

West Palm Beach Police Pension Fund

ANNUAL ACTUARIAL VALUATION AS OF SEPTEMBER 30, 2025



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REPORT OF SEPTEMBER 30, 2025 ACTUARIAL VALUATION

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April 8, 2026

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

**Re: West Palm Beach Police Pension Fund
Actuarial Valuation as of September 30, 2025**

The results of the September 30, 2025 Annual Actuarial Valuation of the West Palm Beach Police Pension Fund (the Plan) are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Plan and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Plan's funding progress, to determine the employer contribution rate for the fiscal year ending September 30, 2027, and to determine the actuarial information for GASB Statement No. 67 for the fiscal year ending September 30, 2025. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics in Section A but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

We have assessed that the contribution rate calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the System accumulating adequate assets to make benefit payments when due.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data or other information through September 30, 2025. The valuation was based upon information furnished by the Plan Administrator concerning Pension Fund benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Methods. The investment return assumption was prescribed by the Board and the assumed mortality rates detailed in the Actuarial Assumptions and Methods section were prescribed by the Florida Statutes in accordance with Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are reasonable for purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e. not significantly optimistic or pessimistic).

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

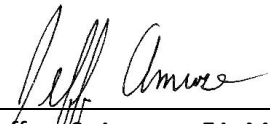
The signing actuaries are independent of the plan sponsor.

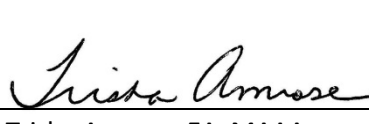
This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By 
Jeffrey S. Amrose, EA, MAAA
Enrolled Actuary No. 26-6599

By 
Trisha Amrose, EA, MAAA
Enrolled Actuary No. 26-8010



SECTION A

**VALUATION RESULTS, COMMENTS, CONCLUSION,
RECOMMENDATIONS, ACTUARIAL EXPERIENCE AND ACCRUED
LIABILITIES**

FUNDING OBJECTIVE

The funding objective for the defined benefit provisions of the Pension Fund is to establish and receive contributions, expressed as percents of active member payroll, which will remain approximately level from year to year and will not have to be increased for future generations of citizens in the absence of benefit changes. This objective is stated in the Pension Fund special act and meets the requirements of Part VII, Chapter 112, Florida Statutes and Chapter 185 Florida Statutes.

CONTRIBUTION RATES

The defined benefit provisions of the Pension Fund are supported by member contributions, City contributions, Chapter 185 revenue (for fiscal years beginning October 1, 2011, October 1, 2012, and October 1, 2014), and investment income from Pension Fund assets.

The Share Accounts are supported by Chapter 185 receipts and investment income. No Share Plan allocations were made for fiscal years ending September 30, 2011, September 30, 2012, and September 30, 2014. Individual Share and DROP Accounts may accept accumulated leave paid out at termination up to the amount permitted by law.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to:

- (1) cover the actuarial costs allocated to the current year (normal cost) by the actuarial cost methods described in Section C; and
- (2) finance over a period of future years the actuarial costs not covered by present assets and anticipated future normal costs (unfunded actuarial accrued liability).

Contribution requirements for the plan year beginning October 1, 2026 are shown on page A-2. It is anticipated that the contribution will be paid to the Fund during the Plan and Fiscal year beginning October 1, 2026.



CONTRIBUTIONS NEEDED TO FINANCE DEFINED BENEFITS OF THE PENSION FUND

Defined Benefit Contributions for For Fiscal Year Beginning	Contributions Expressed as Percents of UnDROPed Payroll(1)		Contributions Expressed as Percents of Payroll Including DROP	
	October 1, 2026	October 1, 2025	October 1, 2026	October 1, 2025
Normal Cost:				
Service pensions	25.42 %	27.25 %	19.79 %	21.36 %
Disability pensions	2.28	2.38	1.77	1.87
Survivor pensions				
Pre-retirement	0.24	0.24	0.18	0.19
Post-retirement	1.63	1.70	1.27	1.33
Termination benefits:				
Deferred service pensions	1.70	1.78	1.32	1.40
Refunds of member contributions	0.69	0.65	0.54	0.51
Total Normal Cost	<u>31.96</u>	<u>34.00</u>	<u>24.87</u>	<u>26.66</u>
Unfunded Actuarial Accrued Liability (UAAL):				
Retired members and beneficiaries	0.00	0.00	0.00	0.00
Active and vested terminated members	27.34	23.84	21.28	18.70
Total UAAL	<u>27.34</u>	<u>23.84</u>	<u>21.28</u>	<u>18.70</u>
Administrative Expenses (net of charges to Share and DROP accounts)	1.25	1.33	0.97	1.04
Total Calculated Contribution Requirement	60.55 %	59.17 %	47.12 %	46.40 %
Adjustments to Calculated Contribution Requirement:				
Temporary full funding credit	0.00	0.00	0.00	0.00
FS112.64(5) compliance	0.00	0.00	0.00	0.00
Total adjustments	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Adjusted Contribution Requirement:	60.55 %	59.17 %	47.12 %	46.40 %
Member portion	11.00 %	11.00 %	8.56 %	8.62 %
Chapter 185 portion	0.00 %	0.00 %	0.00 %	0.00 %
City portion	49.55 % ⁽²⁾	48.17 %	38.56 %	37.78 %
Expected Covered Payroll for Contribution Year	31,129,583	30,886,929	39,989,539	39,395,422
City Contribution Requirement Paid Quarterly	15,424,711	14,878,237	15,424,711	14,878,237
City Contribution Requirement Paid at				
Beginning of Fiscal Year	14,911,631	14,383,335	14,911,631	14,383,335
Use of Contribution Stabilization Reserve (3)	2,144,640	2,104,858	2,144,640	2,104,858
Net City Contribution Requirement Paid at				
Beginning of Fiscal Year	12,766,991	12,278,477	12,766,991	12,278,477
As a Percentage of Covered Payroll	41.01 %	39.75 %	31.93 %	31.17 %

Unfunded actuarial accrued liability is financed as a level percent of member payroll. Please refer to page A-12 for a schedule of financing periods.

FS 112.64 requires City contributions to be deposited not less frequently than quarterly. Member contributions, which are in addition to City contributions, must be deposited immediately after each pay period. Chapter 185 monies must be deposited within 5 days of receipt from the State.

Procedures for determining dollar contribution amounts are shown on page A-3.

(1) Please refer to page A-3 for an explanation.

(2) This amount is reduced to 47.90% of covered UnDROPed payroll if the contribution is made on October 1, 2026.

(3) Please refer to page B-7 for the determination of the offset due to the application of the Contribution Stabilization Reserve.



DETERMINING CITY DOLLAR CONTRIBUTIONS

For any period of time, the percent-of-payroll contribution rate needs to be converted to dollar amounts. We recommend the following procedure.

Contribute \$13,280,071. This amount is derived from the City portion of the contribution rate on page A-2. The unDROPed payroll was increased by a factor of 1.068254 (1.045^{1.5}) to reflect projected payroll growth to the fiscal year during which the contribution will be made.

The above contribution amount was calculated on the basis of contributions being made in a manner which is financially equivalent to making one-quarter of the contribution at the mid-point of each calendar quarter. If contributions are made on a later schedule, interest should be added at the rate of 0.57% (.0057) for each month of delay. If 100% of the City's contribution is made on an earlier schedule, the City's contribution requirement may be reduced. For an October 1, 2026 contribution date, the City's contribution requirement is \$12,766,991.

The actual employer contribution received during the fiscal year ending September 30, 2025 was \$8,025,741. Additionally, \$2,103,494 of the Contribution Stabilization Reserve was applied toward the required contribution for the year, resulting in a total employer contribution of \$10,129,235. The actuarially determined minimum required contribution, reflecting an October 1, 2024 payment date, was \$10,123,048. Based on this, the City required contribution has been met for the fiscal year ending September 30, 2025.



FUNDING PROGRESS INDICATORS

There is no single all-encompassing measure of a pension fund's funding progress and current funded status.

A traditional measure has been the relationship of the funding value of assets to unfunded actuarial accrued liability -- a measure that is influenced by the choice of actuarial cost method. This relationship is shown on page A-13.

We believe a better understanding of funding progress and status can be achieved using the following measures which are less dependent on the actuarial cost method.

Indicator (1) Gains or losses realized in the operation of the pension fund. Gains and losses are expected to cancel each other over a period of years but sizable year to year fluctuations are common. Further details on the derivation of the gain (loss) are shown on page A-11.

Indicator (2) The ratio of valuation assets to the accrued liability. The ratio is expected to increase but the trend may be interrupted by actuarial losses and benefit improvements.

Indicator (3) The ratio of the unfunded accrued liability to member payroll. The ratio is expected to decrease but the trend may be interrupted by actuarial losses and benefit improvements.

FUNDING PROGRESS INDICATORS - HISTORICAL SCHEDULE
(\$ AMOUNTS IN THOUSANDS)

Valuation Date September 30	Indicator 1 Gain (Loss)	Indicator 2			Indicator 3		
		Funding Value of Assets	AAL	Funded Ratio	Unfunded AAL	Member Payroll#	Ratio to Payroll
1995 (a)	7,969	65,446	68,466	95.6 %	3,020	8,942	33.8
1996	3,801	75,829	75,233	100.8	(596)	8,813	(6.8)
1997	11,915	97,029	84,212	115.2	(12,817)	9,255	(138.5)
1998 (a)	(2,055)	106,055	95,292	111.3	(10,763)	10,974	(98.1)
1999	1,317	117,800	106,614	110.5	(11,186)	11,753	(95.2)
2000	1,307	127,732	116,825	109.3	(10,907)	12,645	(86.3)
2001	(1,194)	130,913	121,161	108.0	(9,752)	14,174	(68.8)
2002	(20,340)	121,789	132,426	92.0	10,637	15,589	68.2
2003 (a)	(6,970)	126,420	145,824	86.7	19,403	17,355	111.8
2004 (a)	(8,290)	128,623	153,354	83.9	24,731	17,834	138.7
2005	(1,394)	139,646	165,387	84.4	25,740	17,853	144.2
2006	(1,345)	154,408	182,231	84.7	27,823	18,391	151.3
2007	18,832	187,332	200,536	93.4	13,204	19,543	67.6
2008	(8,914)	191,001	209,842	91.0	18,841	21,394	88.1
2009	(11,643)	193,614	224,471	86.3	30,858	21,264	145.1
2010	(6,545)	197,179	235,148	83.9	37,969	19,830	191.5
2011 (a)	(14,464)	193,879	254,617	76.1	60,737	19,142	317.3
2012 (a)	(3,649)	206,006	272,724	75.5	66,718	16,575	402.5
2013 (a)	3,186	225,469	289,949	77.8	64,479	16,819	383.4
2014 (a)	3,621	245,070	305,376	80.3	60,306	17,461	345.4
2015 (a)	2,094	313,182	322,692	97.1	9,510	19,210	49.5
2016 (a)	(622)	335,208	342,892	97.8	7,684	20,369	37.7
2017 (a)	(567)	352,552	366,391	96.2	13,839	21,910	63.2
2018 (a)	(118)	371,296	390,387	95.1	19,091	23,793	80.2
2019 (a)	(785)	389,635	414,553	94.0	24,918	24,216	102.9
2020 (a)	8,356	410,350	427,593	96.0	17,243	23,193	74.3
2021 (a)	12,321	485,339	496,343	97.8	11,004	23,075	47.7
2022	(26,803)	487,066	524,687	92.8	37,621	23,568	159.6
2023 (a)	(23,186)	490,771	550,401	89.2	59,631	24,402	244.4
2024 (a)	(10,380)	503,913	598,006	84.3	94,093	28,913	325.4
2025	(8,064)	520,744	626,079	83.2	105,335	29,141	361.5

(a) After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

(b) Before changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

Excludes DROP participants.

