

PALM TRAN, INC. – AMALGAMATED TRANSIT
UNION LOCAL 1577 PENSION PLAN

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024

Table of Contents

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Statements of Fiduciary Net Position	9
Statements of Changes in Fiduciary Net Position	10
Notes to Financial Statements	11-22
Required Supplementary Information	
Schedule of Changes in Net Pension Liability and Related Ratios	23
Schedule of Contributions	24
Schedule of Money-Weighted Rate of Return	25
Supplementary Information	
Schedules of Administrative and Investment Expenses	26
Other Auditor's Report	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27 and 28



Independent Auditor's Report

**To the Board of Trustees
Palm Tran, Inc. – Amalgamated Transit Union
Local 1577 Pension Plan
Delray Beach, Florida**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan (the “Plan”), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Plan’s basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2025 and 2024, and the changes in financial 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2026 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.



Bradenton, Florida
June 8, 2026

Palm Tran, Inc. – Amalgamated Transit Union

Management's Discussion and Analysis (Unaudited)

As management of the Palm Tran Inc. – Amalgamated Transit Union Local 1577 Pension Plan (the "Plan"), we offer readers of the Plan's financial statements this narrative overview of the financial activities of the Plan for the years ended December 31, 2025 and 2024. This narrative is intended to supplement the Plan's financial statements, and we encourage readers to consider the information presented here in conjunction with these statements, which begin on page 9.

Financial Highlights

- The assets of the Plan exceeded its liabilities at the close of the fiscal years ended December 31, 2025 and 2024, with \$172,251,348 and \$153,811,076 in net position restricted for pension benefits, respectively.
- Net position increased by \$18,440,272 or 12% during 2025, primarily due to unrealized gains in the investment portfolio.
- Net position increased by \$15,158,218 or 10.9% during 2024, primarily due to unrealized gains in the investment portfolio.
- For the year ended December 31, 2025, Plan net position was 95.70% of the total pension liability of \$179,996,977. Net pension liability was \$7,745,629, which was 20.13% of covered payroll.
- For the year ended December 31, 2024, Plan net position was 86.65% of the total pension liability of \$177,505,215. Net pension liability was \$23,694,049, which was 62.94% of covered payroll.
- Additions to fiduciary net position for the year ended December 31, 2025 totaled \$29,014,623 and include employee and County contributions of \$7,227,826 and net gains from investment activities totaling \$21,786,797.
- Additions to fiduciary net position for the year ended December 31, 2024 totaled \$24,799,766 and include employee and County contributions of \$7,288,880 and net gains from investment activities totaling \$17,510,886.
- Deductions from fiduciary net position totaled \$10,574,351 in 2025, a \$932,803 increase from 2024. Most of the increase relates to increased participant benefit payments made in 2025.
- Deductions from fiduciary net position totaled \$9,641,548 in 2024, a \$271,536 increase from 2023. Most of the increase relates to increased participant benefit payments made in 2024.

Management's Discussion and Analysis (Unaudited)

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. The basic financial statements section includes:

- Statements of fiduciary net position.
- Statements of changes in fiduciary net position.
- Notes to the financial statements.

The statements of fiduciary net position are a point-in-time snapshot of account balances at fiscal year-end. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the statement date. The resulting net position value (assets – liabilities = net position) represents the value of assets, net of liabilities, restricted for pension benefits.

The statements of changes in fiduciary net position display the effect of pension plan transactions that occurred during the fiscal years, where additions – deductions = net increase in net position. This net increase in net position reflects the change in the net asset value of the statement of fiduciary net position from the prior year to the current year. Both statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Pronouncements.

The notes to the financial statements are an integral part of the financial statements and provide additional information that is essential to the comprehensive understanding of the data provided in the financial statements. These notes describe the accounting and administrative policies under which the Plan operates and provide additional levels of detail for select financial statement items (see notes to financial statements on pages 11 to 22 of this report).

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect the ongoing plan perspective. Therefore, in addition to the financial statements explained above, this financial report includes "required supplementary information" with historical trend information. The required supplementary information section includes:

- Schedule of changes in net pension liability and related ratios.
- Schedule of contributions.
- Schedule of money-weighted rate of return.
- Notes to required supplementary information.

The schedule of changes in net pension liability and related ratios (page 23) includes information about the sources of changes to the net pension liability and to the changes in fiduciary net position. It also provides information regarding the fiduciary net position as a percentage of covered employee payroll and the net pension liability as a percentage of covered payroll.

Management’s Discussion and Analysis (Unaudited)

The schedule of contributions (page 24) presents information regarding the value of total annual contributions to be paid by Palm Beach County (the “County”) and the actual performance of the County in meeting this contribution. The notes to the required supplementary information provide background information and explanatory detail to aid in understanding the required supplementary information schedules.

The schedule of money-weighted rate of return (page 25) provides information regarding the Plan’s rate of return.

Analysis of Financial Activities

The Plan’s funding objective is to meet long-term benefit obligations through investment income and contributions. Accordingly, the collection of County and employee contributions, and the income from investments provide the reserves needed to finance future retirement benefits.

County and employee contributions to the Plan are made at determined rates of compensation, as set forth in the collective bargaining agreement between the Union and the Plan. Accordingly, contributions fluctuate with levels of compensation. Net position restricted for pension benefits increased by \$18,440,272 in 2025, compared to an increase of \$15,158,218 in 2024.

