



City Of Indian Harbour Beach Police Officers' Retirement System

Actuarial Valuation

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

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

March 14, 2026

Police Officers' Pension Board
City of Indian Harbour Beach Police Officers' Retirement System

Re: City of Indian Harbour Beach Police Officers' Retirement System

Dear Board,

This report details the annual actuarial valuation of the City of Indian Harbour Beach Police Officers' Retirement System 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 the City of Eustis. 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 City of Indian Harbour Beach, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Indian Harbour Beach Police Officers' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

Respectfully submitted,
Foster & Foster, Inc.



Patrick T. Donlan, EA, ASA, MAAA



Dante A. Curcione

TABLE OF CONTENTS

SUMMARY	5
CHANGES SINCE PRIOR VALUATION	7
VALUATION RESULTS	8
Principal Valuation Results	8
Actuarial Present Value of Accrued Benefits	10
Contribution Requirements	11
Reconciliation of Changes in Contribution Requirement	12
Other Information	13
ACTUARIAL GAIN LOSS	14
UNFUNDED ACTUARIAL ACCRUED LIABILITY	15
Development of Unfunded Actuarial Accrued Liability	15
Schedule of Amortization Payments	16
HISTORY OF FUNDING PROGRESS	17
ASSET INFORMATION	18
PARTICIPANT STATISTICS	25
Statistical Data	25
Age and Service Distribution	26
Participant Reconciliation	27
ACTUARIAL ASSUMPTIONS AND METHODS	28
PLAN PROVISIONS	33
SUPPLEMENTARY INFORMATION	36
Glossary	36
Discussion of Risk	39

SUMMARY

The regular annual actuarial valuation of the City Of Indian Harbour Beach Police Officers' Retirement System, 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, 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
FUNDED STATUS		
Total Actuarial Accrued Liability	\$ 17,054,372	\$ 15,761,317
Actuarial Value of Assets	14,735,208	13,843,496
Unfunded Actuarial Accrued Liability	\$ 2,319,164	\$ 1,917,822
Funded Ratio	86.4%	87.8%
CONTRIBUTION REQUIREMENTS (AS A PERCENTAGE OF PAYROLL)		
Normal Cost	24.4%	24.4%
Administrative Expenses	5.1%	5.1%
Amortization Payment	29.5%	23.9%
Minimum Required Contribution ²	59.0%	53.4%
Member Contributions	(6.5)%	(6.5)%
Expected City and State Contribution	52.5%	46.9%
State Contribution (Est.) ¹	(128,505)	(128,505)
% of Payroll (Est.)	(9.7)%	(9.7)%
City Required Contribution (Est.) ²	42.8%	37.2%

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 will be available to offset the City's required contribution.

² The required contribution from the combination of City and State sources for the year ending September 30, 2027 is 52.5% of the actual payroll realized in that year. As a budgeting tool, the City may contribute 42.8% of each Member's Salary and then make a one-time adjustment to account for the actual State Monies received. Please note that the City has access to a prepaid contribution of \$75,313.21 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2026.

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 the state mandated mortality assumption change described on the next page and the full recognition of the 2015 Actuarial Gain base. The increase was offset in part by favorable actuarial experience as described in the next paragraph.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 8.52% (Actuarial Asset Basis) which exceeded the 7.25% assumption and more turnover than expected. These gains were offset in part by losses associated with an average salary increase of 12.27% which exceeded the 4.75% assumption, inactive mortality experience, and unfavorable retirement experience.

