes has not been requested from the Internal Revenue Service. 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.

Subsequent Events:

Management has considered subsequent events through February 11, 2025, which is the date the financial statements were available to be issued.

NOTE 3 - PLAN TERMINATION

Although it has not expressed an intention to do so, the City may terminate the Plan at any time by a written ordinance of the City Commission of Boynton Beach, duly certified by an official of the City. 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.

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 4 - NET REALIZED AND UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

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

	2024	2023
Realized appreciation	\$ 7,370,995	\$ 30,550,237
Unrealized appreciation (depreciation)	25,001,967	(18,153,938)
	\$ 32,372,962	\$ 12,396,299

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits:

Russell Trust Company and Salem Trust Company periodically hold uninvested cash in their respective capacity as custodians for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

Asset Allocation:

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

Asset Class	Target
Global equity	30%
Domestic equity	25%
Bonds	27%
Private real estate	5%
Private credit fund	5%
REITS	2%
MLP's	2%
Commodities	2%
Cash	2%
Total	100%

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Asset Allocation (Continued):

The Plan's investments, other than cash held by its administrative manager, are segregated into separate accounts, and managed under separate investment agreements. These agreements allow custodianship and the authority to manage the investments.

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

There were no investments that individually represented 5% or more of the Plan's net pension restricted for pensions as of September 30, 2024 and 2023.

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 changes in fiduciary net position. Where treaties allow for a reclaim of taxes, the Plan will make a formal application for refund. Such reclaims are included as an addition to dividend income.

Rate of Return:

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2024 and 2023, the annual money-weighted rate of return was 25.58% and 10.65%, respectively.

NOTE 6 - INVESTMENTS

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

Investment Type	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Multi-manager bond investment fund	\$ 23,698,776	\$ 26,671,162	\$ 26,194,859	\$ 26,802,506
Domestic equity investment funds	87,316,431	110,889,718	82,470,458	82,726,755
Fixed income investment fund	17,088,035	17,740,920	9,096,820	8,699,558
Real estate investment fund	1,872,537	3,408,256	3,797,697	7,408,474
Temporary investment funds	158	158	3,381	3,381
Total investments	<u>\$ 129,975,937</u>	<u>\$ 158,710,214</u>	<u>\$ 121,563,215</u>	<u>\$ 125,640,674</u>

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 6 - INVESTMENTS (Continued)

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

Investment Type	Fair Value		Rating	Effective Duration (Years)
	2024	2023	Standard & Poor's	
Multi-manager bond investment fund	\$ 26,671,162	\$ 26,802,506	AA	6.23
Fixed income investment fund	17,740,920	8,699,558	AAA-BBB	6.01
Temporary investment funds	158	3,381	AA	Daily
Total	<u>\$ 44,412,240</u>	<u>\$ 35,505,445</u>		

NOTE 7 - RESTRICTIONS

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

	2024	2023
Restricted for DROP accounts (fully funded)	\$ 26,164,797	\$ 22,827,334
Restricted for the supplemental benefit reserve	3,122,463	2,260,818
	<u>29,287,260</u>	<u>25,088,152</u>
Restricted for defined benefits	131,275,726	101,300,880
Total net position restricted for pensions	<u>\$ 160,562,986</u>	<u>\$ 126,389,032</u>

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 8 - PLAN AMENDMENTS

There were no amendments for the fiscal year ended September 30, 2024.

The Plan was amended during the fiscal year ended September 30, 2023 as follows:

- Amending Section 18-164, Creation and Maintenance of fund and retirement system, to provide for member contributions of 3% of their salary after 5 years of DROP participation, beginning with the sixty-first month of DROP participation.
- Amending Section 18-175, Deferred Retirement Option Plan, to provide for a maximum DROP participation period of 8 years; to provide for member contributions of 3% of salary following completion of 5 full years in the DROP, beginning with the sixty-first month of DROP participation; to allow DROP participants to make a one-time mid-year change in the method of receiving interest credits on their DROP balances effective October 1, 2022; to change the maximum number of years of service with the City, including the number of years of participation in the DROP, from 30 years to 33 years; and to clarify that the required minimum distribution age under section 401(A)(9) of the Internal Revenue Code is now 72 instead of 70.5.
- Amending Section 18-300, Creation of consolidated deferred retirement option plan, to remove police officers from being covered by this Section.

NOTE 9 - ACTUARIAL ASSUMPTION CHANGES

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

NOTE 10 - ACTUARIAL METHOD CHANGES

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

NOTE 11 - RISK AND UNCERTAINTIES

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks such as interest rate, market, 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.