Table 1
Statements of Fiduciary Net Position
As of December 31, 2025, 2024, and 2023

	2025	2024	2023	Increase (Decrease) 2024 to 2025		Increase (Decrease) 2023 to 2024	
				\$	%	\$	%
Current and other assets	\$ 737,295	\$ 317,368	\$ 246,803	\$ 419,927	132.3%	\$ 70,565	28.6%
Investments	177,755,096	165,563,042	138,525,165	12,192,054	7.4%	27,037,877	19.5%
Total assets	178,492,391	165,880,410	138,771,968	12,611,981	7.6%	27,108,442	19.5%
Total liabilities	6,241,043	12,069,334	119,110	(5,828,291)	-48.3%	11,950,224	10032.9%
Net position	\$ 172,251,348	\$ 153,811,076	\$ 138,652,858	\$ 18,440,272	12.0%	\$ 15,158,218	10.9%

As previously noted, net position viewed over time may serve as a useful indication of the Plan’s financial position (see Table 1 above). At the close of 2025, the assets of the Plan exceeded its liabilities by \$172,251,348 in fiduciary net position restricted for pension benefits. The fiduciary net position is available to meet the Plan’s ongoing obligation to Plan participants and their beneficiaries.

Net Position

The Plan’s net position is established from County and employee contributions, and the accumulation of investment return, net of investment and administrative expenses, refunds, and benefit payments.

Management’s Discussion and Analysis (Unaudited)

Additions to Plan Net Position

As previously noted, net position needed to finance retirement benefits is accumulated through the collection of County and employee contributions and through investment earnings (net of investment expenses). The net additions totaled \$29,014,623 for the year ended December 31, 2025. This was \$4,214,857 more than the prior year, primarily due to investment returns.

As the years roll forward and total assets and liabilities grow, investment income will continue to play an important role in funding future retirement benefits. Therefore, investment return over the long-term is critical to the funding status of the retirement plan.

The Plan’s investment portfolio experienced a money-weighted rate of return of approximately 14.1% and 12.5%, respectively, during the years ended December 31, 2025 and 2024. It is important to remember that a retirement plan’s funding is based on a long-time horizon, where temporary ups and downs in the market are expected. The more critical factor is that the Plan be able to meet an expected annual return on investments of 7.00% during the years ended December 31, 2025 and 2024.

Table 2
Additions to Net Position
As of December 31, 2025, 2024, and 2023

	2025	2024	2023	Increase (Decrease)		Increase (Decrease)	
				2024 to 2025		2023 to 2024	
				\$	%	\$	%
Employer contributions	\$ 6,066,062	\$ 6,054,703	\$ 6,189,910	\$ 11,359	0.2%	\$ (135,207)	-2.2%
Employee contributions	1,161,764	1,234,177	1,049,253	(72,413)	-5.9%	184,924	17.6%
Net investment income (loss)	21,786,797	17,510,886	13,337,512	4,275,911	24.4%	4,173,374	31.3%
Total additions, net	<u>\$ 29,014,623</u>	<u>\$ 24,799,766</u>	<u>\$ 20,576,675</u>	<u>\$ 4,214,857</u>	<u>17.0%</u>	<u>\$ 4,223,091</u>	<u>20.5%</u>

Deductions from Plan Net Position

The Plan was created to provide retirement, survivor and disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, refunds of contributions to employees who terminate employment, and the cost of administering the Plan.

Table 3
Deductions from Net Position
As of December 31, 2025, 2024, and 2023

	2025	2024	2023	Increase (Decrease)		Increase (Decrease)	
				2024 to 2025		2023 to 2024	
				\$	%	\$	%
Participant benefit payments	\$ 9,684,423	\$ 8,928,974	\$ 8,536,358	\$ 755,449	8.5%	\$ 392,616	4.6%
Refunds of participant contributions	574,738	417,247	585,618	157,491	37.7%	(168,371)	-28.8%
Administrative expenses	315,190	295,327	248,036	19,863	6.7%	47,291	19.1%
Total deductions	<u>\$ 10,574,351</u>	<u>\$ 9,641,548</u>	<u>\$ 9,370,012</u>	<u>\$ 932,803</u>	<u>9.7%</u>	<u>\$ 271,536</u>	<u>2.9%</u>

Palm Tran, Inc. – Amalgamated Transit Union

Management's Discussion and Analysis (Unaudited)

Fiduciary Responsibilities

The Board of Trustees is the fiduciary of the Plan. Fiduciaries are charged with the responsibility of assuring that the assets of the Plan are used exclusively for the benefit of Plan participants and their beneficiaries and defraying reasonable expenses of administering the Plan.