AAL represents actuarial accrued liability



COMMENTS AND CONCLUSION

COMMENT A

There have been no changes in plan provisions or in the actuarial assumptions and methods since the previous valuation. However, this report does not reflect the pending amendment to the Special Act that has not yet been enacted by the Florida Legislature. The proposed amendment would increase the benefit multiplier from 3.0% to 3.2% for retirements on or after October 1, 2026, and includes additional revisions to the Special Act. The impact of this proposed amendment was measured in our Actuarial Impact Statement dated October 9, 2025. A Supplemental Valuation Report will be prepared upon enactment.

COMMENT B

The funded ratio this year is 83.2% compared to 84.3% last year. The funded ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

COMMENT C

The activities of the Pension Fund and its members generated an experience loss of \$8,064,298 during the plan year ended September 30, 2025. Please refer to pages B-6, B-16, C-4, C-5, and C-6 for additional experience information. The primary source of the actuarial loss was investment earnings less than expected. The investment return for the FYE 2025 on the actuarial (smoothed) value of assets was 4.2% compared to the assumed rate of 7%. The investment return on the market value of assets for FYE 2025 was 9.1%.

Currently the actuarial value of assets, which is used to determine the contribution requirements and funded ratios for the Fund, is lower than the market value by 1.4%, or \$7.3 million (see page B-6). If the deferred investment gains and losses were fully recognized on September 30, 2025, the City contribution would decrease by 1.77% of covered payroll to 39.24% of covered payroll after the application of the Contribution Stabilization Reserve, and the funded ratio would increase from 83.2% to 84.3%.

However, the remaining 20% of the significant investment loss from the FYE 2022 will be recognized next year in 2026 (80% was recognized over the last four years). The recognition of this loss (along with the loss for FYE 2023) will put upward pressure on the contribution requirements and downward pressure on the funded ratios next year.

COMMENT D

Another potential area of variability has to do with the annual payment on the unfunded accrued liability (UAL). This payment is computed as a level percent of covered payroll under the assumption that covered payroll will rise by 2.5% per year. According to the Florida Statutes, this payroll growth assumption may not exceed the average growth over the last ten years which is 4.26%. Amortizing the UAL as a level percent of payroll using a 0% payroll growth assumption instead of a 2.5% payroll growth assumption would have caused the required contribution to increase by approximately \$1.8 million.

COMMENT E

The value of the Contribution Stabilization Reserve is \$15,785,638 as of September 30, 2025. Page A-2 shows the net Required City Contributions for FYE 2026 and FYE 2027 reflecting the application of the Contribution Stabilization Reserve pursuant to the Board's Funding Policy. The determination of the offset due to the application of the Contribution Stabilization Reserve is shown on page B-7.

CONCLUSION

The remainder of the Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.



RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page A-2 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.



RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2025</u>	<u>2024</u>
Ratio of the market value of assets to payroll	17.73	16.77
Ratio of actuarial accrued liability to payroll	21.02	20.23
Ratio of actives to retirees and beneficiaries	0.7	0.7
Ratio of net cash flow to market value of assets	-2.15 %	-2.78 %

RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

This risk metric is elevated in this Plan compared to other plans, which indicates that investment experience will cause a more significant amount of volatility in the City contribution rate than in other plans with a lower ratio.

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

ADDITIONAL RISK ASSESSMENT

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

The following information has been prepared in compliance with this requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: \$761,848,384

B. Discount rate used to calculate the LDROM: 4.90% based on Bond Buyer “20-Bond GO Index” as of September 25, 2025

C. Other significant assumptions that differ from those used for the funding valuation: none

D. Actuarial cost method used to calculate the LDROM: Individual Entry-Age Actuarial Cost Method

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: none

F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.



**EXPERIENCE GAIN (LOSS) FOR
YEAR ENDED SEPTEMBER 30, 2025
(DEFINED BENEFIT)**

(1) UAAL at start of year	\$ 94,092,774
(2) Normal cost for year (ER normal cost and expenses x unDROPEd pay)	7,178,417
(3) Actual City Contribution Including Use of Contribution Stabilization Reserve	10,129,235
(4) Interest accrual [(1) + 1/2 x (2) - (3)] x 7.00%	6,128,692
(5) Expected UAAL before changes (1) + (2) - (3) + (4)	97,270,648
(6) Effect of assumption/method changes	0
(7) Effect of benefit changes	0
(8) Supplemental pension distribution	0
(9) Expected UAAL after changes (5) + (6) + (7) + (8)	97,270,648
(10) Actual UAAL at end of year	105,334,946
(11) Gain/(Loss) (9) - (10)	(8,064,298)
(12) Gain/(Loss) Due to Investments	(9,139,948)
(13) Gain/(Loss) Due to Other Sources	1,075,650

UAAL represents unfunded actuarial accrued liability.



SOURCES AND FINANCING OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Source of Unfunded Act. Accrued Liab.	Initial Amount	Current Amount	Remaining Financing Period	Amortization Payment	% of Payroll Contribution
Combined unfunded actuarial accrued liability at October 1, 2021					
9/30/2021	8,152,630	8,578,747	13 yrs.	861,267	2.89%
Changes from experience deviations (20 year initial financing period)					
9/30/2022	26,803,273	29,452,742	17	2,441,591	8.20%
9/30/2023	23,186,072	24,552,905	18	1,958,836	6.58%
9/30/2024	10,380,382	10,733,019	19	826,500	2.77%
9/30/2025	8,064,298	8,064,298	20	600,970	2.02%
Changes from actuarial assumption revisions (30 year initial financing period)					
9/30/2023	(2,679,555)	(2,885,109)	28	(177,157)	(0.59)%
9/30/2024	22,691,288	23,629,047	29	1,425,198	4.78%
Changes from amendments (30 year initial financing period)					
9/30/2021	2,851,511	3,209,297	26	204,956	0.69%
		<u>\$ 105,334,946</u>		<u>\$ 8,142,161</u>	<u>27.34%</u>



UNFUNDED ACTUARIAL ACCRUED LIABILITY

	9/30/2025	9/30/2024
A. Actuarial present value of future benefits including Share Account balances, DROP Account balances, Supplemental Pension Distribution reserve, and Contribution Stabilization Reserve	\$ 711,757,484	\$ 688,687,311
B. Actuarial present value of future normal costs	<u>85,678,583</u>	<u>90,681,047</u>
C. Actuarial accrued liability	626,078,901	598,006,264
D. Funding value of assets	<u>520,743,955</u>	<u>503,913,490</u>
E. Unfunded actuarial accrued liability	<u>\$ 105,334,946</u>	<u>\$ 94,092,774</u>

**RECOMMENDED AND ACTUAL CONTRIBUTIONS FOR DEFINED BENEFITS
HISTORICAL SCHEDULE**

Fiscal Year	Valuation Date 9/30	City Dollar Contributions		Recommended City Percent of Payroll Contribution Rates
		Recommended	Actual *	
82/83	1981	\$ 777,053	\$ 818,769	23.93 %
83/84 (a)	1982	865,930	944,636	22.86
84/85	1983	913,867	990,862	21.50
85/86 (a)	1984	961,431	1,113,735	21.52
86/87	1985	986,683	1,190,205	20.53
87/88 (a)	1986	1,210,379	1,585,161 (1)	20.74 #
88/89 (a)	1987	1,423,887	1,627,024	22.01 #
89/90	1988	1,723,519	1,937,986	23.28
90/91	1989	1,929,004	2,264,201	24.01
91/92	1990	2,127,589	1,658,885 @	24.80
92/93	1991	2,219,809	2,117,441 @	24.11
93/94	1992	2,257,412	2,235,881 @	23.42
94/95 (a)	1993	2,238,679	2,213,297 @	23.81
95/96 (a)	1994	2,446,700	2,446,256 @	25.91
96/97 (a)	1995	2,332,069	2,332,069	24.24
97/98	1996	2,230,247	1,747,540 @	23.52
98/99	1997	1,764,510	1,764,510	17.72
99/00 (a)	1998	1,462,965	1,483,807	12.39
00/01	1999	1,474,445	1,487,320	11.66
01/02	2000	1,699,292	1,699,815	12.49
02/03	2001	1,974,891	1,975,410	12.95
03/04	2002	3,498,786	3,498,068	20.86
04/05 (a)	2003	4,197,731	4,197,731	22.48
05/06 (a)	2004	3,799,257	3,799,257	19.80
06/07	2005	3,812,530	3,812,530	20.65
07/08	2006	4,056,590	4,056,590	21.49
08/09	2007	3,433,646	3,433,646	16.99
09/10	2008	4,057,571	4,057,571	17.63
10/11	2009	5,028,968	5,028,968	21.98
11/12 (a)	2010	4,796,575	4,796,576	27.15
12/13 (a)	2011	6,506,923	6,506,923	31.82
13/14 (a)	2012	8,941,538	8,941,538	50.50
14/15 (a)	2013	8,644,805	8,644,805	48.30
15/16 (a)	2014	9,726,454	9,726,454	52.14
16/17 (a)	2015	3,285,065	3,285,065	15.91
17/18 (a)	2016	3,131,968	3,556,968	14.39
18/19 (a)	2017	4,363,006	4,363,006	18.64
19/20 (a)	2018	5,240,652	5,240,652	20.62
20/21 (a)	2019	5,935,584	5,935,584	22.95
21/22 (a)	2020	5,354,106	5,354,106	21.61
22/23 (a)	2021	5,657,198	5,657,198	22.95
23/24	2022	7,790,908	7,790,908 **	30.95
24/25 (a)	2023	10,123,048	10,129,235 **	38.83
25/26 (a)	2024	14,383,335		46.57
26/27	2025	14,911,631		47.90

(b) Before changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.

(a) After changes described in (b).

Recomputed to reflect 1988 Amendments to the Special Act.

(1) Including compliance issue City contribution receivable of \$267,441 from 87/88 fiscal year.

@ Excluding the difference between recommended and actual which was transferred from the reserve for prepaid contributions.

* The actual contributions were made throughout the fiscal year prior to October 1, 2006. Since then, the actual contributions are made at the beginning of the fiscal year, resulting in the adjustment from the corresponding recommended contributions.

