



**City Of Kissimmee
Municipal Police
Officers' Retirement
Fund**

Actuarial Valuation

*As of October 1, 2025
Contributions Applicable to the Plan/
Fiscal Year Ending September 30, 2026*

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

February 26, 2026

Board of Trustees
City of Kissimmee Municipal Police Officers' Retirement Fund

Re: City of Kissimmee Municipal Police Officers' Retirement Fund

Dear Board,

This report details the annual actuarial valuation of the City of Kissimmee Municipal Police Officers' Retirement Fund as of October 1, 2025.

The valuation was performed to measure the plan's liability and funding levels and to determine the actuarially appropriate funding requirements for the plan year ending September 30, 2026. This report was prepared for use by the Board. Use of the results for other purposes may not be applicable and could produce significantly different results.

DATA AND ASSUMPTIONS

In preparing this report, we have relied on personnel and plan design supplied by the City of Kissimmee. Assets were determined based on financial reports supplied by the custodian bank. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated fund experience. Other sets of assumptions and methods could also be reasonable and could produce materially different results. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

DISCLOSURES AND LIMITATIONS

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; 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); and changes in plan provisions or applicable law. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the

software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

ACTUARIAL CERTIFICATION

The valuation has been conducted in accordance with all applicable laws and regulations, as well as generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board; specifically No. 4 Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, No. 23 Data Quality, No. 27 Selection of Assumptions for Measuring Pension Obligations, No. 44 Selection and Use of Asset Valuation Methods for Pension Valuations, and No. 51 Assessment and Disclosure of Risk Associated with Measuring Pension Obligations.

In our opinion, the Minimum Required Contribution set forth in this report constitutes a reasonable actuarially determined contribution under Actuarial Standard of Practice No. 4.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on this report has any direct financial interest or indirect material interest in the the City of Kissimmee, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Kissimmee Municipal Police Officers' Retirement Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

Respectfully submitted,
Foster & Foster, Inc.



Douglas H. Lozer, EA, MAAA



Luke M. Schoenhofen, FSA, EA, MAAA

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SUMMARY

The regular annual actuarial valuation of the City Of Kissimmee Municipal Police Officers' Retirement Fund, performed as of October 1, 2025, has been completed and the results are presented in this report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended September 30, 2026.

The contribution requirements, compared with those set forth in the October 1, 2024 actuarial report, are as follows:

Valuation Date	10/1/2025	10/1/2024
Applicable to Fiscal Year Ending	9/30/2026	9/30/2025
FUNDED STATUS		
Total Actuarial Accrued Liability	\$ 119,046,962	\$ 111,117,402
Actuarial Value of Assets	97,201,167	92,431,585
Unfunded Actuarial Accrued Liability	\$ 21,845,795	\$ 18,685,817
Funded Ratio	81.65%	83.18%
 CONTRIBUTION REQUIREMENTS		
Normal Cost	\$ 3,480,216	\$ 3,224,376
Administrative Expenses	95,980	85,242
Amortization Payment	3,051,534	2,444,054
Minimum Required Contribution	\$ 6,627,730	\$ 5,753,672
Member Contributions (Est.)	(602,121)	(596,935)
Expected City and State Contribution	\$ 6,025,609	\$ 5,156,737
State Contribution (Est.) ¹	(1,177,117)	(1,177,117)
City Required Contribution (Est.)	\$ 4,848,492	\$ 3,979,620
% of Projected Annual Payroll ²	35.27%	31.94%

¹ Represents the amount received in calendar 2025. As per a Mutual Consent Agreement between the Membership and the City, all State Monies received each year (up to \$1,177,117) will be available to offset the City's required contribution.

² Amounts shown as a percentage of payroll are for informational purposes, as the plan is funded on a dollar basis.

As you can see, the Minimum Required Contribution shows an increase from the October 1, 2024 actuarial valuation report. The increase is mainly attributable to unfavorable plan experience and a change in the mortality assumption.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial loss included an average salary increase of 14.33% which exceeded the 6.92% assumption, an investment return of 5.48% (Actuarial Asset Basis) which fell short of the 7.10% assumption, and unfavorable retirement experience. These losses were offset in part by a gain associated with more turnover than expected.

CHANGES SINCE PRIOR VALUATION

PLAN CHANGES

There have been no plan changes since the prior valuation.

ACTUARIAL ASSUMPTION/METHOD CHANGES

Since the previous valuation, as mandated by Chapter 2015-157, Laws of Florida, the mortality rates were updated to align with those outlined in Milliman's July 1, 2024 FRS valuation report for special-risk employees.

There were no method changes since the prior valuation.

VALUATION RESULTS

PRINCIPAL VALUATION RESULTS

Valuation Date	New Assump 10/1/2025	Old Assump 10/1/2025	10/1/2024
PARTICIPANT DATA			
Actives	138	138	141
Service Retirees	117	117	112
DROP Retirees	8	8	7
Beneficiaries	11	11	11
Disability Retirees	11	11	10
Terminated Vested	31	31	25
Total	316	316	306
Projected Annual Payroll	\$ 12,489,912	\$ 12,489,912	\$ 11,606,556
Annual Rate of Payments to:			
Service Retirees	\$ 4,643,096	\$ 4,643,096	\$ 4,323,791
DROP Retirees	678,351	678,351	537,578
Beneficiaries	245,222	245,222	245,222
Disability Retirees	234,688	234,688	207,948
Terminated Vested	201,661	201,661	140,604
ASSETS			
Actuarial Value (AVA)	\$ 97,201,167	\$ 97,201,167	\$ 92,431,585
Market Value (MVA)	102,004,077	102,004,077	93,766,237
LIABILITIES			
Present Value of Benefits			
Actives			
Retirement Benefits	\$ 65,975,663	\$ 65,083,298	\$ 62,949,264
Death Benefits	241,980	319,559	293,667
Disability Benefits	1,367,429	1,335,854	1,249,170
Vested Benefits	2,039,505	2,008,983	1,941,206
Refund of Contributions	432,018	431,590	384,860
Service Retirees	55,657,519	55,256,621	51,869,068
DROP Retirees	10,525,226	10,461,885	8,496,690
Beneficiaries	2,592,616	2,603,396	2,642,062
Disability Retirees	2,759,791	2,739,876	2,460,239
Terminated Vested	1,806,741	1,785,996	1,109,294
Share Plan Balances	424,378	424,378	315,023
Total	\$ 143,822,866	\$ 142,451,436	\$ 133,710,543