Requests for Information

This financial report is designed to provide the Board of Trustees, our membership, taxpayers, and investment managers with an overview of the Plan's finances and accountability for the money received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Palm Tran Inc. – Amalgamated Transit Union Local 1577 Pension Plan
c/o Strategic Benefit Advisors, Inc.
2392 Mount Vernon Road, Suite 200
Atlanta, GA 30338

Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan

STATEMENTS OF FIDUCIARY NET POSITION DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Receivables		
Interest and dividends	\$ 318,632	\$ 254,498
Employee contribution receivable	66,082	62,870
Pending trades receivable	352,581	-
Total receivables	<u>737,295</u>	<u>317,368</u>
Investments		
Money market funds	2,916,782	8,340,949
U.S. government obligations	11,060,463	14,938,956
Asset-backed securities	7,752,670	2,850,358
Corporate obligations	9,526,271	5,310,845
Fixed income mutual funds	30,352,247	26,116,271
International equity securities	145,781	875,998
Domestic equity securities	4,957,538	2,433,694
Equity mutual funds	33,192,699	39,436,927
Stock index fund	70,528,506	55,854,558
Commingled real estate fund	7,322,139	9,404,486
Total investments	<u>177,755,096</u>	<u>165,563,042</u>
Total assets	<u>178,492,391</u>	<u>165,880,410</u>
Liabilities		
Accounts payable	80,597	115,762
Pending trades payable	149,607	5,887,510
Prepaid contributions from Palm Beach County	6,010,839	6,066,062
Total liabilities	<u>6,241,043</u>	<u>12,069,334</u>
Net position restricted for pension benefits	<u>\$ 172,251,348</u>	<u>\$ 153,811,076</u>

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

Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Additions		
Contributions		
Employer	\$ 6,066,062	\$ 6,054,703
Employee	1,161,764	1,234,177
Total contributions	<u>7,227,826</u>	<u>7,288,880</u>
Investment income		
Net appreciation in fair value of		
investments (realized and unrealized)	18,043,563	14,620,263
Interest and dividends	4,026,313	3,212,887
Other	263	8,372
Total investment income, net	<u>22,070,139</u>	<u>17,841,522</u>
Less investment expenses	(283,342)	(330,636)
Net investment income	<u>21,786,797</u>	<u>17,510,886</u>
Total additions, net	<u>29,014,623</u>	<u>24,799,766</u>
Deductions		
Participant benefit payments	9,684,423	8,928,974
Refunds of participant contributions	574,738	417,247
Administrative expenses	315,190	295,327
Total deductions	<u>10,574,351</u>	<u>9,641,548</u>
Net increase in net position	18,440,272	15,158,218
Net position restricted for pension benefits		
Beginning of year	<u>153,811,076</u>	<u>138,652,858</u>
End of year	<u>\$ 172,251,348</u>	<u>\$ 153,811,076</u>

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

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan (the “Plan”) are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (the “GASB”) is the standard-setting body for government accounting and financial reporting.

Contributions from the Plan's members are recognized as revenue in the period in which the contributions are due. Contributions from Palm Beach County (the “County”) on behalf of Palm Tran, Inc. are recognized as revenue when due and when the County is legally required to provide contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are recorded at fair value in the statement of fiduciary net position. 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.

Short-term investments are reported at amortized cost, which approximates fair value.

Securities traded on national or international exchanges are valued at the last reported sales price or exchange rates.

Estimated fair values provided by third-party vendors are used to value U.S. government obligations, asset-backed securities, corporate obligations, convertible bonds, mutual funds, and U.S. government and agency guaranteed bonds, if not traded in an active market.

Fair values for the global infrastructure fund, the stock index fund, and the commingled real estate fund are based on the net asset value (the “NAV”) per share, as reported by the investment managers. The NAV is based upon the fair value of the underlying investments held by the fund. Information provided by entities regarding the methods they use to value the underlying investments and any restrictions on, or illiquidity is considered in determining fair value. As required by GASB, additional disclosures regarding funding requirements, redemption conditions and/or restrictions and valuation methods used by the fund managers in the determination of the NAV for each of these funds are included in Note 3 of the financial statements.

Contributions

The Plan is funded by employer and employee contributions for the purpose of providing benefits and paying the administrative costs of the Plan.

Participants are required by the collective bargaining agreement to make contributions of 3.0% of their compensation to the Plan. Prior to October 1, 2014, the County made contributions to the Plan as required by the collective bargaining agreement. Effective October 1, 2014, the County contributes the minimum required contribution as determined by the Plan actuary and approved by the Board.

Contribution requirements were established by and may be amended by the collective bargaining agreement. Administrative costs are financed through investment earnings.

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Income

Investment income includes the net appreciation in the fair value of the Plan's investments and interest income, dividend income, and other income not included within the net appreciation.

Net appreciation in fair value of investments includes the difference between cost and fair value of investments held and the realized gains and losses for investments purchased and sold during the year. Purchases and sales of investments are recorded on a trade date basis.

Income associated with interest and dividends is recognized on the accrual basis when earned.

In accordance with GASB financial reporting requirements, investment costs are reported as investment expense if they are separable from investment income and the administrative expense of the pension plan. Certain investment vehicles may report income to the Plan net of related costs. In these instances, investment-related costs may not be readily separable from the income, as reported to the Plan, and are included within investment income.

Investment expense generally includes investment management fees, custodial fees, and other significant investment-related costs.

Administrative Expenses

Administrative expenses represent administrative fees, professional fees, insurance, and other expenses incurred by the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Risks and Uncertainties

Investment securities, in general, are subject to various risks, such as interest rate, credit and overall market volatility. Due to the levels of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of fiduciary net position.

