



**Holley-Navarre Fire
District
Firefighters' Pension
Trust Fund**

Actuarial Valuation

*As of October 1, 2025
Contributions Applicable to the Plan/
Fiscal Year Ending September 30, 2027*

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

December 2, 2025

Board of Trustees
Holley-Navarre Fire District
Firefighters' Pension Board

Re: Holley-Navarre Fire District Firefighters' Pension Trust Fund Actuarial Valuation Report

Dear Board,

This report details the annual actuarial valuation of the Holley-Navarre Fire District Firefighters' Pension Trust 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, 2027. 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 Holley-Navarre Fire District. 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 for Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, No. 23 for Data Quality, No. 27 for Selection of Economic Assumptions for Measuring Pension Obligations, No. 35 for Selection of Demographic and Other Noneconomic 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 Holley-Navarre Fire District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Firefighters' Pension Trust Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

Respectfully submitted,

Foster & Foster, Inc.



Joseph L. Griffin, ASA, EA, MAAA



Paul M. Baugher, FSA, EA, MAAA

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SUMMARY

The regular annual actuarial valuation of the Holley-Navarre Fire District Firefighters' Pension Trust 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 ending September 30, 2027.

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	9/30/2027	9/30/2026
Minimum Required Contribution	\$1,079,979	\$953,857
Member Contributions (Est.)	236,227	225,576
District and State Required Contribution	843,752	728,281
State Contribution (Est.) ¹	436,561	436,561
District Required Contribution (Est.) ²	\$407,191	\$291,720

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the October 1, 2024 actuarial valuation report. The increase is attributable to unfavorable turnover experience, more retirements than expected, and a change in the mortality assumption. The increase was slightly offset due to a gain for favorable asset experience.

¹ Represents the amount received in calendar 2025. As per a Mutual Consent Agreement between the Membership and the District, all State Monies received each year will be available to offset the District's required contribution.

² Please note that the District has access to a prepaid contribution of \$412,361.31 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2026.

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 the July 1, 2024 FRS valuation report of the Florida Retirement System for special-risk employees.

There have been no method changes since the prior valuation.

VALUATION RESULTS

PRINCIPAL VALUATION RESULTS

Valuation Date	<u>New Assump</u> 10/1/2025	<u>Old Assump</u> 10/1/2025	10/1/2024
PARTICIPANT DATA			
Actives	30	30	30
Service Retirees	4	4	3
Beneficiaries	0	0	0
Disability Retirees	1	1	1
Terminated Vested	<u>11</u>	<u>11</u>	<u>11</u>
Total	46	46	45
Projected Annual Payroll	1,922,037	1,922,037	1,830,226
Annual Rate of Payments to:			
Service Retirees	182,306	182,306	144,434
Beneficiaries	0	0	0
Disability Retirees	14,335	14,335	14,335
Terminated Vested	32,621	32,621	32,621
ASSETS			
Actuarial Value (AVA) ¹	8,490,305	8,490,305	7,371,092
Market Value (MVA) ¹	9,097,354	9,097,354	7,857,823
LIABILITIES			
Present Value of Benefits			
Actives			
Retirement Benefits	11,512,439	11,045,818	10,106,311
Disability Benefits	611,822	582,128	576,876
Death Benefits	84,208	115,979	115,562
Vested Benefits	2,293,827	2,207,064	1,895,128
Refund of Contributions	195,455	195,259	190,350
Service Retirees	3,057,846	2,991,789	2,383,091
Beneficiaries	0	0	0
Disability Retirees	188,340	188,428	190,577
Terminated Vested	372,062	359,583	339,520
Share Plan Balances ¹	0	0	0
Total	<u>18,315,999</u>	<u>17,686,048</u>	<u>15,797,415</u>