Valuation Date	New Assump 10/1/2025	Old Assump 10/1/2025	10/1/2024
LIABILITIES (CONTINUED)			
Present Value of Future Salaries	\$ 111,000,913	\$ 110,852,262	\$ 101,717,719
Present Value of Member Contributions	\$ 4,956,191	\$ 4,949,553	\$ 4,475,580
Normal Cost			
Retirement	\$ 2,622,423	\$ 2,584,444	\$ 2,433,726
Death	16,398	21,812	18,897
Disability	98,147	96,651	90,703
Vesting	154,915	152,562	152,674
Refunds	68,684	68,655	62,513
Total Normal Cost	\$ 2,960,567	\$ 2,924,124	\$ 2,758,513
Present Value of Future Normal Costs (EAN)	\$ 24,775,904	\$ 24,434,458	\$ 22,593,141
Actuarial Accrued Liability (EAN AL)			
Actives			
Retirement	\$ 43,562,742	\$ 43,018,644	\$ 42,527,509
Death	115,780	152,683	148,057
Disability	536,060	521,178	498,347
Vesting	985,320	971,536	970,430
Refunds	80,789	80,785	80,683
Inactives ¹	73,341,893	72,847,774	66,577,353
Share Plan Balances ¹	424,378	424,378	315,023
Total Actuarial Accrued Liability	\$ 119,046,962	\$ 118,016,978	\$ 111,117,402
Unfunded Actuarial Accrued Liability (UAAL)	\$ 21,845,795	\$ 20,815,811	\$ 18,685,817
Funded Ratio (AVA / EAN AL)	81.65%	82.36%	83.18%

ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

	New Assump	Old Assump	
Valuation Date	10/1/2025	10/1/2025	10/1/2024
Vested Accrued Benefits			
Inactives + Share Plan Balances ¹	\$ 73,766,271	\$ 73,272,152	\$ 66,892,376
Actives	22,173,869	21,902,677	23,104,016
Member Contributions	3,144,563	3,144,563	3,235,568
Total	\$ 99,084,703	\$ 98,319,392	\$ 93,231,960
Non-vested Accrued Benefits	<u>3,450,872</u>	<u>3,395,048</u>	<u>3,088,654</u>
Total Present Value of Accrued Benefits (PVAB)	\$ 102,535,575	\$ 101,714,440	\$ 96,320,614
Funded Ratio (MVA / PVAB)	99.50%	100.30%	97.35%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	\$ 0	\$ 0	
Assumption Changes	821,135	0	
Plan Experience	0	4,649,207	
Benefits Paid	0	(5,885,219)	
Interest	0	6,629,838	
Other	0	0	
Total	\$ 821,135	\$ 5,393,826	

CONTRIBUTION REQUIREMENTS

	New Assump	Old Assump	
Valuation Date	10/1/2025	10/1/2025	10/1/2024
Applicable to Fiscal Year Ending	9/30/2026	9/30/2026	9/30/2025
CALCULATION OF CONTRIBUTION REQUIREMENT²			
Normal Cost	\$ 3,480,216	\$ 3,437,376	\$ 3,224,376
% of Total Annual Payroll	25.81%	25.49%	25.88%
Administrative Expenses	95,980	95,980	85,242
% of Total Annual Payroll	0.71%	0.71%	0.68%
UAAL Amortization Payment	3,051,534	2,943,991	2,444,054
% of Projected Annual Payroll	<u>22.63%</u>	<u>21.83%</u>	<u>19.61%</u>
Minimum Required Contribution	\$ 6,627,730	\$ 6,477,347	\$ 5,753,672
% of Projected Annual Payroll	49.15%	48.03%	46.17%
Expected Member Contributions	(602,121)	(602,121)	(596,935)
% of Projected Annual Payroll	<u>(4.46)%</u>	<u>(4.46)%</u>	<u>(4.40)%</u>
Expected City and State Contribution	\$ 6,025,609	\$ 5,875,226	\$ 5,156,737
% of Projected Annual Payroll	44.69%	43.57%	41.77%
PAST CONTRIBUTIONS FOR PLAN YEAR ENDING 9/30/2025			
Total Required Contribution	\$ 5,753,672		
City and State Requirement	5,156,737		
Actual Contributions Made:			
City	3,979,747		
State	<u>1,177,117</u>		
Total	\$ <u>5,156,864</u>		

¹ The asset values and liabilities include accumulated DROP Plan Balances and Share Plan Balances as of 9/30/2025 and 9/30/2024.

² Contributions developed as of 10/1/2025 and 10/1/2024 displayed above have been adjusted to account for assumed salary increases (7.97% for 2025 and 7.36% for 2024) and interest. Contributions developed as of 10/1/2025 are expressed as a percentage of Projected Annual Payroll at 10/1/2026 of \$13,485,358. Contributions developed as of 10/1/2024 are expressed as a percentage of Projected Annual Payroll at 10/1/2025 of \$12,460,799.

OTHER INFORMATION

ILLUSTRATION OF AMORTIZATION OF THE TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY

Year	Projected Unfunded Actuarial Accrued Liability
2025	21,845,795
2026	20,616,645
2027	19,300,225
2033	9,262,324
2038	3,032,660
2044	299,167
2049	0

5-YEAR COMPARISON OF ACTUAL AND ASSUMED SALARY INCREASES

Year Ended	Actual	Assumed
9/30/2025	14.33%	6.92%
9/30/2024	7.00%	5.04%
9/30/2023	12.29%	5.18%
9/30/2022	6.11%	5.08%
9/30/2021	3.70%	5.07%

5-YEAR COMPARISON OF INVESTMENT RETURN ON MARKET VALUE AND ACTUARIAL VALUE OF ASSETS

Year Ended	Market Value	Actuarial Value	Assumed
9/30/2025	9.29%	5.48%	7.10%
9/30/2024	21.37%	8.02%	7.20%
9/30/2023	10.70%	5.28%	7.20%
9/30/2022	(15.71)%	3.61%	7.20%
9/30/2021	20.20%	10.84%	7.40%