NOTE 2. PLAN DESCRIPTION

Plan Administration

The Plan is a single employer contributory defined benefit pension plan established by an agreement between Florida Transit Management, Inc. and Local Union 1577 of the Amalgamated Transit Union, AFL-CIO, CLC (the "Union") on January 1, 1977. In 1996, Palm Tran, Inc. became the successor employer assuming all rights and obligations of Florida Transit Management, Inc. under the Plan. The Plan covers all full-time employees of Palm Tran, Inc. The Plan is administered by a Board of Trustees (the "Board") comprised of four trustees appointed by Palm Tran, Inc. and the Union, who have the authority to establish and amend benefits.

Notes To Financial Statements

NOTE 2. PLAN DESCRIPTION (CONTINUED)

Plan Membership

Participants consisted of the following at January 1, 2025 and 2024, the date of the actuarial valuation:

	2025	2024
Retirees and beneficiaries currently receiving benefits	464	444
Terminated employees entitled to but not yet receiving benefits	119	118
Active Plan members	560	588
Total	1,143	1,150

Plan Benefits

The Plan provides retirement, death, and disability benefits to its participants. In general, normal retirement benefits are 2.5% of the participant's "final average salary" multiplied by the years of credited service up to a maximum of 25 years. Participants that have greater than five but fewer than ten years of credited service as of the participant's first anniversary date on or after October 1, 2013, will have a benefit multiplier of 2%. Participants with fewer than five years of credited service on or before their first anniversary date on or after October 1, 2013, will have a benefit multiplier of 1.6%. In all cases, service accrued prior to October 1, 2013 will be credited with the 2.5% multiplier.

The "final average salary" represents the highest average gross compensation earned by the employee during any three calendar years in the employment of the employer. For participants who have earned fewer than five years of credited service as of October 1, 2013, the "final average salary" represents the highest average gross compensation earned by the employee during any five calendar years in the employment of the employer. For participants hired on or after October 1, 2013, the "final average salary" represents the highest average gross compensation earned by the employee during any eight calendar years in the employment of the employer.

Retirees and terminated participants are entitled to receive an amount equal to their employee contributions, payable in a lump sum.

Normal Retirement

A participant can receive normal (unreduced) retirement benefits at age 65 or the completion of five years of credited service. For participants that have earned fewer than ten years of credited service as of the participant's first anniversary date on or after October 1, 2013, the normal retirement age will be age 65 with the completion of eight or more years of credited service or 33 years of credited service regardless of age.

The retirement benefits of a participant retiring after the date on which he or she became eligible for normal retirement will be increased by 1% for each of the first 60 months that the retirement date follows the normal retirement date, plus 1.5% for each month thereafter.

Notes To Financial Statements

NOTE 2. PLAN DESCRIPTION (CONTINUED)

Early Retirement

A participant can receive early retirement benefits at age 55 upon the completion of ten years of credited service. The pension benefit is reduced by $\frac{1}{2}\%$ for each month of early retirement prior to age 60. For participants that have their first anniversary of employment on or after October 1, 2013, the reduction will be $\frac{1}{2}\%$ for each month of early retirement prior to age 62.

Unreduced Early Retirement

Participants are eligible to retire with an unreduced early retirement if they meet either of the following conditions:

1. Attainment of age 62 and at least ten years of credited service (for participants that have their first anniversary of employment on or after October 1, 2013); or
2. Attainment of age 60 and at least ten years of credited service (for participants that have at least ten years credited service as of October 1, 2013).

Rule of 85 Retirement

Participants that have at least ten years of credited service as of October 1, 2013 are eligible for the Rule of 85 retirement if the sum of their age and years of credited service equals 85. If a participant retires under Rule of 85, the benefit will be determined in the same manner as a normal retirement with no reduction for age.

Disability Benefits

A participant who is totally and permanently disabled and has earned at least ten years of credited service will be eligible for disability retirement income. This amount is computed in the same manner as normal retirement, but with no reduction based on age.

Supplemental Benefits

Participants retiring on or after age 60 with at least ten years of credited service are entitled to a supplemental benefit of \$200 per month, which continues until age 65. Participants retiring under the Rule of 85 before reaching age 60 will receive the supplemental benefit starting at age 60.

Death Benefits

If a participant dies before having retired and has not earned a vested percentage in his or her accrued pension benefit, his or her beneficiary will receive a cash benefit equal to the participant's contributions plus interest earned before May 25, 2007. Upon the death of an active participant who has earned at least ten years of credited service, his or her designated beneficiary will receive, upon application, a lump-sum benefit in the amount of \$5,000 in addition to any other benefits payable to the participant. If the deceased was a retired participant who had earned at least ten years of credited service, the lump-sum benefit is \$7,500.

Notes To Financial Statements

NOTE 2. PLAN DESCRIPTION (CONTINUED)

Refund of Participant Contributions

A participant who leaves employment with less than five years of credited service will receive a lump-sum distribution equal to the total employee contributions without interest.

Upon retirement directly from active service, a participant with ten years of credited service will receive a lump-sum distribution equal to the total employee contributions made prior to January 1, 2012, without interest. This benefit is payable in addition to a participant's retirement benefit as described in the Plan document.

NOTE 3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Florida Statutes require the Plan to maintain its deposits with financial institutions in a qualified public depository, as determined by the Treasurer of the State of Florida (the "Treasurer").