Valuation Date	<u>New Assump</u> 10/1/2025	<u>Old Assump</u> 10/1/2025	10/1/2024
LIABILITIES (CONTINUED)			
Present Value of Future Salaries	20,636,501	20,583,468	19,305,464
Present Value of Future Member Contributions	2,311,288	2,305,348	2,162,212
Total Normal Cost	915,143	858,677	798,845
Present Value of Future Normal Costs (EAN)	7,865,702	7,561,642	7,124,086
Accrued Liability (Retirement)	5,509,789	5,295,270	4,671,847
Accrued Liability (Disability)	229,911	218,708	213,056
Accrued Liability (Death)	39,937	55,196	54,723
Accrued Liability (Vesting)	1,018,825	981,857	791,188
Accrued Liability (Refunds)	33,587	33,575	29,327
Accrued Liability (Inactives)	3,618,248	3,539,800	2,913,188
Share Plan Balances ¹	0	0	0
Total Actuarial Accrued Liability (EAN AL)	<u>10,450,297</u>	<u>10,124,406</u>	<u>8,673,329</u>
Total Actuarial Accrued Liability (Aggregate)	8,490,305	8,490,305	7,371,092
Unfunded Actuarial Accrued Liability (UAAL)	0	0	0
Funded Ratio (AVA / EAN AL)	81.2%	83.9%	85.0%

ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

Valuation Date	<u>New Assump</u> 10/1/2025	<u>Old Assump</u> 10/1/2025	10/1/2024
Vested Accrued Benefits			
Inactives + Share Plan Balances ¹	3,618,248	3,539,800	2,913,188
Actives	1,428,630	1,358,856	1,280,950
Member Contributions	<u>923,124</u>	<u>923,124</u>	<u>770,611</u>
Total	5,970,002	5,821,780	4,964,749
Non-vested Accrued Benefits	<u>1,079,169</u>	<u>1,026,519</u>	<u>917,141</u>
Total Present Value			
Accrued Benefits (PVAB)	7,049,171	6,848,299	5,881,890
Funded Ratio (MVA / PVAB)	129.1%	132.8%	133.6%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	200,872	0	
Plan Experience	0	870,635	
Benefits Paid	0	(249,650)	
Interest	0	345,424	
Other	<u>0</u>	<u>0</u>	
Total	200,872	966,409	

CONTRIBUTION REQUIREMENTS

	<u>New Assump</u>	<u>Old Assump</u>	
Valuation Date	10/1/2025	10/1/2025	10/1/2024
Applicable to Fiscal Year Ending	9/30/2027	9/30/2027	9/30/2026

CALCULATION OF CONTRIBUTION REQUIREMENT

Normal Cost ²	\$1,004,243	\$942,280	\$879,091
Administrative Expenses ²	75,736	75,736	74,766
Payment Required to Amortize Unfunded Actuarial Accrued Liability (as of 10/1/2025) ²	0	0	0
Minimum Required Contribution	1,079,979	1,018,016	953,857
Expected Member Contributions ²	236,227	236,227	225,576
Expected District and State Contribution	843,752	781,789	728,281

PAST CONTRIBUTIONS

Plan Years Ending: 9/30/2025

District and State Requirement 602,889

Actual Contributions Made:

District	166,328
State	436,561
Total	602,889

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

² Contributions developed as of 10/1/2025 displayed above have been adjusted to account for assumed salary increase and interest components.

OTHER INFORMATION

ILLUSTRATION OF AMORTITIZATION OF THE TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY

Year	Projected Unfunded Actuarial Accrued Liability
------	--

N/A – Aggregate Actuarial Cost Method

5 YEAR COMPARISON OF ACTUAL AND ASSUMED SALARY INCREASES

		Actual	Assumed
Year Ended	9/30/2025	7.07%	6.43%
Year Ended	9/30/2024	6.82%	6.55%
Year Ended	9/30/2023	9.38%	6.41%
Year Ended	9/30/2022	8.56%	6.43%
Year Ended	9/30/2021	6.59%	6.19%

5 YEAR COMPARISON OF INVESTMENT RETURN ON ACTUARIAL VALUE

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2025	8.93%	7.77%	6.00%
Year Ended	9/30/2024	21.38%	6.88%	6.00%
Year Ended	9/30/2023	11.00%	3.45%	6.00%
Year Ended	9/30/2022	-17.20%	3.40%	6.00%
Year Ended	9/30/2021	15.62%	8.41%	6.00%

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.