** Includes the application of the Contribution Stabilization Reserve.



NOTES TO HISTORICAL CONTRIBUTIONS SCHEDULE

9/30/1998 Valuation: Effective October 1, 1999, increase from 2.5% to 3.0% multiplier for service after March 31, 1987, increase from 6.45% to 7.0% member contributions, and increase the minimum from 7.0% to 8.25% investment return for the 13th check threshold.

9/30/2001 Valuation: First report to use a 4-year smoothed market value asset valuation method.

9/30/2002 Valuation: Removed Share Accounts from smoothed market value.

9/30/2003 Valuation: First report to include minimum 66 2/3% of pay for Duty Death in service. Investment expenses removed from Contribution requirement. Removed DROP Accounts from smoothed market value.

9/30/2004 Valuation: The member contribution rate for pensions will increase to 9% of salary effective January 1, 2005, to 10.0% of salary effective January 1, 2006, and to 11.0% of salary effective January 1, 2007. Overtime includable in Final Average Salary was prospectively limited to 400 hours per year.

9/30/2010 Valuation: The Chapter 185 revenue of \$996,459 received during calendar year 2011 will be used to offset the required contribution for the fiscal year beginning October 1, 2011.

9/30/2011 Valuation: The Chapter 185 revenue received during calendar year 2012 will be used to offset the required contribution for the fiscal year beginning October 1, 2012. The benefit multiplier for service accrued after September 30, 2011 was lowered from 3.00% to 2.68%. Effective January 1, 2013, the limit on the amount of overtime that is included in pensionable compensation is lowered from 400 hours to 300 hours. The investment return assumption was lowered from 8.25% to 8.00%, along with additional changes in actuarial assumptions as a result of the Ten-Year Experience Study Report covering the period October 1, 2000 through September 30, 2010.

9/30/2012 Valuation: This valuation reflects the second year of phasing in the recognition of the mortality table change from the 1983 Group Annuity Mortality Table to the RP-2000 Combined Healthy Participant Mortality Table using Scale AA after 2000 to reflect future mortality improvements.

9/30/2013 Valuation: This valuation reflects the third year of phasing in the recognition of the mortality table change detailed above.

9/30/2014 Valuation: This valuation reflects the fourth year of phasing in the recognition of the mortality table change detailed above.

9/30/2015 Valuation: This valuation reflects the fifth and final year of phasing in the recognition of the mortality table change detailed above.



NOTES TO HISTORICAL CONTRIBUTIONS SCHEDULE

9/30/2016 Valuation: The investment return assumption was lowered from 8.00% to 7.875%. The mortality assumption was changed from the RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA to the mortality assumption used by the Florida Retirement System (FRS) for Special Risk Class members in the actuarial valuation as of July 1, 2016.

9/30/2017 Valuation: The investment return assumption was lowered from 7.875% to 7.75%. The Special Act was amended by increasing the benefit multiplier from 2.68% to 3.00% for Credited Service earned on or after October 1, 2017.

9/30/2018 Valuation: The investment return assumption was lowered from 7.75% to 7.625%.

9/30/2019 Valuation: The investment return assumption was lowered from 7.625% to 7.50%.

9/30/2020 Valuation: The investment return assumption was lowered from 7.50% to 7.25%. The mortality assumption was changed from the mortality assumption used by the Florida Retirement System (FRS) for Special Risk Class members in the FRS actuarial valuation as of July 1, 2018 to the mortality assumption used by the FRS for Special Risk Class members in the FRS actuarial valuation as of July 1, 2019, as mandated by Florida Statutes Chapter 112.63(1)(f).

9/30/2021 Valuation: The investment return assumption was lowered from 7.25% to 7.00%. The Funding Value of Assets was set equal to the market value. A Supplemental Pension Distribution of \$19,516,400 was determined for the fiscal year ending September 30, 2021 based on the Plan's accumulated gain position as of September 30, 2021. A Contribution Stabilization Reserve of \$15,500,000 was established. The Unfunded Actuarial Accrued Liability (UAAL) amortization bases were combined and offset, in accordance with the methodology described for combining and offsetting amortization bases under Internal Revenue Code Section 412(b). In addition, the Plan was amended in accordance with House Bill 929, which was signed into law. Under this plan amendment, the 3% benefit multiplier was restored (from 2.68%) for all years of service between October 1, 2011 to October 1, 2017 for members who retire (including entry into the DROP) after the effective date of May 6, 2022.

9/30/2023 Valuation: The assumed rates of salary increase, retirement, withdrawal, and disability were updated, along with loads added to pre-fund the gains/losses for the Supplemental Pension Distribution and the DROP/Share Plan interest crediting rate. In addition, the actuarial value of assets calculation was revised to use 5-year smoothing effective September 30, 2022. Please see the Experience Investigation for the 9-Year Period Ended September 30, 2023 report dated March 7, 2024 for additional details.

9/30/2024 Valuation: The rates of salary increase were updated for the first year only to include a 17% increase effective on October 1, 2024. The mortality tables and improvement scales were updated in this year's actuarial valuation report to reflect the mortality assumptions that were used in the July 1, 2024 FRS actuarial valuation for Special Risk Class Members.



ACTUARIAL BALANCE SHEET - SEPTEMBER 30, 2025

Present Resources And Expected Future Resources

A. Funding Value of Plan Assets	
Funding Value of Assets	\$ 337,708,309
Share Accounts	82,073,044
DROP Accounts	<u>100,962,602</u>
Total Assets	520,743,955
B. Actuarial Present Value of Expected Future Employer Contributions:	
1. For Normal Costs	56,120,803
2. For UAAL	<u>105,334,946</u>
3. Total	161,455,749
C. Actuarial Present Value of Expected Future Member Contributions	<u>29,557,780</u>
D. Total Present and Expected Future Resources	<u>\$ 711,757,484</u>

Actuarial Present Value of Expected Future Benefit Payments and Reserves

A. To retirees and beneficiaries	\$ 298,915,069
B. To vested terminated members	2,704,754
C. To present active members:	
1. Allocated to service rendered prior to valuation date	125,637,794
2. Allocated to service likely to be rendered after valuation date	<u>85,678,583</u>
3. Total	211,316,377
D. Total actuarial present value of expected future benefit payments	512,936,200
E. Reserve for Chapter 185 Share Accounts	82,073,044
F. Reserve for Supplemental Pension Distribution	0
G. Reserve for DROP balances	100,962,602
H. Contribution Stabilization Reserve	<u>15,785,638</u>
I. Total actuarial present value of expected future payments and reserves	<u>\$ 711,757,484</u>



SECTION B

SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA SUBMITTED BY THE PENSION FUND

SUMMARY OF BENEFIT PROVISIONS **(SEPTEMBER 30, 2025)**

Normal Retirement:

Eligibility - 25 or more years of continuous service; or, 55 years of age with 10 or more years of service; or, 50 years of age with 20 or more years of service.

Amount of Pension - 2.5% of final average salary times credited service earned through March 31, 1987; plus 3.0% of final average salary times credited service earned after March 31, 1987, for service up to 26 years; plus 1% of final average salary times credited service in excess of 26 years.

Type of Final Average Salary - Average of salary for 3 best years. Salary excludes lump sum payments for accumulated leave and contractual overtime. Other overtime is limited to 400 hours per year effective January 1, 2005. This limit is reduced to 300 hours starting January 1, 2013.

Post-Retirement Cost-of-Living Adjustments - Each January 1 following attainment of age 65, benefits will be adjusted by 3% of the base amount providing the cost of living, as measured by the Consumer Price Index, has increased at least 3%.

Early Retirement:

Eligibility - 50 years of age with 10 or more years of service.

Amount of Pension - Computed as normal retirement reduced 3% for each year retirement precedes normal retirement age.

Deferred Retirement:

Eligibility - 10 or more years of credited service.

Amount of Pension - Computed as normal or early retirement, based upon FAS and service credit at date of termination. Payment begins upon application on or after age 50.

Duty Disability Retirement:

Eligibility - Permanent disability preventing useful and efficient service as a police officer, which was acquired as a consequence of performing the duties of a police officer.

Amount of Pension - The amount of accrued normal retirement pension, with a minimum benefit of 2/3 of FAS. At age 55, the member has the option to convert to the accrued benefit, computed as the normal retirement benefit but with additional service credit granted to age 55.



SUMMARY OF BENEFIT PROVISIONS **(SEPTEMBER 30, 2025)**

Non-Duty Disability:

Eligibility - Requires total and permanent disability and 5 or more years of service.

Amount of Pension - If disability retirement occurs after normal retirement eligibility, the amount of pension is the accrued normal retirement pension. Otherwise, the amount of pension is computed as for normal retirement with a minimum benefit of 25% of FAS if credited service is 10 or more years; otherwise, the minimum is 20% of FAS.

Duty Death:

Eligibility - Death which is the result of performance of duty.

Amount of Pension – 2/3 of the member's highest 12 consecutive months salary or the current top step police officer pay, whichever is greater.

Non-Duty Death:

Eligibility - Death after 5 or more years of credited service.

Amount of Pension - 2/3 of pension member would have received had he retired the day before death, to the widow for life. Minimum benefit is 1/7 of FAS. If no widow, unmarried children under 18 receive equal shares of above amount.

Death After Retirement:

Amount of Pension - 2/3 of deceased retired member's annual pension to widow for life. If no widow, unmarried children under 18 receive equal shares of above amount.

If retired member is unmarried, there is no eligible child (or parent), and death occurs within 10 years of retirement, the pension is continued to the designated beneficiary for the balance of the 10 year period following retirement.

Optional forms of payment are available on an "equivalent actuarial value" basis to the 10 year certain and life form of payment.

Member Contributions: 7% of salary. Member contributions will increase to 9% of salary effective January 1, 2005, to 10% of salary effective January 1, 2006 and to 11% of salary effective January 1, 2007. Effective October 1, 2011, the member contribution rate is increased to 18%, and Chapter 185 revenue received in calendar years 2011 and 2012 is used to reduce member contributions to 11%. If the Chapter 185 revenue is not sufficient to reduce the member contributions to 11%, then the City makes up the difference. Effective October 1, 2013, the member contribution rate is increased to 20%, and Chapter 185 revenue received in calendar year 2013 will be used to reduce member contributions to 11%. If the Chapter 185 revenue is not sufficient to reduce the member contributions to 11%, then the City will make up the difference. Effective October 1, 2014, the member contribution rate is lowered back to 11%. Interest is not credited to member contributions.



SUMMARY OF BENEFIT PROVISIONS **(SEPTEMBER 30, 2025)**

Premium Tax Monies: Casualty insurance premium tax monies collected by the State and distributed pursuant to Chapter 185, Florida Statutes.

Chapter 185 Share Accounts: Effective October 1, 1988, separate accounts were established for each member of the Pension Fund. The accounts are funded by premium tax monies and are credited with net investment earnings after deduction of expenses. Members may elect interest at the Fund's investment return or a fixed return equal to 4% or 8% depending on the Fund's investment earnings from fiscal year ending September 30, 2012. The accounts may also be funded by accumulated leave paid out at termination up to the amount permitted by law.