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 11 - RISK AND UNCERTAINTIES (Continued)

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

NOTE 12 - DROP LOANS

During the fiscal years ended September 30, 2024 and 2023, certain DROP participants borrowed from their respective DROP accounts. These loans require repayment in 60 months at interest rates based on the prime rate at the time that the loan was issued. A schedule of the changes in these loans is summarized as follows:

	2024	2023
Beginning of year	\$ 101,238	\$ 152,128
Additions	130,000	8,000
Repayments	(62,203)	(58,890)
End of year	\$ 169,035	\$ 101,238

Loan interest income for the years ended September 30, 2024 and 2023 was \$6,185 and \$4,671, respectively.

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 13 - INVESTMENT MEASUREMENT AT FAIR VALUE

Fair Value Hierarchy:

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

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

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

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

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

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

- *Domestic equity investment funds, fixed income investment fund, temporary investment funds* - Valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.
- *Multi-manager bond investment fund, domestic equity investment fund, real estate investment fund* - Valued at the NAV per unit of the Plan's ownership interest in the funds. The NAV is used as a practical expedient to estimate fair value. These funds are excluded from the fair value hierarchy.

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 13 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

Investment Type	Level 1	Level 2	Level 3	2024
Domestic equity investment funds	\$ 43,080,807	\$ -	\$ -	\$ 43,080,807
Fixed income investment fund	17,740,920	-	-	17,740,920
Temporary investment funds	158	-	-	158
Total investments by fair value level	<u>\$ 60,821,885</u>	<u>\$ -</u>	<u>\$ -</u>	60,821,885
<i>Investments Measured at NAV:</i>				
Multi-manager bond investment fund				26,671,162
Domestic equity investment fund				67,808,911
Real estate investment fund				3,408,256
Total investments measured at NAV				<u>97,888,329</u>
Total, September 30, 2024				<u>\$ 158,710,214</u>

Investments Measured at NAV	2024 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Multi-manager bond investment fund	\$ 26,671,162	\$ -	N/A	N/A
Domestic equity investment fund	67,808,911	-	N/A	N/A
Real estate investment funds	<u>3,408,256</u>	<u>-</u>	N/A	N/A
Total investments measured at NAV	<u>\$ 97,888,329</u>	<u>\$ -</u>		

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 13 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued):

Investment Type	Level 1	Level 2	Level 3	2023
Domestic equity investment funds	\$ 21,653,885	\$ -	\$ -	\$ 21,653,885
Fixed income investment funds	8,699,558	-	-	8,699,558
Temporary investment funds	3,381	-	-	3,381
Total investments by fair value level	<u>\$ 30,356,824</u>	<u>\$ -</u>	<u>\$ -</u>	30,356,824
<i>Investments Measured at NAV:</i>				
Multi-manager bond investment fund				26,802,506
Domestic equity investment fund				61,072,870
Real estate investment fund				7,408,474
Total investments measured at NAV				<u>95,283,850</u>
Total, September 30, 2023				<u>\$ 125,640,674</u>

Investments Measured at NAV	2023 Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Multi-manager bond investment fund	\$ 26,802,506	\$ -	N/A	N/A
Domestic equity investment fund	61,072,870	-	N/A	N/A
Real estate investment fund	7,408,474	-	N/A	N/A
Total investments measured at NAV	<u>\$ 95,283,850</u>	<u>\$ -</u>		

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 14 - NET PENSION LIABILITY OF THE CITY

The components of net position liability of the City as of September 30, 2024 were as follows:

Total Pension Liability	\$ 209,770,651
Plan Fiduciary Net Position	<u>(160,562,986)</u>
City's Net Pension Liability	<u><u>\$ 49,207,665</u></u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u><u>76.54%</u></u>

Actuarial Assumptions:

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

Inflation	2.25%
Salary Increase	4.5% to 11.75% depending on age, including inflation
Investment Rate of Return	6.9%
Mortality	PUB-2010 Headcount Weighted Safety Healthy Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted Safety Healthy Retiree Mortality Table (for postretirement mortality, with a separate rate for males and females and age set forward one year, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For males, the base mortality rates for both pre-retirement and postretirement mortality are based on the Below Median Healthy Tables. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System ("FRS"), as mandated by Chapter 112.63, Florida Statutes.

CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE 14 - 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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	30%	7.99%
Domestic equity	25%	7.87%
Bonds	27%	4.97%
Private real estate	5%	8.55%
Private Credit Fund	5%	11.45%
REITS	2%	9.02%
MLP's	2%	NA
Commodities	2%	6.04%
Cash	2%	4.56%

Discount Rate:

The discount rate of 6.9% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.9%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments (6.9%) was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 14 - 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 a discount rate of 6.9%, as well as what the City's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower (5.9%) or 1-percentage point higher (7.9%) than the current rate.