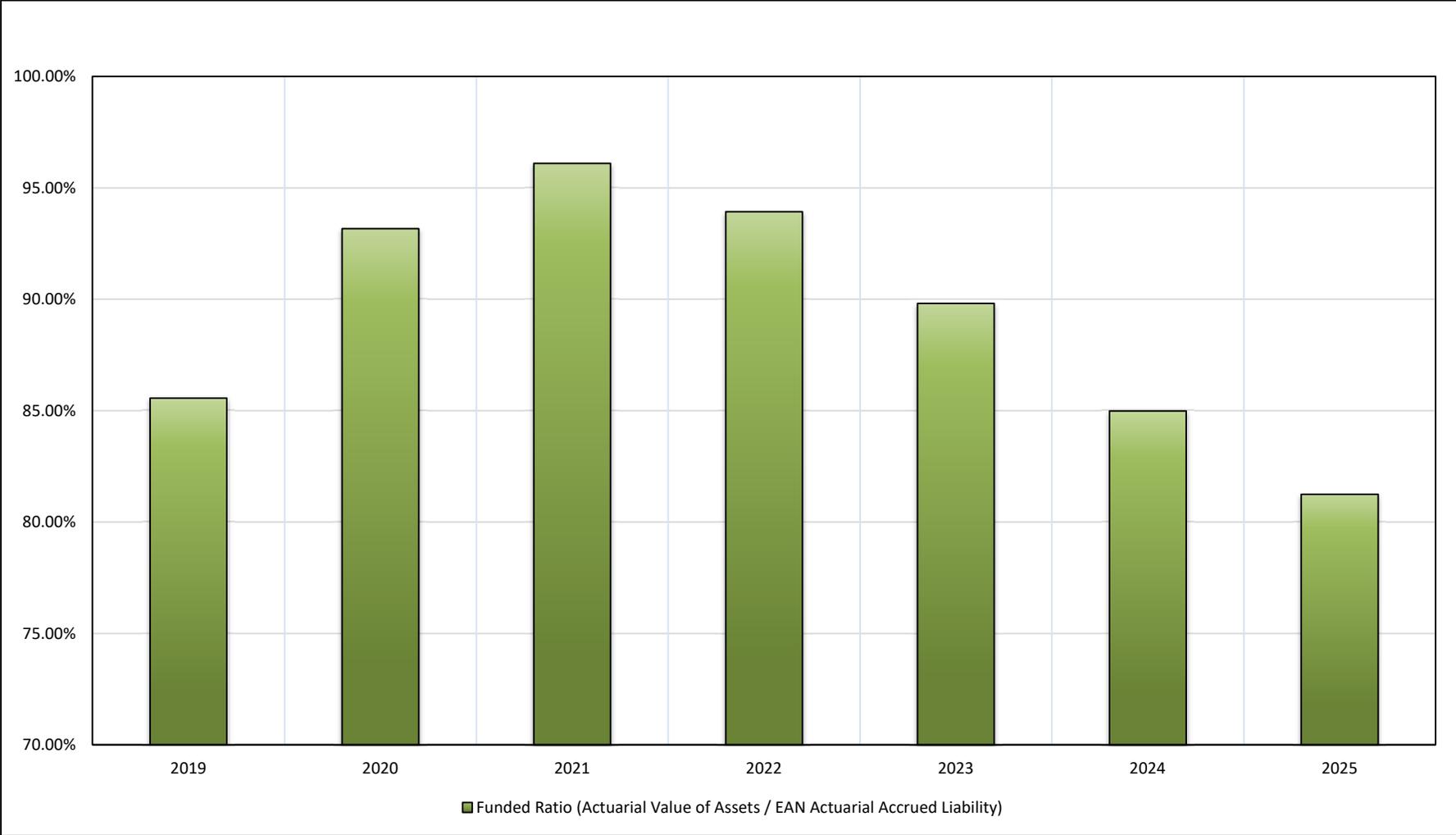
Joseph L. Griffin, EA, ASA, MAAA
Enrolled Actuary #23-6938