Share accounts will not receive any allocation of Chapter 185 revenue during fiscal years ending September 30, 2011, September 30, 2012, and September 30, 2014. Effective with the fiscal year ending September 30, 2015, Chapter 185 revenue will again be allocated to the Share Plan accounts.

City Contributions: Actuarially determined amounts which together with member contributions are sufficient to cover the requirements of the funding objective stated on page A-1.

Deferred Retirement Option Plan (DROP):

Eligibility - Any member who is eligible to receive a normal retirement pension may participate in the DROP. Participation shall cease after the earlier of 5 years in the DROP or 30 years of service.

Amount of Pension - Calculated as if the member had elected to retire on the date of election to participate in the DROP, using credited service and final average salary at the date of election. The payments will be accumulated in an account and be credited with investment earnings. Members may elect interest at the Fund's investment return or a fixed return equal to 4% or 8% depending on the Fund's investment earnings from fiscal year ending September 30, 2012. Disbursements from the account are deferred until termination of employment.

Member Contributions - Cease following election to participate in the DROP. Accumulated leave paid out at termination may be contributed up to the amount permitted by law.

Post-Retirement Supplemental Pension Distribution: The Board of Trustees may make a supplemental distribution each April 1 from net accumulated experience from all sources, if any, to the extent of investment earnings in excess of 7% (to a 2% excess) for hires before April 1, 1987 and in excess of 8% (to a 1% excess) for hires after March 31, 1987 plus one-half of investment earnings in excess of 9%, if any, for all hires, applied to the actuarial present value of pensions being paid to retired members and beneficiaries.

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

REVENUES AND EXPENDITURES

	Year Ended 9/30/25	Year Ended 9/30/24
REVENUES:		
a. Member contributions	\$ 3,238,908	\$ 2,712,131
b. Buyback contributions	103,939	110,403
c. City contributions	8,025,741	5,798,628
d. Chapter 185 revenue	2,375,756	2,262,213
e. Prepaid contribution	0	0
f. Transfers to Plan for Share and DROP accounts	1,485,026	780,284
g. Investment income		
1. Interest, dividends and other income	7,261,816	5,891,565
2. Net appreciation	38,122,346	65,694,968
3. Investment expenses	<u>(2,077,796)</u>	<u>(2,115,577)</u>
4. Net investment income	43,306,366	69,470,956
h. Total revenues	\$ 58,535,736	\$ 81,134,615
EXPENDITURES:		
a. Refunds of member contributions	377,543	196,211
b. Benefits paid (including Supplemental pension distribution)	16,572,189	15,379,702
c. Lump-Sum share account distributions	2,448,292	2,865,299
d. DROP account distributions	6,293,223	5,619,022
e. Administrative expenses	<u>549,801</u>	<u>582,432</u>
f. Total expenditures	26,241,048	24,642,666
RESERVE INCREASE:		
Total revenues minus total expenditures	\$ 32,294,688	\$ 56,491,949

ACCOUNTING INFORMATION SUBMITTED FOR VALUATION

SUMMARY OF ASSETS

	Market Value	
	9/30/25	9/30/24
Cash & cash equivalents	\$ 7,727,422	\$ 8,388,876
Prepaid contribution	0	0
Payables	(821,283)	(699,765)
Receivables	83,989	5,169
Prepaid expenses	0	6,071
Bonds - government/domestic	17,471,973	10,538,188
- corporate	759,588	701,151
- international	21,488,094	23,423,621
Stocks - domestic	104,849,975	106,114,708
- international	0	0
Mutual Funds - domestic	240,714,767	215,896,247
- international	79,847,244	74,404,300
Real Estate	54,667,871	55,633,901
Mortgage backed securities	0	0
Participant Loans	1,051,583	1,182,964
Accrued investment income	214,439	165,543
Total Assets	\$ 528,055,662	\$ 495,760,974

DERIVATION OF FUNDING VALUE OF ASSETS

	2022	2023	2024	2025
<u>Beginning of Year Values</u>				
(1) Market Value	\$485,338,602	\$425,292,643	\$439,269,025	\$495,760,974
Market Value net of Share/DROP Accounts	356,560,284	290,487,573	282,556,379	326,033,659
(2) Funding Value	485,338,602	491,184,753	490,770,689	503,913,490
Funding Value net of Share/DROP Accounts	356,560,284	356,379,683	334,058,043	334,186,175
<u>End of Year</u>				
(3) Market Value net of Share/DROP Accounts	290,487,573	282,556,379	326,033,659	345,020,016
(4) Net Addition to Assets				
Excluding Investment Income, Share and DROP Cash Flows	(8,373,714)	(29,250,769)	(12,416,549)	(10,368,068)
(5) Total Investment Income net of Share/DROP Accounts and Expenses = (3) - (1) - (4)	(57,698,997)	21,319,575	55,893,829	29,354,425
(6) Projected Net Rate of Return	7.00%	7.00%	7.00%	7.00%
(7) Projected Investment Income= (6) x [(2) + 0.5 x (4)]	24,666,140	23,922,801	22,949,484	23,030,150
(8) Investment Income in Excess of Projected Excess Investment Income Recognized = (5) - (7)	(82,365,137)	(2,603,226)	32,944,345	6,324,275
(9a) From Current Year = 0.2 x (8)	(16,473,027)	(520,645)	6,588,869	1,264,855
(9b) From One Year Prior	N/A	(16,473,027)	(520,645)	6,588,869
(9c) From Two Years Prior	N/A	N/A	(16,473,027)	(520,645)
(9d) From Three Years Prior	N/A	N/A	N/A	(16,473,027)
(9e) From Four Years Prior	N/A	N/A	N/A	N/A
(9f) Total Cap. Val. Change Recogn. = (9a) + (9b) + (9c) + (9d) + (9e)	(16,473,027)	(16,993,672)	(10,404,803)	(9,139,948)
(10) Increase(Decr.) in Funding Value = (4) + (7) + (9f)	(180,601)	(22,321,640)	128,132	3,522,134
<u>End of Year</u>				
(11) Market Value	\$425,292,643	\$439,269,025	\$495,760,974	\$528,055,662
Market Value net of Share/DROP Accounts	290,487,573	282,556,379	326,033,659	345,020,016
(12) Funding Value	491,184,753	490,770,689	503,913,490	520,743,955
Funding Value net of Share/DROP Accounts	356,379,683	334,058,043	334,186,175	337,708,309
(13) Rate of Return on Funding Value net of Share/DROP Accounts	2.3%	2.0%	3.8%	4.2%
(14) Rate of Return on Market Value net of Share/DROP Accounts	(16.4)%	7.7%	20.2%	9.1%
(15) Ratio of Funding Value to Market Value	115%	112%	102%	99%



RECONCILIATION OF THE RESERVE ACCOUNT BALANCES

	Share	DROP	Total
A. Beginning of Year Reserve	\$ 78,262,198	\$91,465,117	\$169,727,315
B. Disbursements	(2,448,292)	(6,293,223)	(8,741,515)
C. Net Additions/Adjustments	(44,406)	8,142,311	8,097,905
D. Investment Earnings	6,303,544	7,648,397	13,951,941
E. End of Year Reserve (A + B + C + D)	\$82,073,044	\$100,962,602	\$183,035,646

Reconciliation of Contribution Stabilization Reserve	
Balance at 9/30/2024	\$ 16,856,427
Amount Used in FYE 9/30/2025	- 2,103,494
Interest on Balance	<u>+ 1,032,705</u>
Balance at 9/30/2025	15,785,638

Use of Contribution Stabilization Reserve to Offset Required Contribution for FYE 2027 Pursuant to Funding Policy	
A. Use of Contribution Stabilization Reserve needed to have Required Contribution increase by 2.5% from prior year	\$ 2,326,192
B. 20% of Contribution Stabilization Reserve	3,157,128
C. Funded value of Contribution Stabilization Reserve at 9/30/2026	2,144,640
D. Maximum amount of Contribution Stabilization Reserve to use for FYE 2026 (Minimum of A, B and C)	\$ 2,144,640

Based on the Board's Funding Policy, the amount of the Contribution Stabilization Reserve used to offset the Required City Contribution is the lesser of (a) The amount needed to have the Required City Contribution increase by 2.5% from the prior year; (b) 20% of the available Contribution Stabilization Reserve; and (c) funded value of the Contribution Stabilization Reserve.



**DETERMINATION OF FIXED INTEREST CREDITING RATE
FOR DROP AND SHARE PLAN ACCOUNTS**

Under the Special Act, the fixed rate on DROP accounts for members who enter the DROP on or after October 1, 2012 and on Share Plan accounts for members who are vested is 8.00% per year. However, if the amount paid in investment earnings creates a deficiency as compared to the gross earnings of the fund from fiscal year ending September 30, 2012, then the rate will be reduced to 4% effective the following October 1 until the deficiency is satisfied. The DROP accounts for members who are in the DROP as of October 1, 2012 continue to earn 8.25% per year.

(a) Gross rate of market investment return for fiscal year ending*	
9/30/12	18.43%
9/30/13	13.74%
9/30/14	9.53%
9/30/15	0.69%
9/30/16	8.77%
9/30/17	14.01%
9/30/18	10.19%
9/30/19	2.40%
9/30/20	7.03%
9/30/21	24.33%
9/30/22	(9.82)%
9/30/23	8.52%
9/30/24	15.70%
9/30/25	9.23%
(b) Cumulative return from fiscal year ending 9/30/12 through 9/30/25	242.1%
(c) Return needed from fiscal year ending 9/30/12 to maintain 8% fixed interest crediting rate	193.7%
(d) Difference between actual return since fiscal year ending 9/30/12 and return based on 8% per year: (b) - (c)	48.4%
(e) Actual fixed interest crediting rate for DROP/Share Plan accounts for 10/1/25 through 9/30/26	8.0% **
(f) Minimum gross rate of market investment return 10/1/25 through 9/30/26 to provide 8.00% fixed interest crediting rate for 10/1/26 through 9/30/27	(7.3)%

* As determined by the Investment Consultant.

** Members in the DROP as of October 1, 2012 will continue to earn 8.25% per year.



**CALCULATION OF SUPPLEMENTAL PENSION
DISTRIBUTION AMOUNT - SEC. 17(12) AS OF SEPTEMBER 30, 2025**

Factor (i):	Actuarial present value of future payments to 154 pension recipients* on 9/30/25 using valuation investment return assumption	\$100,803,146
Factor (ii):	(a) Rate of market investment return 10/1/24 through 9/30/25 calculated by actuary	9.4% **
	(b) Lesser of (a) and 8.00%	8.0%
Preliminary Distribution Amount (prior to experience gain limitation):		
	Factor (i) x [Factor (ii) - 7.0%]	1,008,031
Amount Available for Distribution:		
	(a) Unamortized Balances of Accumulated net experience gains (page B-12)	(39,767,650)
	(b) Unamortized Balances of Accumulated distributions @ (page B-12)	20,181,953
	(c) Accumulated net gains less accumulated distributions [(a) - (b)] < 0	0
	(d) Amount available for distribution#	0

* Pensioners who retired before October 1, 1999 plus those with 12.5 years of service as of October 1, 1999 who terminated employment after October 1, 1999.