	1% Decrease 5.9%	Current Single Discount Rate 6.9%	1% Increase 7.9%
	<u> </u>	<u> </u>	<u> </u>
City's net pension liability	<u>\$ 70,418,104</u>	<u>\$ 49,207,665</u>	<u>\$ 31,661,843</u>

NOTE 15 - 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 participants who are not vested has not been determined.

NOTE 16 - SUBSEQUENT EVENT

Effective October 1, 2024, police officers hired on or after October 1, 2019, may retire with normal benefits with 20 years of service regardless of age, instead of 25 years of service.

REQUIRED SUPPLEMENTAL SCHEDULES

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability				
Service cost	\$ 3,663,661	\$ 3,587,627	\$ 3,452,837	\$ 3,553,623
Interest	13,638,560	12,817,142	12,089,377	11,567,515
Benefit changes	96,979	-	-	-
Difference between actual and expected experience	2,516,640	3,620,044	3,186,572	3,435,967
Assumption changes	-	-	2,100,783	2,129,859
Benefit payments	(9,094,106)	(9,040,409)	(8,485,009)	(7,810,999)
Refunds	(108,810)	(60,104)	(54,927)	(13,824)
Other (adjustments to excess state reserve)	919,289	991,649	820,682	678,639
Net change in total pension liability	<u>11,632,213</u>	<u>11,915,949</u>	<u>13,110,315</u>	<u>13,540,780</u>
Total pension liability, beginning	<u>198,138,438</u>	<u>186,222,489</u>	<u>173,112,174</u>	<u>159,571,394</u>
Total pension liability, ending (a)	<u>\$ 209,770,651</u>	<u>\$ 198,138,438</u>	<u>\$ 186,222,489</u>	<u>\$ 173,112,174</u>
Plan fiduciary net position				
Contributions - employer	\$ 7,863,802	\$ 7,136,079	\$ 6,689,463	\$ 5,999,430
Contributions - state	1,187,462	1,143,969	969,097	895,165
Contributions - members	1,627,485	1,311,731	1,437,092	1,260,835
Net investment income (loss)	32,778,602	12,075,804	(19,699,101)	20,788,895
Benefit payments	(9,094,106)	(9,040,409)	(8,485,009)	(7,810,999)
Refunds	(108,810)	(60,104)	(54,927)	(13,824)
Administrative expenses	(180,606)	(174,987)	(194,461)	(187,230)
Other (rollovers into DROP)	100,125	235,163	205,063	148,639
Net change in plan fiduciary net position	<u>34,173,954</u>	<u>12,627,246</u>	<u>(19,132,783)</u>	<u>21,080,911</u>
Plan fiduciary net position - beginning	<u>126,389,032</u>	<u>113,761,786</u>	<u>132,894,569</u>	<u>111,813,658</u>
Plan fiduciary net position - ending (b)	<u>\$ 160,562,986</u>	<u>\$ 126,389,032</u>	<u>\$ 113,761,786</u>	<u>\$ 132,894,569</u>
Net pension liability - ending (a) - (b)	<u>\$ 49,207,665</u>	<u>\$ 71,749,406</u>	<u>\$ 72,460,703</u>	<u>\$ 40,217,605</u>