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

HISTORY OF FUNDING PROGRESS



STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	80,592.63	80,592.63
Money Market	151,127.44	151,127.44
 Total Cash and Equivalents	 231,720.07	 231,720.07
 Receivables:		
State Contributions	145,853.97	145,853.97
 Total Receivable	 145,853.97	 145,853.97
 Investments:		
Stocks	3,021,095.28	3,944,428.27
Mutual Funds	4,716,620.61	5,192,273.89
 Total Investments	 7,737,715.89	 9,136,702.16
 Total Assets	 8,115,289.93	 9,514,276.20
 <u>LIABILITIES</u>		
Payables:		
Administrative Expenses	4,550.74	4,550.74
Prepaid Member Contribution	10.00	10.00
Prepaid District Contribution	412,361.31	412,361.31
 Total Liabilities	 416,922.05	 416,922.05
 NET POSITION RESTRICTED FOR PENSIONS	 7,698,367.88	 9,097,354.15

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 Market Value Basis

ADDITIONS

Contributions:			
Member		212,678.28	
District		166,328.15	
State		436,560.85	
Total Contributions			815,567.28
Investment Income:			
Net Realized Gain (Loss)	205,489.68		
Unrealized Gain (Loss)	373,314.08		
Net Increase in Fair Value of Investments		578,803.76	
Interest & Dividends		209,110.71	
Less Investment Expense ¹		(47,403.63)	
Net Investment Income			740,510.84
Total Additions			1,556,078.12
<u>DEDUCTIONS</u>			
Distributions to Members:			
Benefit Payments		167,205.42	
Lump Sum PLOP Distributions		82,445.07	
Refunds of Member Contributions		0.00	
Total Distributions			249,650.49
Administrative Expense			66,896.56
Total Deductions			316,547.05
Net Increase in Net Position			1,239,531.07
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			7,857,823.08
End of the Year			9,097,354.15

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

ACTUARIAL ASSET VALUATION
September 30, 2025

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2025	2026	2027	2028	2029
09/30/2021	393,238	0	0	0	0	0
09/30/2022	(1,271,085)	(254,217)	0	0	0	0
09/30/2023	241,534	96,613	48,306	0	0	0
09/30/2024	964,499	578,699	385,799	192,899	0	0
09/30/2025	232,442	185,954	139,465	92,977	46,488	0
Total		607,049	573,570	285,876	46,488	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2024	8,166,413
Contributions Less Benefit Payments & Admin Expenses	602,802
Expected Investment Earnings*	508,069
Actual Net Investment Earnings	740,511
2025 Actuarial Investment Gain/(Loss)	232,442

*Expected Investment Earnings = 0.06 * (8,166,413 + 0.5 * 602,802)

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2025	9,097,354
(2) Gains/(Losses) Not Yet Recognized	607,049
(3) Actuarial Value of Assets, 09/30/2025, (1) - (2)	8,490,305
(4) Limited Actuarial Value of Assets, 09/30/2025	8,490,305
 (A) 09/30/2024 Actuarial Assets, including Prepaid Contributions:	 7,679,682
 (I) Net Investment Income:	
1. Interest and Dividends	209,111
2. Realized Gain (Loss)	205,490
3. Unrealized Gain (Loss)	373,314
4. Change in Actuarial Value	(120,318)
5. Investment Expenses	(47,404)
Total	620,193
 (B) 09/30/2025 Actuarial Assets, including Prepaid Contributions:	 8,902,676
 Actuarial Assets Rate of Return = 2I/(A+B-I):	 7.77%
Market Value of Assets Rate of Return:	8.93%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) 141,328

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2025
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	212,678.28	
District	166,328.15	
State	436,560.85	
Total Contributions		815,567.28
Earnings from Investments:		
Interest & Dividends	209,110.71	
Net Realized Gain (Loss)	205,489.68	
Unrealized Gain (Loss)	373,314.08	
Change in Actuarial Value	(120,318.00)	
Total Earnings and Investment Gains		667,596.47
EXPENDITURES		
Distributions to Members:		
Benefit Payments	167,205.42	
Lump Sum PLOP Distributions	82,445.07	
Refunds of Member Contributions	0.00	
Total Distributions		249,650.49
Expenses:		
Investment related ¹	47,403.63	
Administrative	66,896.56	
Total Expenses		114,300.19
Change in Net Assets for the Year		1,119,213.07
Net Assets Beginning of the Year		7,371,092.08
Net Assets End of the Year²		8,490,305.15