AVERAGE ANNUAL PAYROLL GROWTH

Valuation Date	Payroll
10/1/2025	12,489,912
10/1/2015	7,562,351
Total Increase	65.16%
Number of Years	10.00
Average Annual Rate	5.15%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. 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.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Please let us know when the report is approved by the Board and unless otherwise directed, we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

DEVELOPMENT OF ACTUARIAL (GAIN)/LOSS

DEVELOPMENT OF ACTUARIAL (GAIN)/LOSS

	Actuarial Accrued Liability	Actuarial Valuation of Assets	Unfunded Actuarial Accrued Liability
Actual, Beginning of Year	\$111,117,402	\$ 92,431,585	\$ 18,685,817
Total Normal Cost	2,758,513		2,758,513
Benefit Payments	(5,885,219)	(5,885,219)	0
Administrative Expenses		(88,290)	88,290
Employer Contribution		3,979,747	(3,979,747)
Member Contribution	0	546,743	(546,743)
State Contribution	91,724	1,268,841	(1,177,117)
Interest	7,879,847	6,382,870	1,496,977
Expected, End of Year	<u>\$115,962,267</u>	<u>\$ 98,636,277</u>	<u>\$ 17,325,990</u>
Actual End of Year (before changes)	<u>118,016,978</u>	<u>97,201,167</u>	<u>20,815,812</u>
Actuarial (Gain)/Loss	<u>\$ 2,054,711</u>	<u>\$ 1,435,110</u>	<u>\$ 3,489,821</u>

SUMMARY OF COMPONENTS OF (GAIN)/LOSS

Investment Return (Actuarial Asset Basis)	\$ 1,435,110
Salary Increases	2,191,170
Active Decrements	(456,717)
Inactive Mortality	359,045
Interest Crediting on Share Plan Balances	6,666
Other	(45,453)
Change due to Actuarial (Gain)/Loss	<u>\$ 3,489,821</u>

UNFUNDED ACTUARIAL ACCRUED LIABILITY

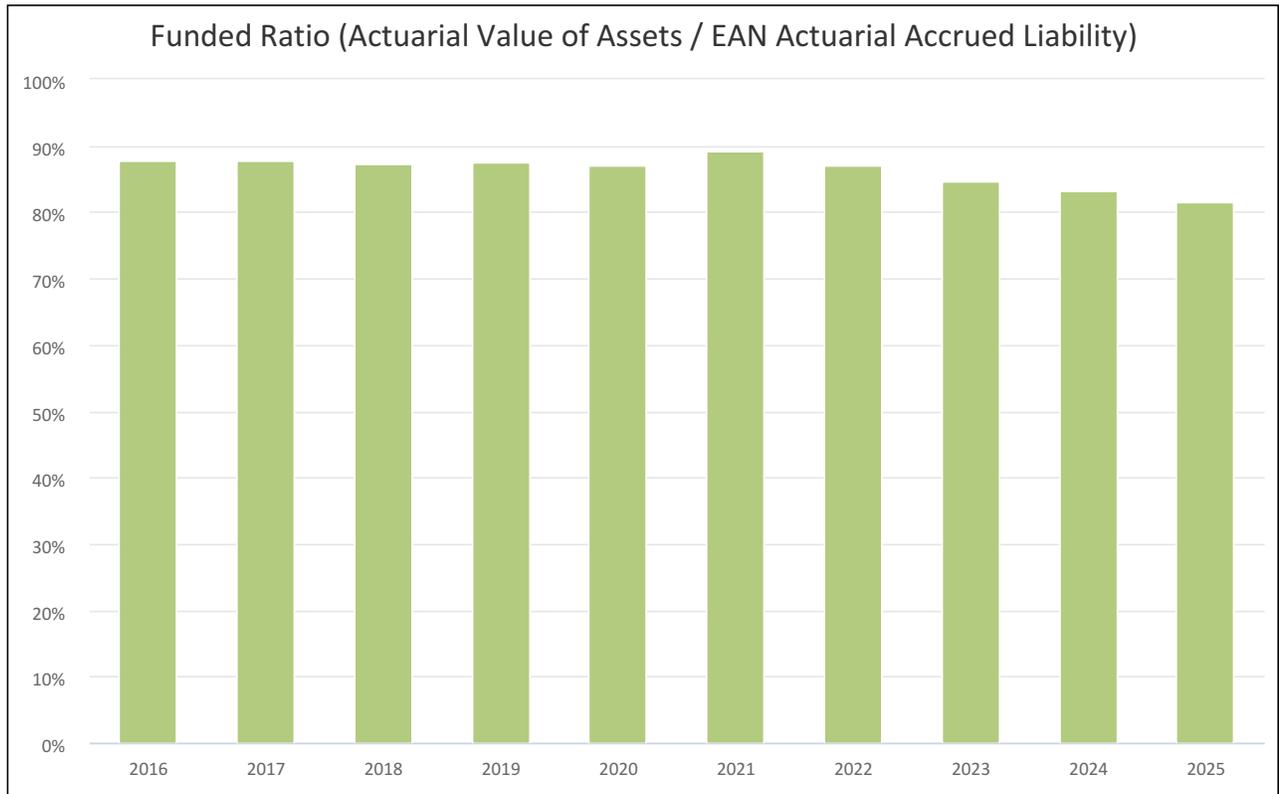
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Unfunded Actuarial Accrued Liability as of October 1, 2024	\$	18,685,817
Expected Unfunded Actuarial Accrued Liability as of October 1, 2025	\$	17,325,990
Change to UAAL due to Actuarial (Gain)/Loss		3,489,821
Change to UAAL due to Assumption Change		1,029,984
Unfunded Actuarial Accrued Liability as of October 1, 2025	\$	<u>21,845,795</u>