@ This amount does **not** include the supplemental pension distribution, if any, for the current year.

The lesser of the preliminary distribution amount and accumulated net gains less accumulated distributions, not less than \$0.

** Return of the total pension fund before investment expenses.



***CALCULATION OF SUPPLEMENTAL PENSION
DISTRIBUTION AMOUNT - SEC. 17(12) AS OF SEPTEMBER 30, 2025***

Factor (i):	Actuarial present value of future payments to 331 pension recipients (all pensioners) on 9/30/25 using 7.0% interest set by Special Act	\$298,915,069
Factor (ii):	(a) Rate of market investment return 10/1/24 through 9/30/25 calculated by actuary	9.4% *
	(b) Excess of (a) over 9%, if positive, otherwise zero.	0.4%
	(c) 1/2 of (b)	0.20%
Factor (iii):	(a) Net rate of market investment return 10/1/24 through 9/30/25 calculated by actuary	9.4%
	(b) Lesser of (a) and 9%	9.0%
Preliminary Distribution Amount (prior to experience gain limitation):		
	Factor (i) x [Factor (ii) + ((Factor (iii) - 8.00%)]	\$3,586,981
Amount Available for Distribution:		
	(a) Unamortized Balances of Accumulated net experience gains (page B-12)	(39,767,650)
	(b) Unamortized Balances of Accumulated distributions @ (page B-12)	20,181,953
	(c) Accumulated net gains less accumulated distributions [(a) - (b)] < 0	0
	(d) Amount available for distribution#	0

@ This amount does **not** include the supplemental pension distribution, if any, for the current year.

The lesser of the preliminary distribution amount and accumulated net gains less accumulated distributions, including any supplemental pension distributions for the current year determined on page B-6 of this report.

* Return of the total pension fund before investment expenses.



**SUPPLEMENTAL PENSION DISTRIBUTION
ACCUMULATED GAIN (LOSS) LIMITATION**

Year Ended September 30	Experience Gain/(Loss)*		Addition to Supplemental Pension Distribution Reserve		Net Unamort. Balance
	For Year	Unamort. Balance	For Year	Unamort. Balance	
1992	\$ 2,690,102	\$ 2,690,102	\$ 237,777	\$ 237,777	\$ 2,452,325
1993	2,897,258	5,658,917	374,365	614,282	5,044,635
1994	(2,192,085)	3,597,634	0	617,542	2,980,092
1995	7,969,009	11,641,571	508,437	1,127,456	10,514,115
1996	3,801,172	15,703,104	625,973	1,756,172	13,946,932
1997	11,915,022	27,958,649	671,448	2,430,738	25,527,911
1998	(2,054,604)	26,513,470	795,633	3,227,980	23,285,490
1999	1,317,262	27,209,332	1,210,681	4,453,115	23,303,374
2000	1,306,848	28,753,737	1,005,600	5,475,473	23,278,264
2001	(1,194,305)	27,729,286	0	5,487,451	22,241,835
2002	(20,340,405)	7,449,284	0	5,478,365	1,970,919
2003	(6,969,923)	204,562	0	5,445,433	(5,240,871)
2004	(8,289,567)	(8,507,096)	0	5,385,592	(13,892,688)
2005	(1,393,874)	(10,472,274)	0	5,295,375	(15,767,649)
2006	(1,344,886)	(12,442,674)	0	5,171,008	(17,613,682)
2007	18,831,566	6,588,529	1,580,142	6,588,529	0
2008	(8,914,445)	(2,080,609)	0	6,400,898	(8,481,507)
2009	(11,642,886)	(15,238,314)	0	6,161,238	(21,399,552)
2010	(6,544,967)	(22,737,844)	0	5,863,350	(28,601,194)
2011	(14,463,674)	(38,291,884)	0	5,500,590	(43,792,474)
2012	(3,649,317)	(42,618,248)	0	5,394,429	(48,012,677)
2013	3,185,651	(40,099,567)	0	5,262,805	(45,362,372)
2014	3,620,537	(37,263,884)	0	5,103,868	(42,367,752)
2015	2,093,970	(36,107,628)	0	4,914,514	(41,022,142)
2016	(621,595)	(40,971,323)	0	4,691,395	(45,662,718)
2017	(567,465)	(42,686,410)	0	4,431,961	(47,118,371)
2018	(118,171)	(43,951,336)	0	4,132,360	(48,083,696)
2019	(784,721)	(41,021,670)	0	3,788,961	(44,810,631)
2020	8,355,556	(28,451,874)	0	3,397,182	(31,849,056)
2021	52,971,707 **	28,639,367	19,516,400	22,469,570	6,169,797
2022	(26,803,273)	1,248,987	0	22,008,944	(20,759,957)
2023	(23,186,072)	(75,201,317) ***	0	21,478,528	(96,679,845)
2024	(10,380,382)	(44,260,521) ***	0	20,870,686	(65,131,207)
2025	(8,064,298)	(39,767,650) ***	0	20,181,953 @	(59,949,603)

* All sources.

@ This amount is composed of \$22,008,944 for unamortized balances of prior supplemental pension distributions and \$0 for the current year supplemental pension distribution.

** Includes the recognition of \$40,650,800 of deferred investment gains as of September 30, 2021 due to the fresh start method change.

*** Includes the recognition of deferred investment losses due to using the market value of assets for this purpose.



RECONCILIATION OF MEMBERSHIP
FOR THE PLAN YEAR ENDED SEPTEMBER 30, 2025

	Active Members	Vested Terminated Members	Pension Recipients			
			Active DROP	Service Retired	Disability Retired	All Beneficiaries
No. at Start of Year	249	10	54	204	28	42
Increase (Decrease) From						
Service Retirement		(2)	(10)	12		
DROP Retirement	(5)		5			
Disability Retirement	(1)				1	
Deaths/Benefit Stopped				(6)		(2)
New Beneficiaries						3
Vested Terminations	(2)	2				
Non-Vested Terminations	(13)					
New Entrants/Rehires	17					
No. at End of Year	245	10	49	210	29	43



ACTIVE MEMBERS NOT PARTICIPATING IN THE DROP
AS OF SEPTEMBER 30, 2025
BY NEAR AGE AND YEARS OF SERVICE

Age Group	Years of Service to Valuation Date										Totals
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25 +	
20-24 NO.	2	2	1	0	0	0	0	0	0	0	5
TOT PAY	144,612	157,224	90,043	0	0	0	0	0	0	0	391,879
AVG PAY	72,306	78,612	90,043	0	0	0	0	0	0	0	78,376
25-29 NO.	6	8	5	2	5	4	0	0	0	0	30
TOT PAY	441,247	636,508	462,477	177,145	506,422	440,217	0	0	0	0	2,664,016
AVG PAY	73,541	79,564	92,495	88,573	101,284	110,054	0	0	0	0	88,801
30-34 NO.	4	8	5	6	4	24	4	0	0	0	55
TOT PAY	296,454	624,560	444,853	628,001	392,997	2,556,033	487,255	0	0	0	5,430,153
AVG PAY	74,114	78,070	88,971	104,667	98,249	106,501	121,814	0	0	0	98,730
35-39 NO.	0	4	2	1	5	18	9	3	0	0	42
TOT PAY	0	323,874	180,587	103,454	492,245	2,020,905	1,223,329	452,771	0	0	4,797,165
AVG PAY	0	80,969	90,294	103,454	98,449	112,273	135,925	150,924	0	0	114,218
40-44 NO.	0	1	1	1	1	6	15	21	2	0	48
TOT PAY	0	76,186	83,697	83,794	112,585	694,694	1,986,805	3,236,378	341,745	0	6,615,884
AVG PAY	0	76,186	83,697	83,794	112,585	115,782	132,454	154,113	170,873	0	137,831
45-49 NO.	0	2	1	0	1	6	4	16	11	0	41
TOT PAY	0	147,020	87,288	0	92,054	618,555	525,042	2,380,665	1,730,849	0	5,581,473
AVG PAY	0	73,510	87,288	0	92,054	103,093	131,261	148,792	157,350	0	136,133
50-54 NO.	0	0	0	0	0	2	0	6	7	0	15
TOT PAY	0	0	0	0	0	205,921	0	866,396	1,027,278	0	2,099,595
AVG PAY	0	0	0	0	0	102,961	0	144,399	146,754	0	139,973
55-59 NO.	0	1	0	0	0	1	0	0	4	0	6
TOT PAY	0	210,038	0	0	0	98,846	0	0	662,031	0	970,915
AVG PAY	0	210,038	0	0	0	98,846	0	0	165,508	0	161,819
60 & Up NO.	2	0	0	0	0	0	0	1	0	0	3
TOT PAY	441,450	0	0	0	0	0	0	148,095	0	0	589,545
AVG PAY	220,725	0	0	0	0	0	0	148,095	0	0	196,515
TOT NO.	14	26	15	10	16	61	32	47	24	0	245
TOT AMT	1,323,763	2,175,410	1,348,945	992,394	1,596,303	6,635,171	4,222,431	7,084,305	3,761,903	0	29,140,625
AVG AMT	94,555	83,670	89,930	99,239	99,769	108,773	131,951	150,730	156,746	0	118,941

Averages

Age: 38.8 years.
Service: 9.8 years.



RETIRED AND BENEFICIARY MEMBERS AS OF SEPTEMBER 30, 2025
BY ATTAINED AGES

Attained Ages	Age and Service Retired Members & DROP		Disability Retired Members		Surviving Beneficiaries		Totals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
Under 20					1	10,363	1	10,363
20 - 24								
25 - 29								
30 - 34					1	65,156	1	65,156
35 - 39			3	139,605	1	55,644	4	195,249
40 - 44			3	217,541	1	58,140	4	275,681
45 - 49	9	966,992	4	268,113	1	76,121	14	1,311,226
50 - 54	36	3,092,563	4	226,140	1	31,865	41	3,350,568
55 - 59	53	4,231,180	7	354,700	3	127,173	63	4,713,053
60 - 64	51	3,682,942	4	188,283	5	208,701	60	4,079,926
65 - 69	38	2,783,496	2	105,776	2	46,883	42	2,936,155
70 - 74	31	2,050,183	1	44,945	7	210,449	39	2,305,577
75 - 79	27	1,341,339	1	34,012	10	257,193	38	1,632,544
80 - 84	9	385,447			5	108,794	14	494,241
85 - 89	4	184,706			4	79,513	8	264,219
90 - 94	1	19,141			1	12,742	2	31,883
95 - 99								
100 and Over								
Totals	259	\$ 18,737,989	29	\$ 1,579,115	43	\$1,348,737	331	\$ 21,665,841

Averages

Age: 63.9 years.
Annual Benefit: \$65,456



VESTED TERMINATED MEMBERS AS OF SEPTEMBER 30, 2025
BY ATTAINED AGES

Attained Ages	Vested Terminated Members	
	No.	Estimated Annual Pensions
Under 20		
20 - 24		
25 - 29		
30 - 34	1	21,269
35 - 39	3	66,723
40 - 44	1	32,525
45 - 49	5	148,600
50 and Over		
Totals	10	\$ 269,117

Averages

Age: 42.6 years

Annual Benefit: \$26,912

SECTION C

ACTUARIAL COST METHOD, ACTUARIAL ASSUMPTIONS AND DEFINITIONS OF TECHNICAL TERMS

ACTUARIAL COST METHOD

The actuarial cost method is a procedure for allocating the actuarial present value of benefits and expenses to time periods. The method used for your valuation is known as the individual entry-age actuarial cost method, and has the following characteristics:

- (i) The annual normal costs for each individual active member are sufficient to accumulate the value of the member's pension at time of retirement or DROP.
- (ii) Each annual normal cost is a constant percentage of the member's year by year projected pensionable compensation.