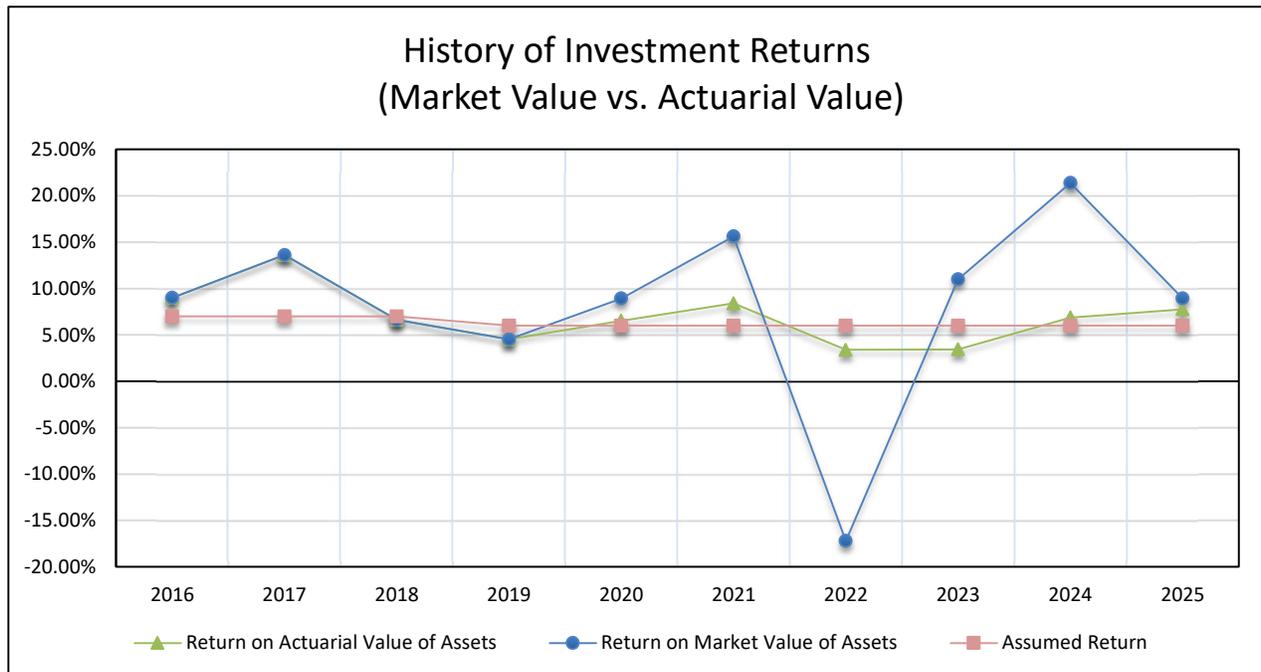
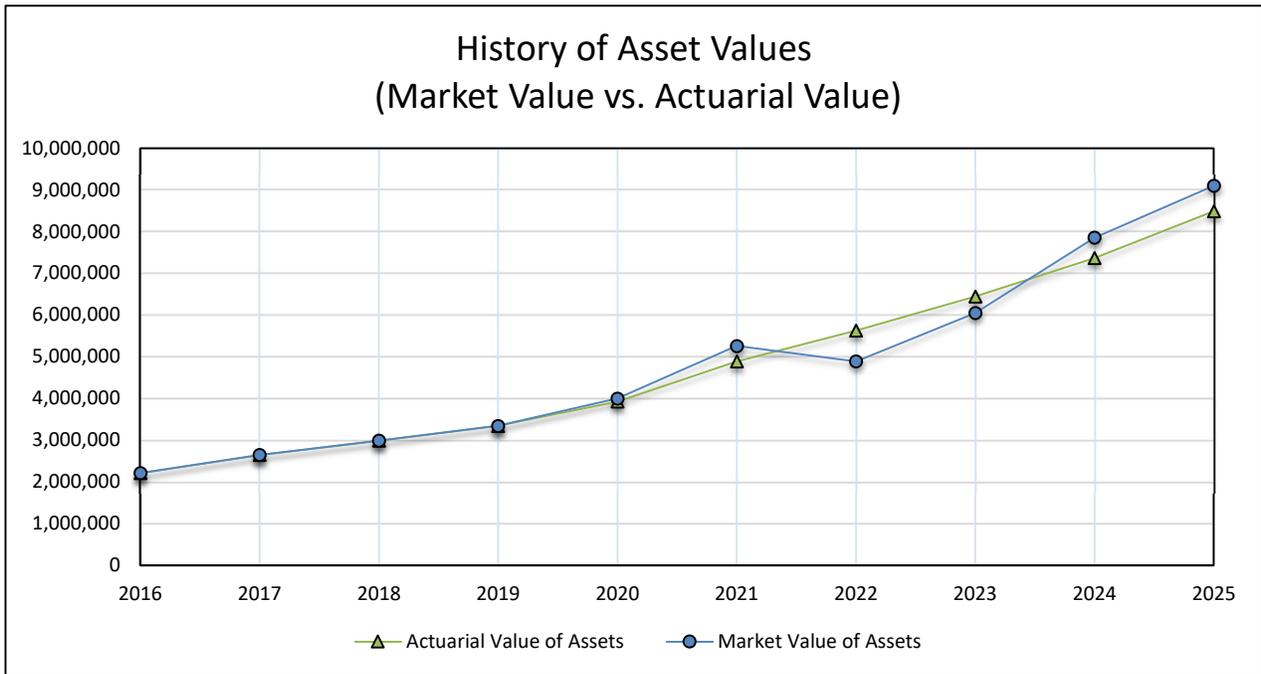
¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