SCHEDULE OF AMORTIZATION PAYMENTS

Unfunded Liability Base	Date Established	Years Remaining	Current Balance	Payment
Fresh Start	10/1/2018	13	6,637,638	745,758
Actuarial Gain	10/1/2019	4	(34,268)	(9,468)
Benefits Change	10/1/2019	24	577,407	47,419
Actuarial Loss	10/1/2020	5	638,030	145,683
Assump Change	10/1/2020	15	393,667	40,612
Actuarial Gain	10/1/2021	6	(1,708,462)	(335,701)
Assump Change	10/1/2021	16	1,676,245	166,780
Actuarial Loss	10/1/2022	7	1,935,955	336,579
Actuarial Loss	10/1/2023	8	3,340,896	524,428
Actuarial Loss	10/1/2024	9	455,593	65,570
Assump Change	10/1/2024	19	3,413,289	310,669
Actuarial Loss	10/1/2025	10	3,489,821	466,080
Assumption Change	10/1/2025	20	1,029,984	91,485
Total Unfunded Liability			21,845,795	2,595,894

HISTORY OF FUNDING PROGRESS



ASSET INFORMATION

STATEMENT OF FIDUCIARY NET POSITION

	Market Value 9/30/2025
ASSETS	
Cash and Cash Equivalents:	
Money Market	3,711,420.00
Cash	2.25
Total Cash and Equivalents	\$ 3,711,422.25
RECEIVABLES	
Additional Contributions	3,979,620.00
Investment Income	140,124.21
Total Receivable	\$ 4,119,744.21
INVESTMENTS	
Corporate Bonds/Fixed Income	20,342,413.69
Stocks/Equity	37,935,174.50
Mutual Funds:	
Equity	20,186,286.02
Pooled/Common/Commingled Funds:	
Equity	8,252,275.89
Real Estate	7,500,757.11
Total Investments	\$ 94,216,907.21
TOTAL ASSETS	\$ 102,048,073.67
LIABILITIES	
Payables:	
Refunds of Member Contributions	\$ 5,638.10
Benefit Payments	1,587.37
Investment Expenses/Unpaid Investment Expenses	36,771.51
Total Liabilities	\$ 43,996.98
NET POSITION RESTRICTED FOR PENSIONS	\$ 102,004,076.69

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Year Ended 9/30/2025
ADDITIONS	
Contributions:	
Member	\$ 546,743.46
Employer	3,979,747.29
State	1,268,840.80
Total Contributions	<u>\$ 5,795,331.55</u>
Investment Income:	
Net Realized Gain (Loss)	\$ 3,381,817.15
Unrealized Gain (Loss)	2,160,140.19
Net Increase in Fair Value of Investments	\$ 5,541,957.34
Interest & Dividends	3,020,375.38
Less Investment Expense ¹	<u>(146,315.00)</u>
Net Investment Income	\$ 8,416,017.72
Total Additions	\$ 14,211,349.27
DEDUCTIONS	
Distributions To Members:	
Benefit Payments	\$ 4,908,923.84
Lump Sum DROP Distributions	747,067.23
Lump Sum Share Distributions	8,491.45
Refunds of Member Contributions	220,736.69
Total Distributions	<u>\$ 5,885,219.21</u>
Administrative Expense	<u>\$ 88,289.92</u>
Total Deductions	\$ 5,973,509.13
NET INCREASE IN NET POSITION	\$ 8,237,840.14
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of the Year	\$ 93,766,236.55
End of the Year	<u>\$ 102,004,076.69</u>

¹ Investment related expenses include investment advisory, custodial and performance monitoring fees.

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

Actuarial Assets for funding purposes are developed by increasing the actuarial value of assets used in the most recent actuarial valuation by the average annual market value rate of return (net of investment expenses) for the past four years.

	9/30/2025
ACTUARIAL VALUE OF ASSETS	
Market Value of Assets	\$ 102,004,077
Unlimited Actuarial Value of Assets (AVA), Prior Year	\$ 92,431,585
Derived Return	4,947,759
Preliminary Actuarial Value of Assets	<u>\$ 93,221,547</u>
Limited Actuarial Value of Assets	\$ 97,201,167
DERIVED RETURN (BASED ON AVERAGE MARKET VALUE RETURN)	
Interest and Dividends	\$ 3,020,375
Realized (Gain)/Loss	3,381,817
Unrealized (Gain)/Loss	2,160,140
Change in Actuarial Value	(3,468,258)
Investment Related Expenses	(146,315)
Total Return	<u>\$ 4,947,759</u>

AVERAGE MARKET VALUE OF RETURN

Plan Year End	Rate of Return
9/30/2022	(15.71)%
9/30/2023	10.70%
9/30/2024	21.37%
9/30/2025	9.29%
Average Annualized Return	5.48%

¹Market Value Basis, net of investment related expenses.

APPROXIMATE RATES OF RETURN

Basis	Rate of Return
Actuarial Valuation of Assets	5.48%
Market Value of Assets	9.29%

CHANGES IN ASSETS AVAILABLE FOR BENEFITS – ACTUARIAL ASSET BASIS

	Year Ended 9/30/2025
ADDITIONS	
Contributions:	
Member	\$ 546,743.46
Employer	3,979,747.29
State	1,268,840.80
Total Contributions	<u>\$ 5,795,331.55</u>
Earnings from Investments:	
Interest & Dividends	\$ 3,020,375.38
Miscellaneous Income	0.00
Net Realized Gain (Loss)	3,381,817.15
Unrealized Gain (Loss)	2,160,140.19
Change in Actuarial Value	(3,468,258.19)
Total Earnings and Investment Gains	<u>\$ 5,094,074.53</u>
DEDUCTIONS	
Distributions To Members:	
Benefit Payments	\$ 4,908,923.84
Lump Sum DROP Distributions	747,067.23
Lump Sum Share Distributions	8,491.45
Refunds of Member Contributions	220,736.69
Total Distributions	<u>\$ 5,885,219.21</u>
Expenses:	
Investment Related ¹	\$ 146,315.00
Administrative	88,289.92
Total Expenses	<u>\$ 234,604.92</u>
CHANGE IN NET ASSETS FOR THE YEAR	\$ 4,769,581.95
NET ASSETS	
Beginning of the Year	\$ 92,431,585.03
End of the Year	<u>\$ 97,201,166.98</u>

¹ Investment related expenses include investment advisory, custodial and performance monitoring fees.