The Plan's accounts maintained in qualified public depositories are covered by federal depository insurance for an amount equal to the aggregate of each participant's ascertainable, non-contingent interest in the Plan (up to \$250,000 per participant). Amounts in excess of federal depository insurance are secured by the Public Depository Trust Fund (the "Trust Fund") maintained by the Treasurer. The Trust Fund is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

Authorized Investments

The Plan's investment practices are governed by Chapters 280 (Florida Security for Public Deposits Act) and 218 (Local Government Investment Policies), Florida Statutes, the Restated Agreement and Declaration of Trust and Pension Plan, and the Plan's adopted investment policy. The Board has the authority to review and amend the investment policy.

Florida Statutes, the Restated Agreement and Declaration of Trust and Pension Plan and the Plan's investment policy authorize the Board to invest in equities, fixed income securities, real estate, infrastructure, and cash equivalents.

The policy prohibits investments in tax-exempt bonds; interest only and principal only collateralized mortgage obligations; commodity futures; short sales; general obligations issued by a foreign government; hedge funds (unless approved by the Board); insurance annuities; repurchase agreements secured by anything but U.S.; margin purchase, lending or borrowing money; options; letter stock or private equity placements; private mortgages; securities lending (unless directed by the Board); investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism; securities of the money manager, the directed trustee/custodian bank or their parent or subsidiaries; and any investment prohibited by local, state, or federal law.

During 2023, the investment policy was updated to comply with applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662, along with the regulations adopted by the Department of Management Services.

Notes To Financial Statements

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

At December 31, 2025, the Plan had the following investments:

Portfolio/Investments	Credit Rating (S&P)	Amount	Investment Maturity (in years)			
			Less than			More than
			1	1-5	5-10	10
Money market funds	AAAm	\$ 2,916,782	\$ 2,916,782	\$ -	\$ -	\$ -
U.S. government obligations	AA+	11,060,463	-	4,175,892	4,223,603	2,660,968
Asset-backed securities	N/R*	7,752,670	-	-	-	7,752,670
Corporate obligations	AA...BBB	9,526,271	172,480	3,102,319	5,031,980	1,219,492
Fixed income subtotal		31,256,186	\$ 3,089,262	\$ 7,278,211	\$ 9,255,583	\$ 11,633,130
Fixed income mutual funds	N/R*	30,352,247				
International equity securities	N/R	145,781				
Domestic equity securities	N/R	4,957,538				
Equity mutual funds	N/R	33,192,699				
Stock index fund	N/R	70,528,506				
Commingled real estate fund	N/R	7,322,139				
Total investments		\$ 177,755,096				

*Not Rated

At December 31, 2024, the Plan had the following investments:

Portfolio/Investments	Credit Rating (S&P)	Amount	Investment Maturity (in years)			
			Less than			More than
			1	1-5	5-10	10
Money market funds	AAAm	\$ 8,340,949	\$ 8,340,949	\$ -	\$ -	\$ -
U.S. government obligations	AA+	14,938,956	-	2,449,494	10,417,949	2,071,513
Asset-backed securities	AA+	2,850,358	-	-	-	2,850,358
Corporate obligations	AA...BBB	5,310,845	-	2,227,944	2,545,207	537,694
Fixed income subtotal		31,441,108	\$ 8,340,949	\$ 4,677,438	\$ 12,963,156	\$ 5,459,565
Fixed income mutual funds	N/R*	26,116,271				
International equity securities	N/R	875,998				
Domestic equity securities	N/R	2,433,694				
Equity mutual funds	N/R	39,436,927				
Stock index fund	N/R	55,854,558				
Commingled real estate fund	N/R	9,404,486				
Total investments		\$ 165,563,042				

*Not Rated

Credit Risk

This is the risk that a security or portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization ("NSRO"). The Plan's investment policy limits investments in fixed income securities to securities with the following ratings:

- Corporate fixed income: Standard & Poor's ("S&P") "BBB", with an average bond portfolio rating of "A" or higher; and

Notes To Financial Statements

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

- Collateralized mortgage obligations backed by the full faith of the U.S. Government: a rating of "AA+" by S&P or equivalent by an NSRO.

The tables above disclose the credit ratings by investment type as of December 31, 2025 and 2024.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The Plan's policy is to maintain its investments in custodial accounts that identify securities held as assets of the Plan by registering securities in the name of the Plan, or in street name or nominee name as the Plan's agent.

Concentration of Credit Risk

Per the Plan's investment policy, equity investments, including convertible securities, infrastructure, and publicly traded REITs, are limited to 70% of the Plan's assets. Investments in shares of companies that have been publicly traded for less than one year are limited to no more than 10% of an investment manager's total equity portfolio. Not more than 5% of an investment manager's portfolio, based upon market value, may be invested in the securities of a single corporate issuer unless authorized by the Board. The total of all investments in securities issued by foreign governments or corporations domiciled outside the United States is limited to 20% (at the time of purchase) of the Plan's total market value. Not more than 2% of a manager's total bond portfolio may be invested in a single corporation. Asset-backed securities investments in any one issuing corporation are limited to 5% of the manager's bond portfolio.