RECONCILIATION OF DISTRICT SHORTFALL/(PREPAID) CONTRIBUTION

(1)	Required District and State Contributions	602,889.00
(2)	Less Allowable State Contribution	<u>(436,560.85)</u>
(3)	Required District Contribution for Fiscal 2025	166,328.15
(4)	Less 2024 Prepaid Contribution	(308,589.52)
(5)	Less Actual District Contributions	<u>(270,099.94)</u>
(6)	Equals District's Shortfall/(Prepaid) Contribution as of September 30, 2025	(\$412,361.31)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



PARTICIPANT STATISTICS

STATISTICAL DATA

Valuation Date	10/1/2025	10/1/2024	10/1/2023	10/1/2022
ACTIVES				
Number	30	30	27	30
Average Current Age	37.2	37.6	38.8	38.5
Average Age at Employment	30.6	31.4	32.4	32.3
Average Past Service	6.6	6.2	6.4	6.2
Average Annual Salary	\$64,068	\$61,008	\$61,258	\$56,378
SERVICE RETIREES				
Number	4	3	1	0
Average Current Age	59.4	56.8	58.2	N/A
Average Annual Benefit	\$45,577	\$48,145	\$54,529	N/A
BENEFICIARIES				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
DISABILITY RETIREES				
Number	1	1	0	0
Average Current Age	41.0	40.0	N/A	N/A
Average Annual Benefit	\$14,335	\$14,335	N/A	N/A
TERMINATED VESTED				
Number	11	11	15	13
Average Current Age ¹	49.7	48.7	49.9	46.7
Average Annual Benefit ¹	\$16,311	\$16,311	\$22,454	\$16,311

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

AGE AND SERVICE DISTRIBUTION

ACTIVE EMPLOYEES

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	1	2											3
25 - 29			1	1		1							3
30 - 34				2		6							8
35 - 39		1	2		1		1						5
40 - 44						3	1	1					5
45 - 49					1								1
50 - 54			1				1	1					3
55 - 59					1								1
60 - 64													0
65+							1						1
Total	1	3	4	3	3	10	4	2	0	0	0		30

PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2024	30
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>(1)</u>
f. Continuing participants	29
g. New entrants / Rehires	<u>1</u>
h. Total active life participants in valuation	30

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	3	0	1	2	9	15
Retired	1					1
Vested (Deferred Annuity)						0
Vested (Due Refund)						0
Hired/Terminated in Same Year						0
Death, With Survivor						0
Death, No Survivor						0
Disabled						0
Refund of Contributions						0
Rehires						0
Expired Annuities						0
Data Corrections						0
b. Number current valuation	4	0	1	2	9	16

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 for Employees.

Male: PubS.H-2010 for Employees, set forward one year.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees.