SUPPLEMENTAL ASSET INFORMATION

Year Beginning	10/1/2024
Year Ending	9/30/2025

DEFERRED RETIREMENT OPTION PLAN ACTIVITY

Beginning of Year Balance	\$	1,061,863.05
Plus Additions		653,772.74
Investment Return Earned		30,452.92
Less Distributions		(747,067.23)
End of the Year Balance	\$	999,021.48

SUPPLEMENTAL CHAPTER 185 SHARE PLAN ACTIVITY

Beginning of Year Balance	\$	315,023.20
Prior Year Adjustment		(2,154.40)
Plus Additions		91,723.80
Investment Return Earned (Est.)		28,277.00
Administrative Fees (Est.)		0.00
Less Distributions		(8,491.45)
End of Year Balance (Est.)	\$	424,378.15

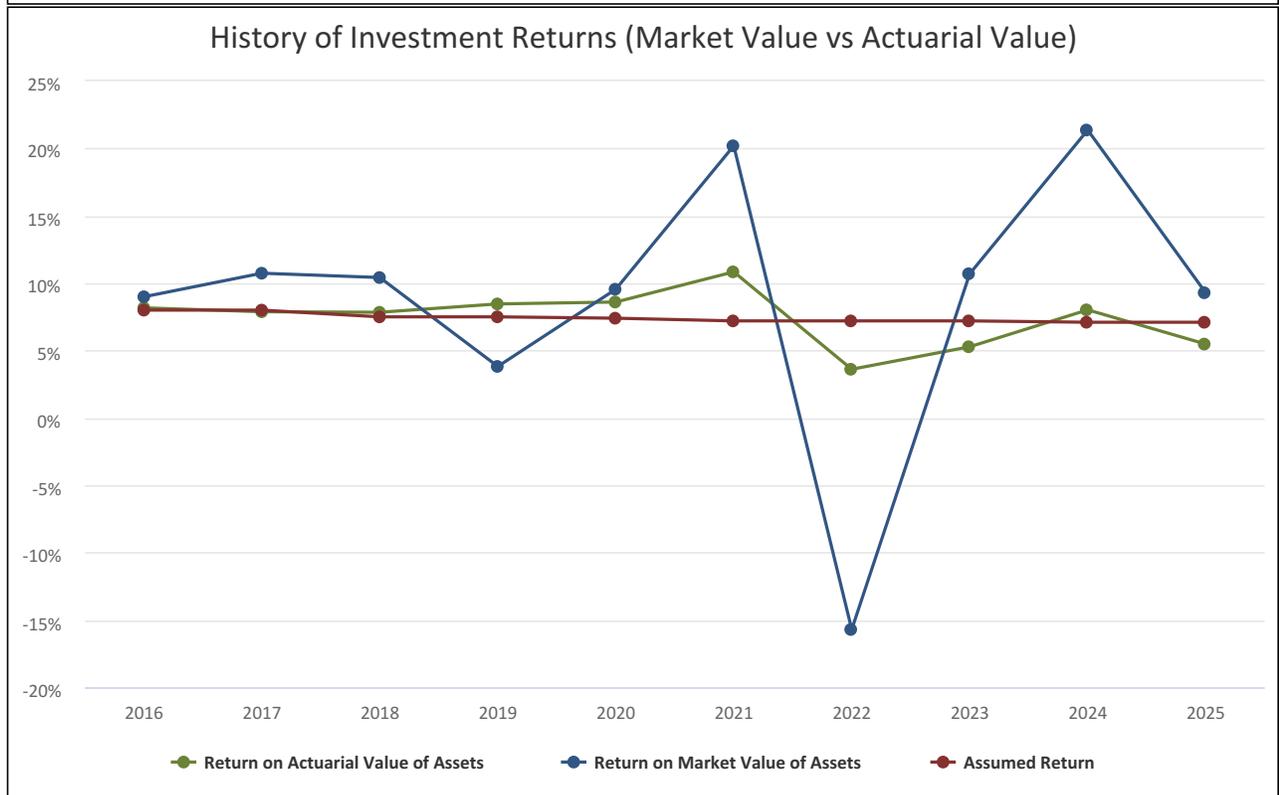
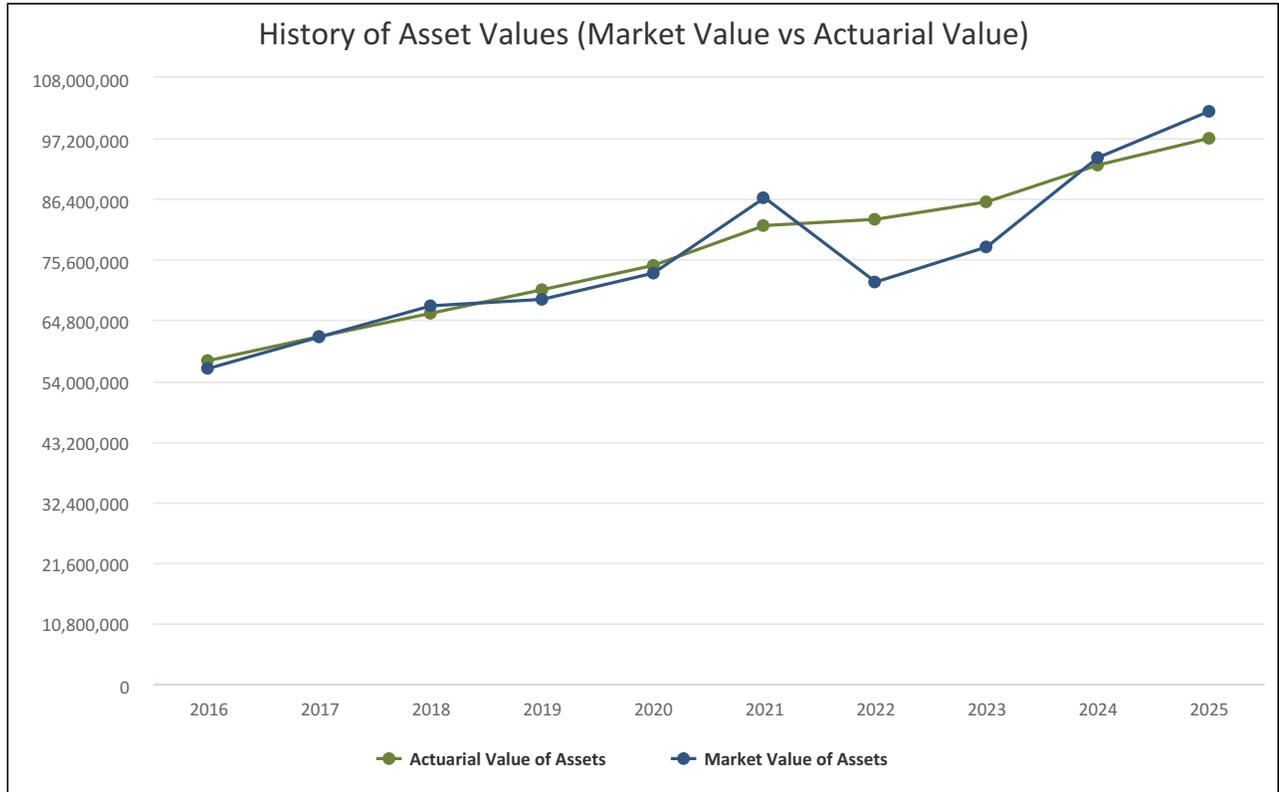
CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT

Required City and State Contributions	\$	5,156,737.00
Less Allowable State Contribution		(1,177,117.00)
Required City Contribution for Fiscal 2025	\$	3,979,620.00
Less 2024 Prepaid Contribution		0.00
Less Actual City Contributions		(3,979,747.29)
City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2025	\$	(127.29)

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase From Previous Year
2000	335,055.10	N/A
2001	366,871.49	9.5%
2002	418,261.60	14.0%
2003	488,351.73	16.8%
2004	549,091.48	12.4%
2005	623,448.79	13.5%
2006	635,012.36	1.9%
2007	623,448.79	-1.8%
2008	623,448.79	0.0%
2009	558,058.33	-10.5%
2010	482,404.62	-13.6%
2011	489,062.57	1.4%
2012	482,043.69	-1.4%
2013	520,621.69	8.0%
2014	501,392.28	-3.7%
2015	521,205.94	4.0%
2016	582,137.66	11.7%
2017	655,117.24	12.5%
2018	746,619.92	14.0%
2019	799,085.17	7.0%
2020	1,080,755.51	35.2%
2021	950,853.90	-12.0%
2022	1,095,725.20	15.2%
2023	1,249,688.42	14.1%
2024	1,155,952.35	-7.5%
2025	1,268,840.80	9.8%

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



PARTICIPANT STATISTICS

STATISTICAL DATA

	10/1/2025	10/1/2024	10/1/2023	10/1/2022
ACTIVES				
Number	138	141	146	146
Average Current Age	37.8	37.5	37.0	36.7
Average Age at Employment	29.0	28.3	28.1	28.2
Average Past Service	8.8	9.2	8.9	8.5
Average Annual Salary	\$93,032	\$83,682	\$78,198	\$72,098
SERVICE RETIREES				
Number	117	112	111	110
Average Current Age	61.5	61.0	60.5	59.9
Average Annual Benefit	\$39,685	\$38,605	\$37,685	\$36,290
DROP RETIREES				
Number	8	7	4	4
Average Current Age	51.0	51.9	52.0	52.2
Average Annual Benefit	\$84,794	\$76,797	\$72,261	\$67,264
BENEFICIARIES				
Number	11	11	10	11
Average Current Age	63.6	62.6	59.3	59.2
Average Annual Benefit	\$22,293	\$22,293	\$23,044	\$28,822
DISABILITY RETIREES				
Number	11	10	10	10
Average Current Age	58.3	57.8	56.8	55.8
Average Annual Benefit	\$21,335	\$20,795	\$20,719	\$20,634
TERMINATED VESTEDS				
Number	31	25	25	23
Average Current Age ¹	40.7	39.6	39.6	39.2
Average Annual Benefit ¹	\$20,166	\$15,623	\$19,006	\$18,899

¹ The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

AGE AND SERVICE DISTRIBUTION

Age	Past Service											Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	
15 - 19												0
20 - 24	2	1	1									4
25 - 29	3	5	4	7	2	3						24
30 - 34	3	5	4	1	3	13	2					31
35 - 39	2	2		2		8	6	2				22
40 - 44						4	8	9	2			23
45 - 49	1					4	1	11	5			22
50 - 54	1					3		2	1	1		8
55 - 59	1					1		1				3
60 - 64									1			1
65+												0
Total	13	13	9	10	5	36	17	25	9	1	0	138

PARTICIPANT RECONCILIATION

	Actives	Members Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
Number, prior valuation	141	112	7	11	10	9	16	306
New Entrants / Rehires	21							21
Vested (Deferred Annuity)	(2)					2		0
Non-Vested / Vested (Due Refund)	(3)						3	0
Refund of Contributions or Terminated Non-Vested	(13)						(2)	(15)
Hired/Termed Same Year							4	4
Retired	(2)	5	(2)			(1)		0
DROP	(3)		3					0
Disabled	(1)				1			0
Death, With Survivor								0
Death, No Survivor		(1)						(1)
Expired Annuities								0
Data Corrections								0
Other		1						1
Number, current valuation	138	117	8	11	11	10	21	316

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubS-2010 for Employees

Male: PubS-2010 for Employees, set forward 1 year

Healthy Retiree Lives:

Female: PubS-2010 for Healthy Retirees

Male: PubS-2010 for Healthy Retirees, set forward 1 year

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees

Male: PubG.H-2010 for Healthy Retirees, set back 1 year

Disabled Lives:

Female: PubG.H-2010 for Disabled Retirees, set forward 1 years

Male: PubG.H-2010 for Disabled Retirees

All rates are projected generationally with Mortality Improvement Scale MP-2021. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for non-special-risk employees.

Previously, the following rates were used:

Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.
Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates for healthy lives were projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.10% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

Salary Scale	
Service	Rate
< 1	15.00%
1-4	5.50%
5-10	8.50%
11-19	6.25%
20+	4.75%

The above rates were adopted as a result of the July 31, 2024 Experience Study.