The entry-age actuarial cost method allocates the actuarial present value of each member's projected benefits on a level basis over the member's pensionable compensation between the entry age of the member and the assumed active status exit ages. This is based on our understanding of the approach preferred by the Florida Division of Retirement. The portion of the actuarial present value allocated to the valuation year is called the normal cost. The portion of the actuarial present value not provided for by the actuarial present value of future normal costs is called the actuarial accrued liability. Deducting accrued assets from the actuarial accrued liability determines the unfunded actuarial accrued liability. The unfunded actuarial accrued liability was financed as a level percent of member payroll. Please refer to page A-11 for a schedule of financing periods. The amortization period is 20 years for experience gains and losses and 30 years for assumption changes and plan amendments.

The characteristics of this method of financing the unfunded actuarial accrued liability are shown on page C-2.

The active member payroll was assumed to increase by 2.50% a year for the purpose of determining the level percent amortization payments. According to FS 112.64(5), this assumption may not exceed the average payroll growth over the last ten years, which was 4.26%.

**LEVEL PERCENT OF ACTIVE MEMBER PAYROLL AMORTIZATION
OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES*
(AMORTIZATION SCHEDULE \$ AMOUNTS IN THOUSANDS)**

Year	UnDROPEd Pay		Unfunded		Contribution	
	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars	Inflated Dollars	Constant Dollars
2025	\$29,141	\$29,141	\$105,335	\$105,335	\$8,142	\$9,899
2026	29,869	29,141	104,181	101,640	8,346	9,899
2027	30,616	29,141	102,733	97,782	8,554	9,899
2028	31,381	29,141	100,965	93,756	8,768	9,899
2029	32,166	29,141	98,849	89,552	8,987	9,899
2030	32,970	29,141	96,355	85,164	9,212	9,899
2035	37,302	29,141	77,009	60,159	10,423	9,899
2040	42,204	29,141	44,840	30,960	10,545	8,907
2045	47,750	29,141	17,242	10,522	2,381	1,893
2050	54,025	29,141	9,158	4,940	2,694	1,893
2055	61,124	29,141	0	0	0	0

* \$	0	over 30 years	\$	0	over 15 years
	23,629,047	over 29 years		0	over 14 years
	(2,885,109)	over 28 years		8,578,747	over 13 years
	0	over 27 years		0	over 12 years
	3,209,297	over 26 years		0	over 11 years
	0	over 25 years		0	over 10 years
	0	over 24 years		0	over 9 years
	0	over 23 years		0	over 8 years
	0	over 22 years		0	over 7 years
	0	over 21 years		0	over 6 years
	8,064,298	over 20 years		0	over 5 years
	10,733,019	over 19 years		0	over 4 years
	24,552,905	over 18 years		0	over 3 years
	29,452,742	over 17 years		0	over 2 years
	0	over 16 years		0	over 1 year
			\$	105,334,946	TOTAL

Level percent-of-payroll financing of unfunded actuarial accrued liabilities treats each generation of taxpayers equally during the financing period. The alternative, level-dollar financing, produces declining percent-of-payroll contributions and places a greater relative burden on current taxpayers.

The annual rate of increase in member payroll used to compute the level percent-of-payroll contribution is the same rate of base payroll growth used to compute actuarial liabilities and costs. It reflects across-the-board salary increases, not group size increases.

If future payroll growth is less than the assumed rate due to smaller than projected salary increases, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to decline.

If future payroll growth is less than the assumed rate due to decreases in the number of members, the percent-of-payroll contribution rate for unfunded actuarial accrued liabilities will tend to increase but dollar contributions will be less than indicated in the preceding schedule.



ACTUARIAL ASSUMPTIONS USED FOR THE VALUATION

Funding objective contribution requirements and actuarial present values are calculated by applying estimates of future Fund activities (actuarial assumptions) to the benefit provisions and people information of the Pension Fund, using the actuarial cost method described on page C-1.

The principal areas of risk which require estimates of future Fund activities are:

- (i) rates of inflation impacting assets of the Pension Fund
- (ii) long-term rates of investment return to be generated by the assets of the Pension Fund
- (iii) rates of salary increases to active members
- (iv) rates of mortality among members, retired members and beneficiaries
- (v) rates of withdrawal of active members
- (vi) rates of disability among active members
- (vii) rates of retirements due to age and service

In making a valuation, the monetary effect of each activity is calculated for as long as a present covered person survives – a period of time which can be as long as a century.

Actual activities of the Pension Fund will not coincide exactly with estimated activities due to their nature. Each valuation provides a complete recalculation of estimated future activities and takes into account the effect of differences between estimated and actual activities to date. The result is a continual series of adjustments (usually small) to the computed contribution rate. From time to time one or more of the estimates are modified to reflect experience trends (but not random or temporary year to year fluctuations).

Both the economic and decrement assumptions were established following the Experience Study Report dated March 7, 2024 covering the nine-year period from October 1, 2014 through September 30, 2023. The investment return assumption has been adjusted in accordance with subsequent analyses. The covered group is too small to provide statistically significant experience on which to base the mortality assumption. Mortality is based on a commonly used mortality table and projection scale.

The actuarial assumptions include an INFLATION rate, SALARY INCREASE rates and a REAL INVESTMENT RETURN rate. These assumptions are used, in combination with the other assumptions, to (i) determine the present value of amounts expected to be paid in the future and (ii) establish rates of contribution which are expected to remain relatively level as a percent of total member payroll.



The interest rate used in making this valuation was 7.00% a year, compounded yearly. It is composed of inflation and real investment return.

RATES OF INFLATION. 2.50% per annum, compounded annually. This is the rate at which growth in the supply of money and credit is estimated to exceed growth in the supply of goods and services. It may be thought of as the rate of depreciation of the purchasing power of the dollar. There are a number of indices for measuring the inflation rate. The recent inflation rate, as measured by the Consumer Price Index, has been:

	Year Ended September 30					5-Year Average
	2025	2024	2023	2022	2021	
Actual	3.0 %	2.4 %	3.7 %	8.2 %	5.4 %	4.5 %
Assumed	2.5	2.5	2.5	2.5	2.5	2.5

RATES OF REAL INVESTMENT RETURN. 4.50% per annum, compounded annually. This is the rate of return estimated to be produced by investing a pool of assets in an inflation-free environment. Recent real investment return on the funding value of assets (internal rate of return) has been:

	Year Ended September 30					5-Year Average
	2025	2024	2023	2022	2021	
Expected Rate of Return	7.00 %	7.00 %	7.00 %	7.00 %	7.25 %	7.05 %
Rate of Return (Pension Assets)	4.2	3.8	2.0	1.2	11.3	4.50
less inflation	<u>3.0</u>	<u>2.4</u>	<u>3.7</u>	<u>8.2</u>	<u>5.4</u>	<u>4.54</u>
Real Rate of Return	1.2	1.4	(1.7)	(7.0)	5.9	(0.04)
Assumed Real Rate of Return	4.50	4.50	4.50	4.50	4.75	4.55

The total investment return rate was computed using the approximate formula $i = I$ divided by $1/2 (A + B - I)$, where I is actual ordinary investment income plus market value adjustments, A is the beginning of year funding value, and B is the end of year funding value.

The preceding investment return rates reflect the particular characteristics of this pension fund and should not be used to measure an investment advisor's performance or for comparison with other pension funds. Such use will usually mislead.

RATES OF SALARY INCREASES. Employee salaries are assumed to increase between the date of hire and date of retirement. Salary increases occur in recognition of (i) individual merit and seniority, (ii) inflation related depreciation of the purchasing power of salaries, and (iii) competition from other employers for personnel. A schedule of assumed rates of increases in individual salaries for sample ages follows:

Attributable to:	Annual Rates of Salary Increase for Years of Service				
	1 - 4	5 - 9	10 - 14	15 - 19	20+
Merit, Seniority, & Other	6.00 %	4.75 %	3.50 %	2.00 %	1.00 %
General Increase in Wage Level Due to: Inflation	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>
Total	8.50	7.25	6.00	4.50	3.50

For the September 30, 2024 actuarial valuation, the rates of salary increase were updated for the first projection year only to include a one-time 17% increase effective on October 1, 2024.

A schedule of recent salary change experience, as measured by average reported pay, follows:

	Year Ended September 30					Average		
	2025	2024	2023	2022	2021	3-Year	5-Year	10-Year
% Change: Actual (1)	20.9 %	4.6 %	10.0 %	11.5 %	5.5 %	11.8 %	10.5 %	7.7 %
Assumed (1)	17.0	6.1	5.0	5.0	5.0	9.4	7.6	6.3
% Change in Total Payroll (2)	1.5	11.5	1.7	7.0	1.3	4.9	4.6	3.9

(1) Excluding termination and new members.

(2) Including pays of members electing DROP participation but still working.

In order to achieve the financial objective of a contribution rate which remains level as a percent of payroll, the rate of investment return (net of investment expenses) must exceed the rate of average increase in salaries by an amount equal to the estimated real investment return rate. The following schedule illustrates the recent history of the relationship between total investment return and average pay changes.

	Year Ended September 30					Average	
	2025	2024	2023	2022	2021	3-Year	5-Year
Net Rate of Investment Return (Pension Assets)	4.2 %	3.8 %	2.0 %	1.2 %	11.3 %	3.3 %	4.5 %
Rate of Change in Average Pay	<u>20.9</u>	<u>4.6</u>	<u>10.0</u>	<u>11.5</u>	<u>5.5</u>	<u>11.8</u>	<u>10.5</u>
Difference: Actual	(16.7)	(0.8)	(8.0)	(10.3)	5.8	(8.5)	(6.0)
Target	(10.0)	0.9	2.0	2.0	2.3	(2.4)	(0.6)

RATES OF MORTALITY. The PUB-2010 Benefits Weighted Safety Healthy Employee Male Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Employee Female Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Retiree Male Table (post-retirement) and the PUB-2010 Benefits Weighted Safety Healthy Retiree Female Table (post-retirement). For males, the pre-retirement and post-retirement tables use ages set forward one year. Mortality improvements are projected fully generationally to all future years after 2010 using scale MP-2021. These are the same rates used for Special Risk Class members in the July 1, 2024 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63. Sample values follow:

FRS Healthy Post-Retirement Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.20 %	0.13 %	34.83	37.81
55	0.32	0.25	29.78	32.70
60	0.57	0.45	24.92	27.78
65	0.98	0.72	20.34	23.11
70	1.61	1.15	16.10	18.70
75	2.77	1.97	12.26	14.61
80	5.02	3.53	8.93	10.98

This assumption is used to measure the probabilities of each benefit payment being made after retirement.