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:

Female: PubG.H-2010 for Disabled Retirees, set forward one year.

Male: PubG.H-2010 for Disabled Retirees.

All rates for healthy lives 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 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 (Below Median) for Healthy Retirees, set forward one year.

Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 (Below Median) 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	6.00% 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.												
Cost-of-Living Increase	2.5% per year beginning at retirement. This assumption is based on the long-term rates of increase in the Consumer Price Index.												
Salary Increases	Below are the assumed rates of salary increases: <table border="1"><thead><tr><th colspan="2">Salary Scale</th></tr><tr><th>Service</th><th>Rate</th></tr></thead><tbody><tr><td>0</td><td>10.00%</td></tr><tr><td>1</td><td>8.00%</td></tr><tr><td>2-4</td><td>7.00%</td></tr><tr><td>5+</td><td>5.50%</td></tr></tbody></table> <p>This is based on the results of an actuarial experience study issued December 1, 2013.</p>	Salary Scale		Service	Rate	0	10.00%	1	8.00%	2-4	7.00%	5+	5.50%
Salary Scale													
Service	Rate												
0	10.00%												
1	8.00%												
2-4	7.00%												
5+	5.50%												
Payroll Growth	N/A – Aggregate Actuarial Cost Method												
Administrative Expenses	The average of actual expenses incurred in the prior two fiscal years.												

Retirement Age

Commencing at eligibility for Normal Retirement, members are assumed to retire at the rate of 10% per year, with 100% at Age 52 and 25 years of Credited Service.

Members who are eligible to retire on the valuation date are assumed to work one additional year. This is based on the results of an actuarial experience study issued December 1, 2013.

Early Retirement

Commencing at eligibility for Early Retirement, members are assumed to retire with an immediate benefit at the rate of 10.00% per year. This is based on the results of an actuarial experience study issued December 1, 2013.

Disability Rate

Sample rates are below. It is assumed that 90% of disablements are service related. The assumed rates were determined in our December 1, 2013 actuarial experience study.

% Becoming Disabled During the Year	
Age	Rate
20	0.05%
30	0.06%
40	0.12%
50	0.43%

Termination Rate

See following table. The assumed rates were determined in our December 1, 2013 actuarial experience study.

% Terminating During the Year	
Service	Rate
0-2	15.0%
3+	5.0%

Marital Assumption

100% of active members are assumed to be married, with husbands 3 years older than their wives.

Funding Method

Aggregate Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest - A half year, based on current 6.00% assumption.

Salary - A full year, based on current 6.54% assumption.

Under this method, the normal cost rate is the current year's cost for benefits yet to be funded and is determined in the aggregate as the ratio of (i) and (ii) as follows:

(i) the present value of benefits for all Plan participants, less the actuarial value of assets.

(ii) the present value of future compensation over the anticipated number of years of participation, determined as of the valuation date.

The Normal Cost dollar requirement is the ratio of (a) and (b), multiplied by the Total Annual Payroll as of the valuation date.

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

PLAN PROVISIONS

Most Recent Plan Amendment	Resolution No. 20-01
Eligibility	All regular full-time firefighters become Members as a condition of employment.
Credited Service	Total number of years and fractional parts of years of continuous employment as a firefighter.
Average Final Compensation	Average Compensation paid during the three (3) highest years of the last ten (10) years of Credited Service.
Compensation	Total compensation paid to a firefighter for services rendered to the District including overtime, longevity and incentive pay, but excluding lump sum sick leave, lump sum vacation, education reimbursement, car allowance and severance pay.
Cost-Of-Living Adjustment	For normal and early service retirees who retire after October 1, 2017, receive annual COLA on October 1 of lesser of 3% or the increase in the Consumer Price Index.
Normal Retirement	
Eligibility	Earlier of age 55 and the completion of 10 years of Credited Service or age 52 and the completion 25 years of Credited Service.
Benefit	Members hired prior to January 1, 2013: 3.75% of Average Final Compensation times Credited Service. Members hired on or after January 1, 2013: 3.00% of Average Final Compensation times Credited Service earned before October 1, 2019 and 4.00% per year for each year earned on and after October 1, 2019.
Form of Benefit	10 year certain and life thereafter (options available).