Final Salary Load

Credited Service as of 10/1/2013	Rate
At least 15	5.0%
10-15 years	2.5%
Less than 10 years	0.0%

The above rates were developed using data provided by the City.

Payroll Growth 0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses Average of actual expenses incurred in the prior two fiscal years.

Amortization Method New UAAL amortization bases are amortized over the following amortization periods:

Experience: 10 Years.
Assumption/Method Changes: 20 Years.
Benefit Changes: 30 Years.

The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4.

Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

Asset Smoothing Methodology The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

Funding Method Entry Age Normal Cost Method. The following loads are applied for determining the minimum required contribution:

Interest – 1.25 years.
Salary - A full year.

Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation. The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future.

Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Marriage Rates

100% of the Members are assumed to be married, with males 3 years older than females.

Termination

10.0% for Members with less than 5 years of Credited Service, 4.0% for Members with between 5 and 9 years of Credited Service, and 3.5% for Members with between 10 and 19 years of Credited Service. No terminations are assumed upon completion of 20 or more years of Credited Service. These rates were adopted as a result of the July 31, 2024 Experience Study.

Disability

Sample rates from Table 1205 below. Service connected rate is assumed at 75%.

% Becoming Disabled During the Year	
Age	Rate
20	0.07%
30	0.09%
40	0.15%
50	0.50%

The above rates were reviewed and adopted as a result of the July 31, 2024 Experience Study.

Normal Retirement

For Members with less than 25 years of Credited Service: 50% at age 50, 20% for ages 51-54, and 100% for ages 55 and above.

For Members with at least 25 years of Credited Service: 40% at years 25 and 26, and 100% upon the completion of at least 27 years of Credited Service.

The above rates were adopted as a result of the September 13, 2018 Experience Study.

Early Retirement

2% for ages 40-44, and 10% for ages 45 and older. These rates were adopted as a result of the September 13, 2018 Experience Study.

PLAN PROVISIONS

Most Recent Plan Amendment	Ordinance No. 3090
Eligibility	All regular sworn Police Officers.
Compensation	Total compensation paid to a police officer for services rendered, including lump sum sick leave, but not including special assignment and special detail pay.
Average Final Compensation (AFC)	Average salary during the five best consecutive years of the last ten years of service. The AFC as of May 6, 2014 will be determined under the previous AFC definition and preserved as a minimum AFC for determining the final benefit.
Retirement Age	
Normal	The earlier of (1) Age 50 and 10 years of credited service or (2) 25 years of credited service regardless of age.
Early	Age 40 and 15 years of credited service.
Retirement Benefits	
Normal	Hired prior to May 6, 2014: 3.50% of AFC for each year of service subject to a maximum of 100% of AFC. Hired on or after May 6, 2014: 3.00% of AFC for each year of service subject to a maximum of 100% of AFC.
Early	Same as Normal except reduced actuarially from Normal Retirement Date.
Delayed	Benefit continues to accrue.
Normal Form	Ten Year Certain and Life Annuity with other options available.
Disability Retirement	
Eligibility	All Members are eligible for line of duty benefit; five years of

Benefit	credited service needed for non-line of duty. Accrued pension benefit with a minimum of 42% of AFC if line of duty or 25% of AFC if non-line of duty. Under certain conditions, the minimum line of duty benefit is 80% of AFC.
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Death Benefits (Pre-Retirement)

Non-Line-of-Duty	<p>Less than 5 years of credited service: Return of Accumulated Member Contributions.</p> <p>Five or more 5 years of credited service: Beneficiary will receive a monthly income, payable in the form of a ten year certain and life annuity, which can be provided by (a) or (b), whichever is greater, where:</p> <p>(a) is the single-sum value of the Member's accrued benefit, and</p> <p>(b) is the smaller of (i) or (ii), where</p> <p>(i) is 24 times Average Compensation, and</p> <p>(ii) is 100 times the anticipated monthly normal retirement benefit.</p>
Line-of-Duty	<p>No Intentional Act of Violence: Beneficiary will receive a monthly income, payable in the form of a ten year certain and life annuity, which can be provided by (a) or (b), whichever is greater, where:</p> <p>(a) is the single-sum value of the Member's accrued benefit, and</p> <p>(b) is the smaller of (i) or (ii), where</p> <p>(i) is 24 times Average Compensation, and</p> <p>(ii) is 100 times the anticipated monthly normal retirement benefit.</p> <p>Intentional Act of Violence: The surviving spouse will receive a lifetime benefit equal to 100% of the Member's monthly salary at the time of death, but not less than a benefit which as the same value as 10 years of payments of the Member's accrued benefit at the time of death.</p> <p>Non-spousal beneficiaries receive benefits determined under the No Intentional Act of Violence provisions.</p>

Termination Benefits

Prior to May 6, 2014

Less than five years of credited service: return of employee contributions with 4.50% interest.

Five years or more: vested portion of accrued pension payable at age 50 or earlier, if contributions left in the fund, or refund of contributions with interest. Vested portion is as follows:

Service	Vested %
Less than 5 years	0%
5	25%
6	30%
7	35%
8	40%
9	45%
10+	100%

On or After May 6, 2014

Less than ten years of credited service: return of employee contributions with 4.50% interest.

Ten years or more: vested portion of accrued pension payable at age 50 or earlier, if contributions left in the fund, or refund of contributions with interest.

Deferred Retirement Option Plan (DROP)

Members who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings.

Cost of Living Allowance

Each retiree, beneficiary and disability retiree who retires after October 1, 1998 will receive a 1.00% increase in benefits each year on October 1st from age 55 to age 65. Effective May 6, 2014, Members who retire prior to the normal retirement date shall not be eligible for a cost-of-living adjustment.

Contributions

Employees

3.70% of Compensation for those hired prior to May 6, 2014. 5.00% of Compensation for those hired on or after May 6, 2014.

State	Premium tax refund per Chapter 185.
City	Remaining amount necessary according to State laws.