FRS Healthy Pre-Retirement Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.12 %	0.08 %	37.31	40.61
55	0.18	0.12	32.21	35.50
60	0.29	0.17	27.20	30.44
65	0.46	0.21	22.32	25.42
70	0.79	0.39	17.61	20.48
75	1.41	0.77	13.13	15.70
80	5.02	1.60	8.93	11.19

This assumption is used to measure the probabilities of members dying before retirement. 50% of deaths before retirement were assumed to be duty related.

For disabled retirees, the mortality tables used are the PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table, with separate rates for males and females, and with mortality improvements projected fully generationally to all future years after 2010 using Scale MP-2021. For females, the base mortality rates are set forward one year. These are the same rates used for Special Risk Class members in the July 1, 2024 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63.

FRS Disabled Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	1.61 %	1.38 %	25.55	28.20
55	2.09	1.73	22.07	24.57
60	2.73	2.14	18.92	21.18
65	3.36	2.41	16.06	17.92
70	3.96	2.88	13.35	14.66
75	4.99	4.01	10.70	11.51
80	7.06	6.23	8.23	8.71

RATES OF WITHDRAWAL from active membership. The rates do not apply to members eligible to retire and do not include separation on account of death or disability. This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	15.00 %
	1	6.00
	2	5.00
	3	4.00
	4	3.75
	5	3.50
	6	3.00
	7	2.00
	8	1.75
	9	1.50
30	10 & Over	2.00
35		1.50
40		1.25
45		1.00
50		1.00
55		1.00
60		1.00

VESTED MEMBERS who terminate with a benefit worth less than 100% of their own accumulated contributions were presumed to elect a refund of accumulated contributions and forfeit the vested benefit.

RATES OF DISABILITY. These rates represent the probabilities of active members becoming disabled.

Sample Ages	Percent Becoming Disabled within Next Year
20	0.10 %
25	0.15
30	0.25
35	0.45
40	0.65
45	0.80
50	1.00
55	1.50
60	2.50

50% of disability retirements were projected to receive a pension not less than the minimum duty disability pension.

RATES OF RETIREMENT. These rates are used to measure the probabilities of eligible members retiring during the next year.

Normal Retirement Under 50/20 or 55/10 Condition	Probability of Normal Retirement
<u>Age</u>	
50 - 51	45 %
52 - 54	33
55 - 56	33
57+	100

Normal Retirement Under 25 & Out Condition	Probability of Normal Retirement
<u>Years of Service</u>	
25	90 %
26+	100

The rate of retirement is 3% for each year of eligibility for early retirement.

ASSET VALUATION. Assets were included in the valuation using a 5-year smoothed market value effective September 30, 2022.

ADMINISTRATIVE EXPENSES. Administrative expenses were included in the calculated contribution requirement.

INVESTMENT EXPENSES. Investment expenses are offset against gross investment income.

ACTIVE MEMBER GROUP SIZE. The valuation was based on a constant active member group size. This is unchanged from previous valuations.

MARRIAGE PROPORTION. 90% of active members were assumed to be married. In each case the male was assumed to be 3 years older than the female.

COST-OF-LIVING ADJUSTMENTS. The post-retirement cost-of-living benefit is projected to occur at the maximum rate of 3% a year, following attainment of age 65.

SALARY. The actuarial valuation includes all amounts included in final average salary for benefit purposes.

SUMMARY OF ASSUMPTIONS USED

Pensions in an Inflationary Environment

**Value of \$1,000/month Retirement Benefit
to an Individual who Retires at Age 50
in an Environment of 2.5% Inflation
and a 3% simple annual COLA starting at age 65**

<u>Age</u>	<u>Value</u>
50	\$1,000
51	976
52	952
53	929
54	906
55	884
60	781
65	711
70	720
75	717
80	706
85	687

The life expectancy of a 50-year old male retiree is age 85. The life expectancy for a 50-year old female retiree is age 88. Approximately half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

SUMMARY OF ASSUMPTIONS USED

Pay Increase Timing:	Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Decrement Relativity:	Decrement rates are used without adjustment for multiple decrement table effects.
Normal Form of Benefit:	The assumed normal form of benefit is the 66 2/3% joint and survivor form for married members and the 10-year certain and life for unmarried members.
Loads:	Loads were added to pre-fund the gains and losses from the Supplemental Pension Distribution and DROP/Share Plan interest crediting rate. A load of 1.69% was applied to the Actuarial Accrued Liability to pre-fund the gains and losses from the Supplemental Pension Distribution, a load of 3.23% was applied to the DROP balances to pre-fund the DROP interest credit rate, and a load of 0.88% was applied to the Share Plan balances to pre-fund the Share Plan interest crediting rate. These loads will be reviewed and adjusted periodically.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.

DEFINITIONS OF TECHNICAL TERMS

Accrued Service. Service credited under the fund which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between the actuarial present value of future benefit payments and the actuarial present value of future normal costs. Also referred to as “accrued liability” or “past service liability.”

Actuarial Assumptions. Estimates of expected future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement estimates (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic estimates (salary increases and investment income) consist of the underlying rates in an inflation-free environment plus a provision for a long-term average rate of inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future benefit payments” between future normal costs and actuarial accrued liabilities. Sometimes referred to as the “actuarial valuation cost method.”

Actuarial Equivalent. A single amount or series of amounts of equal actuarial present value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.

Actuarial Present Value. The amount of funds currently required to provide a payment or series of payments in the future. It is determined by discounting future payments at predetermined rates of interest, and by probabilities of payment. Also referred to as “present value.”

Amortization. Paying off an interest-discounted amount with periodic payments of interest and principal -- as opposed to paying off with a lump sum payment.

Experience Gain (Loss). The difference between actual actuarial costs and assumed actuarial costs - - during the period between two valuation dates.

Funding Value of Assets. Also referred to as actuarial value of assets, smoothed market value of assets, or valuation assets.

Valuation assets recognize assumed investment return fully each year. Differences between actual and assumed investment return are phased in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, valuation assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, valuation assets will tend to be greater than market value. If assumed rates are exactly realized for 4 consecutive years, valuation assets will become equal to market value.



Normal Cost. The actuarial cost allocated to the current year by the actuarial cost method. Sometimes referred to as “current service cost.”

Pension Benefit Obligation. A standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The PBO is independent of the actuarial funding method used to determine contributions.

Unfunded Actuarial Accrued Liability. The difference between actuarial accrued liability and the funding value of assets. Sometimes referred to as “unfunded past service liability,” “unfunded accrued liability” or “unfunded supplemental present value.”

Most pension funds have unfunded actuarial accrued liability. It increases each time new benefits are added and each time an experience loss is realized.

The existence of unfunded actuarial accrued liability is not in itself bad, any more than a mortgage on a house is bad. Unfunded actuarial accrued liability does not represent a debt that is payable today. What is important is the ability to control the amount of unfunded actuarial accrued liability and the trend in its amount (after due allowance for devaluation of the dollar).

SECTION D

DISCLOSURES REQUIRED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT No. 67

This information is presented in draft form for review by the Plan's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the Plan's financial statements.

**STATEMENT OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
(GASB STATEMENT NO. 67)**

Fiscal year ending September 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 8,034,057	\$ 7,380,140	\$ 7,042,697	\$ 6,369,952	\$ 6,132,849	\$ 6,248,573	\$ 5,950,838	\$ 4,969,598	\$ 4,465,713	\$ 4,119,566
Interest	39,573,999	37,218,574	34,257,582	31,879,437	32,083,247	30,656,907	29,213,639	27,649,993	26,458,916	25,142,553
Benefit Changes	-	-	-	3,178,061	-	-	-	2,595,355	-	-
Difference between actual & expected experience	156,344	4,776,508	25,334,396	21,461,831	(7,942,606)	1,972,997	2,559,101	2,535,765	335,340	264,885
Assumption Changes	26,347,823	6,777,411	-	9,749,489	(421,692)	4,439,753	4,539,371	3,904,405	5,183,638	2,275,600
Benefit Payments	(27,308,546)	(23,864,023)	(30,196,118)	(20,491,059)	(19,647,932)	(18,512,808)	(18,963,330)	(18,801,870)	(18,064,650)	(16,224,666)
Refunds	(377,543)	(196,211)	(78,566)	(233,429)	(262,973)	(206,949)	(152,950)	(225,759)	(25,530)	(93,453)
Other (DROP and Share Plan Adjustments)	5,855,624	3,042,497	2,663,945	2,202,103	2,287,089	1,773,794	1,613,818	2,765,374	2,237,938	1,683,012
Net Change in Total Pension Liability	52,281,758	35,134,896	39,023,936	54,116,385	12,227,982	26,372,267	24,760,487	25,392,861	20,591,365	17,167,497
Total Pension Liability - Beginning	575,168,860	540,033,964	501,010,028	446,893,643	434,665,661	408,293,394	383,532,907	358,140,046	337,548,681	320,381,184
Total Pension Liability - Ending (a)	\$ 627,450,618	\$ 575,168,860	\$ 540,033,964	\$ 501,010,028	\$ 446,893,643	\$ 434,665,661	\$ 408,293,394	\$ 383,532,907	\$ 358,140,046	\$ 337,548,681
Plan Fiduciary Net Position										
Contributions - Employer*	\$ 8,025,741	\$ 5,798,628	\$ 5,657,198	\$ 5,354,106	\$ 5,935,584	\$ 5,240,652	\$ 4,363,006	\$ 3,556,968	\$ 3,285,065	\$ 59,726,454
Contributions - Employer (from State)	2,375,756	2,262,213	1,985,387	1,814,266	1,597,683	1,611,609	1,483,310	1,455,967	1,333,046	1,259,981
Contributions - Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-	-
Contributions - Member (including buyback contributions)	3,342,847	2,822,534	3,173,908	3,045,352	2,647,132	2,806,839	2,787,968	2,679,979	2,427,068	2,336,635
Net Investment Income	43,306,366	69,470,956	33,162,662	(49,486,909)	94,692,056	25,816,070	9,669,966	33,555,721	44,494,434	21,229,525
Benefit Payments	(27,308,546)	(23,864,023)	(30,196,118)	(20,491,059)	(19,647,932)	(18,512,808)	(18,963,330)	(18,801,870)	(18,064,650)	(16,224,666)
Refunds	(377,543)	(196,211)	(78,566)	(233,429)	(262,973)	(206,949)	(152,950)	(225,759)	(25,530)	(93,453)
Administrative Expense	(549,801)	(582,432)	(406,647)	(436,123)	(367,760)	(304,417)	(336,885)	(319,039)	(308,777)	(288,017)
Other	3,479,868	780,284	678,558	387,837	689,406	162,185	130,508	1,309,407	904,892	423,031
Net Change in Plan Fiduciary Net Position	32,294,688	56,491,949	13,976,382	(60,045,959)	85,283,196	16,613,181	(1,018,407)	23,211,374	34,045,548	68,369,490
Plan Fiduciary Net Position - Beginning	495,760,974	439,269,025	425,292,643	485,338,602	400,055,406	383,442,225	384,460,632	361,249,258	327,203,710	258,834,220
Plan Fiduciary Net Position - Ending (b)	\$ 528,055,662	\$ 495,760,974	\$ 439,269,025	\$ 425,292,643	\$ 485,338,602	\$ 400,055,406	\$ 383,442,225	\$ 384,460,632	\$ 361,249,258	\$ 327,203,710
Net Pension Liability - Ending (a) - (b)	99,394,956	79,407,886	100,764,939	75,717,385	(38,444,959)	34,610,255	24,851,169	(927,725)	(3,109,212)	10,344,971
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.16 %	86.19 %	81.34 %	84.89 %	108.60 %	92.04 %	93.91 %	100.24 %	100.87 %	96.94 %
Covered Payroll**	\$ 29,444,618	\$ 24,655,736	\$ 25,510,864	\$ 26,101,927	\$ 24,064,836	\$ 24,972,409	\$ 25,098,209	\$ 23,929,891	\$ 21,679,436	\$ 20,603,955
Net Pension Liability as a Percentage of Covered Payroll	337.57 %	322.07 %	394.99 %	290.08 %	(159.76)%	138.59 %	99.02 %	(3.88)%	(14.34)%	50.21 %