The following was the Board's adopted asset allocation policy as of December 31, 2025:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.0%	8.3%
International equity	15.0%	3.2%
Bonds	25.0%	2.1%
Convertibles	5.0%	6.6%
Private real estate	8.0%	5.5%
Cash	2.0%	0.0%
	100.0%	

Notes To Financial Statements

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Although the Plan's investment policy does not provide limitations as to maturities, the Plan minimizes risk of fair value losses in its fixed income portfolio due to rising interest rates by investing in fixed income common trust funds or by structuring its investment portfolio so that securities mature to meet ongoing cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities or by cash flow projections.

Fair Value Hierarchy

The fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, provides three levels of inputs to measure fair value. Because of the inherent uncertainty of valuations, estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed, and differences could be material.

The Plan classifies its investments into a hierarchical disclosure framework as follows:

- Level 1 Securities traded in an active market with available quoted prices for identical assets as of the reporting date.
- Level 2 Securities not traded on an active market but for which observable market inputs are readily available or Level 1 securities where there is a contractual restriction as of the reporting date.
- Level 3 Securities not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

Securities classified in Level 1 are valued using prices quoted in the active markets for those securities. Securities in Level 2 and Level 3 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationships to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing.

Notes To Financial Statements

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2025, the Plan's measurements for investments were as follows:

December 31, 2025	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value level				
U.S. government obligations	\$ 11,060,463	\$ -	\$ 11,060,463	\$ -
Asset-backed securities	7,752,670	-	7,752,670	-
Corporate obligations	9,526,271	-	9,526,271	-
Fixed income mutual funds	30,352,247	30,352,247	-	-
International equity securities	145,781	145,781	-	-
Domestic equity securities	4,957,538	4,957,538	-	-
Equity mutual funds	33,192,699	33,192,699	-	-
Total investments measured at fair value	<u>96,987,669</u>	<u>\$ 68,648,265</u>	<u>\$ 28,339,404</u>	<u>\$ -</u>
Investments measured at NAV				
Stock index fund	70,528,506			
Commingled real estate fund	7,322,139			
Total investments measured at NAV	<u>77,850,645</u>			
Investments measured at amortized cost				
Money market funds	2,916,782			
Total investments measured at amortized cost	<u>2,916,782</u>			
Total investments	<u>\$ 177,755,096</u>			

At December 31, 2024, the Plan's measurements for investments were as follows:

December 31, 2024	Total	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value level				
U.S. government obligations	\$ 14,938,956	\$ 2,449,494	\$ 12,489,462	\$ -
Asset-backed securities	2,850,358	-	2,850,358	-
Corporate obligations	5,310,845	-	5,310,845	-
Fixed income mutual funds	26,116,271	26,116,271	-	-
International equity securities	875,998	875,998	-	-
Domestic equity securities	2,433,694	2,433,694	-	-
Equity mutual funds	39,436,927	39,436,927	-	-
Total investments measured at fair value	<u>91,963,049</u>	<u>\$ 71,312,384</u>	<u>\$ 20,650,665</u>	<u>\$ -</u>
Investments measured at NAV				
Stock index fund	55,854,558			
Commingled real estate fund	9,404,486			
Total investments measured at NAV	<u>65,259,044</u>			
Investments measured at amortized cost				
Money market funds	8,340,949			
Total investments measured at amortized cost	<u>8,340,949</u>			
Total investments	<u>\$ 165,563,042</u>			

Notes To Financial Statements

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following tables:

2025				
Investment	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments Measured at Net Asset Value (NAV)				
Real estate funds ⁽¹⁾	\$ 7,322,139	352,581	Quarterly	60 days
Stock index fund ⁽²⁾	70,528,506	-		
Total investments measured at NAV	<u>\$ 77,850,645</u>			
2024				
Investment	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments Measured at Net Asset Value (NAV)				
Real estate funds ⁽¹⁾	\$ 9,404,486	-	Quarterly	60 days
Stock index fund ⁽²⁾	55,854,558	-		
Total investments measured at NAV	<u>\$ 65,259,044</u>			

⁽¹⁾*Real estate funds*: This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Redemption requests must be received by the fund 60 days prior to quarter-end, and to the extent the fund has liquid assets, redemption requests will be redeemed after quarter-end when that quarter's per share price is published. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

⁽²⁾*Stock Index Fund*: This fund's investment objective is to track the performance of the S&P 500 Index by investing in a portfolio of large capitalization equity securities. The Fund is expected to be diversified, so that at least 75% of its total assets are represented by cash and cash items, government securities, securities of other investment companies, and other securities limited in respect of any one issuer to any amount not greater than 5% of total assets. The Fund is constructed to mirror the Index and if it is unable to maintain such diversification at any time, it will prioritize matching the performance of the Index. These funds are valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Notes To Financial Statements

NOTE 4. NET PENSION LIABILITY OF THE COUNTY

The components of the net pension liability of the County at December 31, 2025 and 2024 were as follows:

	2025	2024
Total pension liability	\$ 179,996,977	\$ 177,505,125
Plan fiduciary net position	172,251,348	153,811,076
Net pension liability of the County	<u>\$ 7,745,629</u>	<u>\$ 23,694,049</u>
Plan fiduciary net position as a percentage of the total net pension liability	95.70%	86.65%

Assumptions for inflation and salary increases were 2.5% and 3% to 9.5%, respectively.