Early Retirement

Eligibility	Age 50 and 10 years of Credited Service.
Benefit	Accrued benefit, reduced by 3% per year prior to Normal Retirement Date.
Form of Benefit	Same as Normal Retirement

Disability Benefit

Eligibility	All Members are eligible for service connected disability benefits. Ten years of Credited Service is required for non-service connected disability benefits.
Benefit Amount	Accrued pension benefit with a minimum of 42% of AFC if service connected or 25% of AFC if nonservice connected.

Pre-Retirement Death Benefit

Less than 10 years of Credited Service	Refund of Member Contributions
10 years or more	The beneficiary will receive a monthly income, payable in the form of a ten year certain and life annuity in an amount equal to the accrued Normal Retirement Benefit.

Vesting (Termination)

Less than 10 years of Credited Service	Refund of Member Contributions.
10 years or more	Accrued pension benefit with applicable early retirement reductions.

Contributions

Employee	11.20% of Compensation
State	Premium tax refund per Chapter 175.
City	Remaining amount necessary according to State Laws.

Chapter 175 Share Account

Pursuant to Chapter 2015-39, Laws of Florida, a supplemental benefit component for special benefits exists but is currently not funded as the City and Membership mutually consented to allow the City use of all future State Monies.

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 under various assumption scenarios. 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, 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 plans with a substantial inactive liability. Similarly, mature 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, is 428.6%.
- 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 34.6%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in lower volatility in contribution requirements when compared to a more 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, is 81.2%.
- 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, increased from -3.3% on October 1, 2014 to 5.5% on October 1, 2025. The current Net Cash Flow Ratio of 5.5% indicates that contributions are generally in excess of the plan's benefit payments and administrative expenses.

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 on page 7 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 \$13,657,753. 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. Given that plan benefits are paid over time through the combination of contributions and investment returns, prudent investments selected by the Board help to balance asset accumulation through these two sources.

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.

It is important to note that the actuary has identified the risks above 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.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2025	10/1/2024	10/1/2020	10/1/2014
SUPPORT RATIO				
Total Actives	30	30	24	14
Total Inactives ¹	7	6	2	0
Actives / Inactives ¹	428.6%	500.0%	1200.0%	N/A
ASSET VOLATILITY RATIO				
Market Value of Assets (MVA)	9,097,354	7,857,823	4,002,038	1,685,105
Total Annual Payroll	1,922,037	1,830,226	1,203,379	536,666
MVA / Total Annual Payroll	473.3%	429.3%	332.6%	314.0%
ACCRUED LIABILITY (AL) RATIO				
Inactive Accrued Liability	3,618,248	2,913,188	246,008	7,437
Total Accrued Liability (EAN)	10,450,297	8,673,329	4,214,941	0
Inactive AL / Total AL	34.6%	33.6%	5.8%	N/A
FUNDED RATIO				
Actuarial Value of Assets (AVA)	8,490,305	7,371,092	3,926,723	1,685,105
Total Accrued Liability (EAN)	10,450,297	8,673,329	4,214,941	0
AVA / Total Accrued Liability (EAN)	81.2%	85.0%	93.2%	N/A
NET CASH FLOW RATIO				
Net Cash Flow ²	499,020	452,035	350,934	(54,950)
Market Value of Assets (MVA)	9,097,354	7,857,823	4,002,038	1,685,105
Ratio	5.5%	5.8%	8.8%	-3.3%

¹ Excludes terminated participants awaiting a refund of member contributions.

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase from Previous Year
2006	10,830.14	N/A
2007	13,103.50	21.0%
2008	36,005.16	174.8%
2009	94,873.00	163.5%
2010	142,021.00	49.7%
2011	153,950.00	8.4%
2012	172,194.00	11.9%
2013	193,870.00	12.6%
2014	220,147.00	13.6%
2015	209,792.00	-4.7%
2016	173,774.75	-17.2%
2017	139,639.24	-19.6%
2018	149,740.22	7.2%
2019	147,463.88	-1.5%
2020	159,158.25	7.9%
2021	184,759.00	16.1%
2022	210,716.67	14.0%
2023	393,260.99	86.6%
2024	405,093.51	3.0%
2025	436,560.85	7.8%