2020	2019	2018	2017	2016	2015
\$ 3,151,301	\$ 3,138,898	\$ 3,199,467	\$ 2,886,162	\$ 3,047,445	\$ 2,767,701
10,983,024	10,487,401	10,007,776	9,654,424	9,076,479	8,679,595
16,771	-	-	-	-	-
708,903	455,046	1,355,270	(1,118,136)	1,820,086	(1,776,804)
-	-	3,525,859	3,177,559	(565,994)	617,426
(7,755,642)	(7,828,430)	(6,817,205)	(6,259,474)	(6,169,099)	(5,438,713)
(97,633)	(19,613)	(122,701)	(11,413)	(93,339)	(69,179)
598,703	587,472	578,453	533,304	481,282	395,891
<u>7,605,427</u>	<u>6,820,774</u>	<u>11,726,919</u>	<u>8,862,426</u>	<u>7,596,860</u>	<u>5,175,917</u>
<u>151,965,967</u>	<u>145,145,193</u>	<u>133,418,274</u>	<u>124,555,848</u>	<u>116,958,988</u>	<u>111,783,071</u>
<u>\$ 159,571,394</u>	<u>\$ 151,965,967</u>	<u>\$ 145,145,193</u>	<u>\$ 133,418,274</u>	<u>\$ 124,555,848</u>	<u>\$ 116,958,988</u>
\$ 5,815,515	\$ 5,809,713	\$ 5,355,058	\$ 4,791,528	\$ 4,391,305	\$ 4,365,259
907,957	861,862	825,507	781,307	735,945	675,227
1,166,999	983,971	1,214,260	976,688	928,153	1,040,875
4,736,754	5,426,455	6,379,064	8,797,727	8,254,453	1,428,464
(7,755,642)	(7,828,430)	(6,817,205)	(6,259,474)	(6,169,099)	(5,438,713)
(97,633)	(19,613)	(122,701)	(11,413)	(93,339)	(69,179)
(165,414)	(178,668)	(163,266)	(167,698)	(164,398)	(153,104)
59,006	108,110	102,504	98,740	109,362	78,814
<u>4,667,542</u>	<u>5,163,400</u>	<u>6,773,221</u>	<u>9,007,405</u>	<u>7,992,382</u>	<u>1,927,643</u>
<u>107,146,116</u>	<u>101,982,716</u>	<u>95,209,495</u>	<u>86,202,090</u>	<u>78,209,708</u>	<u>76,282,065</u>
<u>\$ 111,813,658</u>	<u>\$ 107,146,116</u>	<u>\$ 101,982,716</u>	<u>\$ 95,209,495</u>	<u>\$ 86,202,090</u>	<u>\$ 78,209,708</u>
<u>\$ 47,757,736</u>	<u>\$ 44,819,851</u>	<u>\$ 43,162,477</u>	<u>\$ 38,208,779</u>	<u>\$ 38,353,758</u>	<u>\$ 38,749,280</u>

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
SCHEDULE OF RATIOS
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2015	66.87%	\$ 11,553,613	335.39%
2016	69.21%	11,279,375	340.03%
2017	71.36%	11,834,364	322.86%
2018	70.26%	11,552,888	373.61%
2019	70.51%	11,268,875	397.73%
2020	70.07%	12,682,527	376.56%
2021	76.77%	13,006,567	309.21%
2022	61.09%	14,000,725	517.55%
2023	63.79%	13,326,649	538.39%
2024	76.54%	15,085,030	326.20%

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual* Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 4,830,346	\$ 4,830,346	\$ -	\$ 11,553,613	41.81%
2016	4,856,392	4,856,392	-	11,279,375	43.06%
2017	5,256,615	5,256,615	-	11,834,364	44.42%
2018	5,820,145	5,820,145	-	11,552,888	50.38%
2019	6,272,374	6,274,800	(2,426)	11,268,875	55.68%
2020	6,280,602	6,280,602	-	12,682,527	49.52%
2021	6,464,517	6,464,517	-	13,006,567	49.70%
2022	7,154,550	7,154,550	-	14,000,725	51.10%
2023	7,601,166	7,601,166	-	13,326,649	57.04%
2024	8,328,889	8,328,889	-	15,085,030	55.21%

* Actual contribution as shown in the actuarial report

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
NOTES TO SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2024**

Valuation Date: October 1, 2022

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2022 actuarial valuation prepared by GRS Consulting.

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
 SCHEDULE OF INVESTMENT RETURNS
 LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2015	2.50%
2016	10.72%
2017	11.04%
2018	7.30%
2019	5.86%
2020	8.67%
2021	18.10%
2022	-14.28%
2023	10.65%
2024	25.58%

ADDITIONAL INFORMATION

**CITY OF BOYNTON BEACH POLICE OFFICERS' PENSION FUND
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024		2023	
	Expenses		Expenses	
	Investment*	Administrative	Investment*	Administrative
Actuary fees	\$ -	\$ 50,502	\$ -	\$ 42,988
Administrator fees	-	52,689	-	51,154
Audit fees	-	24,300	-	23,340
Administrative fees	-	-	-	3,151
Bookkeeping fees	-	4,950	-	4,950
Education and dues	-	7,067	-	10,865
Insurance	-	22,567	-	19,938
Investment management fees	361,903	-	478,465	-
Legal fees	-	10,752	-	13,973
Office supplies and expense	-	3,084	-	-
Performance monitor	30,000	-	30,000	-
Seminar and travel expense	-	4,695	-	4,628
Total investment and administrative expenses	\$ 391,903	\$ 180,606	\$ 508,465	\$ 174,987
 Percentage of Plan net position	 <u>0.24%</u>	 <u>0.11%</u>	 <u>0.40%</u>	 <u>0.14%</u>

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