Mortality assumptions used the following, as required by state statute:

The following sex-distinct tables are used with fully generational mortality improvements using sex-distinct Scale MP-2021:

Active:	Male: PubG.H-2010 male employee set back 1 year Female: PubG.H-2010 female employee
Healthy Retiree:	Male: PubG.H-2010 male healthy retiree set back 1 year Female: PubG.H-2010 female healthy retiree
Beneficiaries:	Male: PubG.H-2010 male healthy retiree set back 1 year Female: PubG.H-2010 female healthy retiree
Disabled Retiree:	Male: PubG.H-2010 male disabled retiree set forward 4 years Female: PubG.H-2010 female disabled retiree set forward 4 years

The discount rate used to measure the total pension liability was 7.0%, for the fiscal years ending December 31, 2025 and 2024. This is the single rate that reflects the long-term expected net rate of return on pension plan investments expected to be used to finance the payment of benefits, including inflation. The projection of cash flows used to determine this single discount rate assumed that the 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 payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments (7.0%) was applied to all periods of projected benefit payments to determine the total pension liability.

Notes To Financial Statements

NOTE 4. NET PENSION LIABILITY OF THE COUNTY (CONTINUED)

The following presents the net pension liability of the County, calculated using the discount rate of 7.0% for the 2025 fiscal year, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount	1% Increase
6.00%	Rate Assumption	8.00%
7.00%		
\$ 26,155,007	\$ 7,745,629	\$ (7,910,699)

The following presents the net pension liability of the County, calculated using the discount rate of 7.0% for the 2024 fiscal year, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Single Discount	1% Increase
6.00%	Rate Assumption	8.00%
7.00%		
\$ 41,994,014	\$ 23,694,049	\$ 8,143,058

NOTE 5. INCOME TAXES

The Plan's Administrator and the Plan's Tax Counsel believe the Plan is currently designed and is being operated in compliance with the applicable requirements of the Internal Revenue Service Code and that, therefore, the Plan continues to qualify under Section 401(a) as tax-exempt as of December 31, 2025. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 8, 2026 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Year Ending December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 4,276,061	\$ 4,403,454	\$ 4,295,336	\$ 4,461,980	\$ 4,348,404	\$ 4,130,151	\$ 4,040,432	\$ 4,022,548	\$ 3,657,542	\$ 3,614,568
Interest	12,365,612	11,990,036	11,544,317	11,183,833	10,912,701	10,597,228	10,357,277	10,013,496	9,655,384	9,070,466
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between actual and expected experience	(1,940,015)	(1,567,457)	(277,451)	(1,431,145)	(1,534,186)	(1,369,424)	(1,085,883)	(1,801,094)	(2,489,675)	260,004
Assumption changes	(1,950,645)	-	-	-	3,815,456	3,572,156	1,674,262	3,193,461	(523,606)	-
Benefit payments, including refunds of member contributions	(10,259,161)	(9,346,221)	(9,121,976)	(8,572,850)	(8,241,414)	(7,606,438)	(7,205,264)	(6,625,328)	(5,898,029)	(5,467,344)
Net change in total pension liability	2,491,852	5,479,812	6,440,226	5,641,818	9,300,961	9,323,673	7,780,824	8,803,083	4,401,616	7,477,694
Total pension liability, beginning	177,505,125	172,025,313	165,585,087	159,943,269	150,642,308	141,318,635	133,537,811	124,734,728	120,333,112	112,855,418
Total pension liability, ending (a)	<u>\$ 179,996,977</u>	<u>\$ 177,505,125</u>	<u>\$ 172,025,313</u>	<u>\$ 165,585,087</u>	<u>\$ 159,943,269</u>	<u>\$ 150,642,308</u>	<u>\$ 141,318,635</u>	<u>\$ 133,537,811</u>	<u>\$ 124,734,728</u>	<u>\$ 120,333,112</u>
Plan fiduciary net position										
Contributions - County	\$ 6,066,062	\$ 6,054,703	\$ 6,189,910	\$ 6,390,895	\$ 6,268,796	\$ 6,338,056	\$ 5,809,852	\$ 5,509,648	\$ 5,421,844	\$ 5,589,705
Contributions - members	1,161,764	1,234,177	1,049,253	1,012,503	987,691	976,061	943,170	923,986	912,362	867,999
Net investment income	21,786,797	17,510,886	13,337,512	(25,591,793)	17,116,840	19,587,534	19,052,799	(4,414,367)	12,590,071	5,754,084
Benefit payments, including refunds of member contributions	(10,259,161)	(9,346,221)	(9,121,976)	(8,572,850)	(8,241,414)	(7,606,438)	(7,205,264)	(6,625,328)	(5,898,029)	(5,467,344)
Administrative expenses	(315,190)	(295,327)	(248,036)	(312,967)	(287,715)	(277,662)	(276,527)	(372,153)	(213,695)	(157,019)
Net change in plan fiduciary net position	18,440,272	15,158,218	11,206,663	(27,074,212)	15,844,198	19,017,551	18,324,030	(4,978,214)	12,812,553	6,587,425
Plan fiduciary net position, beginning	153,811,076	138,652,858	127,446,195	154,520,407	138,676,209	119,658,658	101,334,628	106,312,842	93,500,289	86,912,864
Plan fiduciary net position, ending (b)	<u>\$ 172,251,348</u>	<u>\$ 153,811,076</u>	<u>\$ 138,652,858</u>	<u>\$ 127,446,195</u>	<u>\$ 154,520,407</u>	<u>\$ 138,676,209</u>	<u>\$ 119,658,658</u>	<u>\$ 101,334,628</u>	<u>\$ 106,312,842</u>	<u>\$ 93,500,289</u>
Net pension liability, ending (a) - (b)	<u>\$ 7,745,629</u>	<u>\$ 23,694,049</u>	<u>\$ 33,372,455</u>	<u>\$ 38,138,892</u>	<u>\$ 5,422,862</u>	<u>\$ 11,966,099</u>	<u>\$ 21,659,977</u>	<u>\$ 32,203,183</u>	<u>\$ 18,421,886</u>	<u>\$ 26,832,823</u>
Plan fiduciary net position as a percentage of the total pension liability	95.70%	86.65%	80.60%	76.97%	96.61%	92.06%	84.67%	75.88%	85.23%	77.70%
Covered employee payroll	\$ 38,473,916	\$ 37,644,012	\$ 36,250,347	\$ 33,641,561	\$ 32,799,623	\$ 32,525,195	\$ 31,395,399	\$ 30,674,568	\$ 30,402,375	\$ 30,061,310
Net pension liability as a percentage of covered employee payroll	20.13%	62.94%	92.06%	113.37%	16.53%	36.79%	68.99%	104.98%	60.59%	89.26%

Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contribution as a % of Covered Payroll
2025	\$ 6,066,062	\$ 6,066,062	\$ -	\$ 38,473,916	15.8%
2024	6,054,703	6,054,703	-	37,644,012	16.1%
2023	6,189,910	6,189,910	-	36,250,347	17.1%
2022	6,390,895	6,390,895	-	33,641,561	19.0%
2021	6,268,796	6,268,796	-	32,799,623	19.1%
2020	6,338,056	6,338,056	-	32,525,195	19.5%
2019	5,809,852	5,809,852	-	31,395,399	18.5%
2018	5,509,648	5,509,648	-	30,674,568	18.0%
2017	5,421,844	5,421,844	-	30,402,375	17.8%
2016	5,482,364	5,589,705	(107,341)	30,061,310	18.2%

Valuation date: January 1, 2024

Methods and assumptions used to determine contribution rate:

Actuarial cost method:	Entry age.
Asset valuation method:	Five-year smoothed market.
Amortization method:	Level percent of pay, closed.
Remaining amortization period:	New amortization bases are set up over 25 years.
Inflation:	2%.
Salary increases:	5% to 12.5%, including inflation.
Investment rate of return:	7.0% net of investment expenses, including inflation.
Retirement age:	Tier 1 Members with at least 10 years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 62 and 64. Members with at least five years of service and who have not reached the Rule of 85 retire at a rate of 10% between age 65 and 68. Tier 1 Members who are age 69 or have met the Rule of 85 are assumed to retire immediately. Tier 2 and 3 Members are assumed to retire at the earliest of 65 with 5 years of service, age 62 with 10 years of service, or at 33 years of service regardless of age. Tier 4 Members are assumed to retire at the earliest of 65 with eight years of service or 62 with 10 years of service.
Mortality:	Mortality rates are those required by state statute. Mortality is as assumed in one of the last two valuations for the Florida Retirement System (FRS) for non-special risk and non-school instructional personnel, as follows: The following two sex-distinct tables are used with fully generational mortality improvements using sex-distinct Scale MP-2018: Healthy Active: PubG.H-2010(B) (male set back one year). Healthy Retiree: PubG.H-2010(B) (male set back one year). Juvenile rates were used for ages 15-17. The active table references the healthy retiree rates, above, at ages 81+. The healthy retiree table references the active mortality rates, above, before age 51. The following sex-distinct table was used with no mortality improvement assumed: Disabled Retiree: PubG.H-2010 (male and female set forward three years).
Benefit changes:	None.
Changes in assumptions:	None.

Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Year Ended September 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2025	14.1%
2024	12.5%
2023	10.4%
2022	-16.3%
2021	12.3%
2020	16.5%
2019	18.9%
2018	-4.0%
2017	14.0%
2016	7.4%

OTHER SUPPLEMENTARY INFORMATION

Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan

SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Administrative expenses		
Administrative services	\$ 141,434	\$ 134,353
Legal services	41,311	38,481
Actuarial services	77,616	73,450
Accounting services	21,000	20,000
Liability insurance	11,870	11,718
Trustee expenses	17,951	14,287
Other administrative expenses	4,008	3,038
Total administrative expenses	<u>\$ 315,190</u>	<u>\$ 295,327</u>
Investment expenses		
Investment management fees	\$ 175,319	\$ 230,564
Custodial fees	60,023	64,072
Performance monitoring fees	48,000	36,000
Total investment expenses	<u>\$ 283,342</u>	<u>\$ 330,636</u>

See accompanying Independent Auditor's Report.

OTHER AUDITOR'S REPORT



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**To the Board of Trustees
Palm Tran Inc. – Amalgamated Transit
Union Local 1577 Pension Plan
Delray Beach, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Palm Tran, Inc. – Amalgamated Transit Union Local 1577 Pension Plan (the "Plan") as of and for the year ended December 31, 2025, and the related notes to the financial statements, and have issued our report thereon dated June 8, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Bradenton, Florida
June 8, 2026