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

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



SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY
(GASB STATEMENT NO. 67)

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2016	\$ 337,548,681	\$ 327,203,710	\$ 10,344,971	96.94%	\$ 20,603,955	50.21%
2017	358,140,046	361,249,258	(3,109,212)	100.87%	21,679,436	(14.34)%
2018	383,532,907	384,460,632	(927,725)	100.24%	23,929,891	(3.88)%
2019	408,293,394	383,442,225	24,851,169	93.91%	25,098,209	99.02%
2020	434,665,661	400,055,406	34,610,255	92.04%	24,972,409	138.59%
2021	446,893,643	485,338,602	(38,444,959)	108.60%	24,064,836	(159.76)%
2022	501,010,028	425,292,643	75,717,385	84.89%	26,101,927	290.08%
2023	540,033,964	439,269,025	100,764,939	81.34%	25,510,864	394.99%
2024	575,168,860	495,760,974	79,407,886	86.19%	24,655,736	322.07%
2025	627,450,618	528,055,662	99,394,956	84.16%	29,444,618	337.57%



NOTES TO SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY (GASB STATEMENT NO. 67)

Valuation Date: September 30, 2024
Measurement Date: September 30, 2025

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Roll Forward Procedures	The Total Pension Liability was developed by using standard actuarial techniques to roll forward amounts from the September 30, 2024 actuarial valuation one year to the measurement date.
Inflation	2.5%
Salary Increases	3.50% to 8.50% depending on service, including inflation
Investment Rate of Return	7.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The PUB-2010 Benefits Weighted Safety Healthy Employee Male Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Employee Female Table (pre-retirement), the PUB-2010 Benefits Weighted Safety Healthy Retiree Male Table (post-retirement), and the PUB-2010 Benefits Weighted Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year for males and mortality improvements to all future years after 2010 using scale MP-2021. These are the same rates used for Special Risk Class members in the July 1, 2024 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63.

Other Information:

Notes See Section A in the September 30, 2024 Actuarial Valuation Report dated March 13, 2025. The rates of salary increase were updated for the first year only to include a 17% increase effective on October 1, 2024. Additionally, Florida Statutes Chapter 112.63(1)(f) mandates the use of the same mortality tables used by the Florida Retirement System (FRS) in either of its two most recently published actuarial valuation reports. The FRS updated its mortality tables in its July 1, 2024 actuarial valuation report after conducting a statewide experience study. The mortality tables and improvement scales were updated in the September 30, 2024 actuarial valuation report to reflect the mortality assumptions that were used in the July 1, 2024 FRS actuarial valuation for Special Risk Class Members.

An amendment to the Special Act is pending enactment by the Florida Legislature. This pending amendment has not been reflected in the NPL as of September 30, 2025. The benefit changes in the amendment are summarized below (please see the October 9, 2025 Actuarial Impact Statement):

- Effective for retirements on and after October 1, 2026, the benefit accrual rate is increased from 3% to 3.2% for all years of service up to a total of 26 years, with the same 1% benefit accrual rate for service in excess of 26 years. This benefit is not available to members who terminated or retired, including entry into the DROP, prior to October 1, 2026.
- The definition of actuarial equivalence is updated to refer to the interest rate and mortality table used in the latest actuarial valuation approved by the Board.
- There are additional updates for the purpose of clarification and compliance with the Florida Statutes and Internal Revenue Code.



**SCHEDULE OF CONTRIBUTIONS
(GASB STATEMENT NO. 67)**

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

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

**NOTES TO SCHEDULE OF CONTRIBUTIONS
(GASB STATEMENT NO. 67)**

Valuation Date: September 30, 2023
Notes Actuarially determined contributions are calculated as of September 30, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	3.50% to 8.50% depending on service, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement), and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63.

Other Information:

Notes See Section A in the September 30, 2023 Actuarial Valuation Report dated April 10, 2024. The assumed rates of salary increase, retirement, withdrawal, disability were updated, along with loads added to pre-fund the gains/losses for the Supplemental Pension Distribution and the DROP/Share Plan interest crediting rate. In addition, the actuarial value of assets calculation was revised to use 5-year smoothing effective September 30, 2022. Please see the Experience Investigation for the 9-Year Period Ended September 30, 2023 report dated March 7, 2024 for additional details.



**SINGLE DISCOUNT RATE
(GASB STATEMENT NO. 67)**

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

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

1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
\$154,908,136	\$99,394,956	\$54,712,886

SECTION E

SUMMARY OF VALUATION RESULTS IN STATE FORMAT

SUMMARY OF VALUATION RESULTS IN STATE FORMAT
(\$ AMOUNTS IN THOUSANDS)

	September 30, 2025	September 30, 2024
(a) Participant Data		
(i) Active participants - number	245	249
- annual payroll (excl. DROP participants)	\$ 29,141	\$ 28,913
(ii) Retired members & beneficiaries		
- number	302	300
- annualized benefit payroll	20,087	19,481
(iii) Disabled members		
- number	29	28
- annualized benefit payroll	1,579	1,490
(iv) Terminated vested members		
- number	10	10
- annualized benefit payroll	269	283
(b) Assets		
(i) Actuarial value of funding	520,744	503,913
(ii) Market value	528,056	495,761
(iii) Contribution receivable	0	0
(c) Actuarial Liabilities		
(i) Actuarial present value of active member benefits:		
service retirement	177,620	174,603
termination benefits - pensions	8,132	8,176
disability retirement	10,133	10,175
survivor benefits (pre-retirement)	1,223	1,237
survivor benefits (post-retirement)	13,374	13,374
termination benefits - refunds	834	822
share accounts	82,073	78,262
Total	293,389	286,649
(ii) Contribution stabilization reserve	15,786	16,856
(iii) Actuarial present value of terminated vested member benefits	2,705	3,128
(iv) Actuarial present value of retired member & beneficiary:		
total service retirement & survivors	275,227	267,918
disability retirement	23,688	22,671
distribution reserve	0	0
DROP Reserve	100,963	91,465
Total	399,878	382,054
(v) Total actuarial present value of future benefit payments and reserves	711,757	688,687
(vi) Payables	none	none
(vii) Actuarial accrued liability (including Share Accounts, DROP Reserve, and other reserves)	\$ 626,079	\$ 598,006
(viii) Unfunded actuarial accrued liability(1)	\$ 105,335	\$ 94,093

(1) Please refer to page A-12 for requested detail.



SUMMARY OF VALUATION RESULTS IN STATE FORMAT
(\$ AMOUNTS IN THOUSANDS)

	September 30, 2025	September 30, 2024
(d) Actuarial Present Value of Accrued Benefits (calculated in accordance with FASB Statement No. 35)		
(i) Vested accrued benefits		
Retired members and beneficiaries - pensions	\$ 399,878	\$ 382,054
- distribution reserves	0	0
Terminated members	2,705	3,128
Active members (includes non-forfeitable accum. member contributions of \$21,637 and \$20,405)	81,137	77,179
Active member share accounts	82,073	78,262
Total	<u>\$ 565,792</u>	<u>\$ 540,624</u>
(ii) Non-vested accrued benefits	8,313	8,296
(iii) Contribution stabilization reserve	15,786	16,856
(iv) Total actuarial p.v. of accrued benefits	<u>\$ 589,891</u>	<u>\$ 565,776</u>
(v) Actuarial p.v. of accrued benefits at begin. of year	\$ 565,776	\$ 523,302
(vi) Changes attributable to:		
Amendments	\$ 0	\$ 0
Assumption/method changes	0	14,717
Operation of decrements	36,498	38,802
Benefit payments	(25,691)	(24,060)
Other (Changes in Reserves)	13,308	13,015
(vii) Net change	24,115	42,474
(viii) Actuarial p.v. of Accr. benefits at end of year	<u>\$ 589,891</u>	<u>\$ 565,776</u>
(e) Plan costs for fiscal years beginning October 1, 2025 and October 1, 2024 (EANC)		
(i) Normal costs		
Service pensions (incl. post-ret. surv. pensions)	27.05 %	28.95 %
Disability pensions (incl. post-ret. surv. pensions)	2.28	2.38
Survivor pensions (pre-retirement)	0.24	0.24
Deferred service pensions	1.70	1.78
Refunds of member contributions	0.69	0.65
Total normal cost	<u>31.96</u>	<u>34.00</u>
(ii) Payment to amortize unf'd act. accr. liab.	27.34	23.84
(iii) Administrative expenses	1.25	1.33
(iv) FS112.64(5) Requirement	0.00	0.00
(v) Amount to be paid by participants	11.00	11.00
(vi) Expected state contribution	0.00	0.00
(vii) Expected plan sponsor contribution		
% of payroll	49.55 %	48.17 %
dollars	<u>\$ 15,425</u>	<u>\$ 14,878</u>



SUMMARY OF VALUATION RESULTS IN STATE FORMAT
(\$ AMOUNTS IN THOUSANDS)

	September 30, 2025	September 30, 2024
(f) Past Contributions (fiscal year ending 9/30/25 and 24)		
(i) Required minimum:		
Plan sponsor	\$ 10,123	\$ 7,791
Members	3,239	2,712
Total	13,362	10,503
(ii) Actual:		
Plan sponsor	10,129	7,791
Members	3,239	2,712
Total	13,368	10,503
(g) Net Experience Gain (Loss)	\$ (8,064)	\$ (10,380)
(h) Other Disclosures		
(i) Present value of active member future salaries from attained age	\$ 268,707	\$ 271,217
from entry age	not applicable to individual EANC method	
(ii) Present value of active member future contribs. from attained age	\$ 29,558	\$ 29,834
from entry age	not applicable to individual EANC method	