Supplement Benefit (Share Accounts)

Initial Crediting	Pursuant to a Mutual Consent Agreement between the City and PBA, \$218,479.46 from the Excess State Monies Reserve is allocated to eligible participants.
Annual Crediting	Annual Premium tax revenues received by the City in excess of the \$1,177,117 applicable frozen amount shall be equally allocated to participant accounts.
Investment earnings	Eligible Share Accounts shall be credited or debited annually, based on the Plan's net-of-fees investment performance for the immediately preceding Plan Year.
Vesting	The same vesting provisions applicable to the accrued benefit under Sec. 2-6-88.
Eligibility for Distribution	Eligible for Normal or Early Retirement.

SUPPLEMENTARY INFORMATION

GLOSSARY

Accrued Benefit	The benefit earned as of a specific date based on the provisions of the plan and the member's age, service, and salary as of that date.
Actuarial Accrued Liability	The portion of the anticipated future benefits allocated to years prior to the valuation date determined according to the plan's Actuarial Cost Method.
Actuarial Value of Assets	The asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.
Actuarial Assumptions	Assumptions regarding the occurrence of future events affecting plan costs. These assumptions include rates of investment earnings, changes in compensation, rates of mortality, withdrawal, disablement, and retirement as well as statistics related to marriage and family composition.
Actuarial Cost Method	A method of determining the portion of the cost of a plan to be allocated to each year; sometimes referred to as the "actuarial funding method." Each cost method allocates a certain portion of the actuarial present value of benefits between the Actuarial Accrued Liability and future normal costs to ensure the plan is adequately and systematically funded.
Actuarial Gain or Loss	The change in Unfunded Actuarial Accrued Liability resulting from experience different from Actuarial Assumptions. Gains decrease the Unfunded Actuarial Accrued Liability and losses increase the Unfunded Actuarial Accrued Liability.
Actuarial Present Value	The estimated amount of funds required as of a specified date 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 payments between the specified date and the expected date of payment.

Amortization Payment

The portion of the plan contribution designated to pay interest and reduce the outstanding principal balance of Unfunded Actuarial Accrued Liability. If the amortization payment is less than the accrued interest on the Unfunded Actuarial Accrued Liability the outstanding principal balance will increase.

Decrements

Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Funded Ratio

A measure of the ratio of the plan assets to liabilities of the system. Typically, the assets used in the measure are the Actuarial Value of Assets as determined by the asset valuation method. The Funded Ratio depends not only on the financial strength of the plan but also on the asset valuation method used to determine the assets and on the Actuarial Cost Method used to determine the liabilities.

Interest Rate

The assumed long-term rate of return on plan assets.

Market Value of Assets

The fair market value of plan assets as of the valuation date.

Normal Cost

The portion of the Actuarial Present Value of Benefits allocated to the current year determined according to the plan's Actuarial Cost Method.

Present Value of Benefits

The single sum value on the valuation date of all future benefits to be paid to current plan participants.

Projected Annual Payroll

The salary expected for the year after the valuation date, excluding members over the 100% assumed retirement age.

Projected Benefits

The benefits expected to be paid in the future based on the provisions of the plan and the Actuarial Assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Total Annual Payroll	The salary expected for the year after the valuation date.
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Ultimate Cost	The total cost to the plan once the last benefit has been paid. The Ultimate Cost equals
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Benefit Payments
Plus: Expenses
Less: Investment Income

The Ultimate Cost is independent of the Actuarial Cost Method selected.

Unfunded Actuarial Accrued Liability	The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.
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Vested Benefit	Benefits members are entitled to regardless of employment status.
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DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- **Investment Return:** When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- **Salary Increases:** When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- **Demographic Assumptions:** Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g., the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

IMPACT OF PLAN MATURITY ON RISK

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 108.8% on October 1, 2015 to 87.9% on October 1, 2025, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 61.6%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has decreased from 87.0% on October 1, 2015 to 81.6% on October 1, 2025.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from October 1, 2015 to October 1, 2025. The current Net Cash Flow Ratio of -0.2% indicates contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

LOW DEFAULT RISK OBLIGATION MEASURE

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown in the principal valuation results in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.50%, resulting in an LDROM of \$165,547,373. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. The Board actually invests the pension plan's contributions in a diversified portfolio of stocks and bonds and other investments with the objective of maximizing investment returns at a reasonable level of risk. Consequently, the difference between the plan's Actuarial Accrued Liability disclosed earlier in this section and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan's diversified portfolio compared to investing only in high quality bonds.

The actuarial valuation reports the funded status and develops contributions based on the expected return of the plan's investment portfolio. If instead, the plan switched to investing exclusively in high quality bonds, the LDROM illustrates that reported funded status would be lower (which also implies that the Actuarially Determined Contributions would be higher), perhaps significantly. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2025	10/1/2024	10/1/2020	10/1/2015
SUPPORT RATIO				
Total Actives	138	141	132	123
Total Inactives ¹	157	149	138	113
Actives / Inactives ¹	87.9%	94.6%	95.7%	108.8%
ASSET VOLATILITY RATIO				
Market Value of Assets (MVA)	102,004,077	93,766,237	73,178,698	52,110,940
Total Annual Payroll	12,838,456	11,799,119	9,245,384	7,562,351
MVA / Total Annual Payroll	794.5%	794.7%	791.5%	689.1%
ACCRUED LIABILITY (AL) RATIO				
Inactive Accrued Liability	73,341,893	66,577,353	55,447,244	36,520,150
Total Accrued Liability (EAN)	119,046,962	111,117,402	85,760,117	61,637,110
Inactive AL / Total AL	61.6%	59.9%	64.7%	59.3%
FUNDED RATIO				
Actuarial Value of Assets (AVA)	97,201,167	92,431,585	74,555,438	53,654,890
Total Accrued Liability (EAN)	119,046,962	111,117,402	85,760,117	61,637,110
AVA / Total Accrued Liability (EAN)	81.6%	83.2%	86.9%	87.0%
NET CASH FLOW RATIO				
Net Cash Flow ²	(178,178)	(203,213)	(1,637,391)	(150,790)
Market Value of Assets (MVA)	102,004,077	93,766,237	73,178,698	52,110,940
Ratio	(0.2)%	(0.2)%	(2.2)%	(0.3)%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.