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

	New Assump 10/1/2025	Old Assump 10/1/2025	10/1/2024
PARTICIPANT DATA			
Actives	15	15	17
Service Retirees	17	17	17
DROP Retirees	3	3	2
Beneficiaries	1	1	1
Disability Retirees	2	2	2
Terminated Vested	11	11	9
Total	<u>49</u>	<u>49</u>	<u>48</u>
Projected Annual Payroll	\$ 1,249,159	\$ 1,249,159	\$ 1,185,286
Annual Rate of Payments to:			
Service Retirees	\$ 765,389	\$ 765,389	\$ 744,021
DROP Retirees	167,800	167,800	110,898
Beneficiaries	1,278	1,278	1,278
Disability Retirees	51,373	51,373	50,556
Terminated Vested	29,778	29,778	29,778
ASSETS			
Actuarial Value (AVA)	\$ 14,735,208	\$ 14,735,208	\$ 13,843,496
Market Value (MVA)	15,612,794	15,612,794	14,594,701
LIABILITIES			
Present Value of Benefits			
Actives			
Retirement Benefits	\$ 4,232,468	\$ 4,104,591	\$ 4,381,843
Death Benefits	54,843	69,044	67,679
Disability Benefits	333,281	323,171	309,050
Vested Benefits	492,059	473,359	412,631
Refund of Contributions	54,068	54,036	56,550
Service Retirees	10,257,452	9,902,283	9,845,610
DROP Retirees	2,941,760	2,857,208	1,934,734
Beneficiaries	1,934	1,874	1,682
Disability Retirees	631,482	618,546	615,665
Terminated Vested	317,256	303,221	297,896
Share Plan Balances	0	0	0
Total	<u>\$ 19,316,603</u>	<u>\$ 18,707,333</u>	<u>\$ 17,923,340</u>

	New Assump 10/1/2025	Old Assump 10/1/2025	10/1/2024
Valuation Date			
LIABILITIES (CONTINUED)			
Present Value of Future Salaries	\$ 10,325,743	\$ 10,313,414	\$ 9,897,157
Present Value of Member Contributions	\$ 671,173	\$ 670,372	\$ 643,315
Normal Cost			
Retirement	\$ 222,103	\$ 215,545	\$ 207,354
Death	6,065	7,820	7,646
Disability	28,831	28,185	27,655
Vesting	27,912	26,877	24,275
Refunds	8,911	8,908	11,609
Total Normal Cost	\$ 293,822	\$ 287,335	\$ 278,539
Present Value of Future Normal Costs (EAN)	\$ 2,262,231	\$ 2,209,446	\$ 2,162,023
Actuarial Accrued Liability (EAN AL)			
Actives			
Retirement	\$ 2,510,532	\$ 2,432,360	\$ 2,748,092
Death	10,831	13,456	11,805
Disability	132,851	127,933	112,237
Vesting	240,864	231,596	186,943
Refunds	9,410	9,410	6,653
Inactives ¹	14,149,884	13,683,132	12,695,587
Share Plan Balances ¹	0	0	0
Total Actuarial Accrued Liability	\$ 17,054,372	\$ 16,497,887	\$ 15,761,317
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,319,164	\$ 1,762,679	\$ 1,917,821
Funded Ratio (AVA / EAN AL)	86.4%	89.3%	87.8%

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	\$ 14,149,884	\$ 13,683,132	\$ 12,695,587
Actives	1,165,879	1,126,334	1,087,645
Member Contributions	391,664	391,664	421,553
Total	<u>\$ 15,707,427</u>	<u>\$ 15,201,130</u>	<u>\$ 14,204,785</u>
Non-vested Accrued Benefits	<u>325,265</u>	<u>315,660</u>	<u>758,763</u>
Total Present Value of Accrued Benefits (PVAB)	\$ 16,032,692	\$ 15,516,790	\$ 14,963,548
Funded Ratio (MVA / PVAB)	97.4%	100.6%	97.5%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	\$ 0	\$ 0	
Assumption Changes	515,902	0	
Plan Experience	0	346,718	
Benefits Paid	0	(847,607)	
Interest	0	1,054,131	
Other	0	0	
Total	<u>\$ 515,902</u>	<u>\$ 553,242</u>	

CONTRIBUTION REQUIREMENTS

	New Assump	Old Assump	
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 REQUIREMENT²			
Normal Cost	\$ 321,432	\$ 314,336	\$ 305,723
% of Total Annual Payroll	24.4%	23.8%	24.4%
Administrative Expenses	67,518	67,518	64,350
% of Total Annual Payroll	5.1%	5.1%	5.1%
UAAL Amortization Payment	389,457	326,147	300,224
% of Projected Annual Payroll	29.5%	24.7%	23.9%
Minimum Required Contribution	\$ 778,407	\$ 708,001	\$ 670,297
% of Projected Annual Payroll	59.0%	53.6%	53.4%
Expected Member Contributions	(85,718)	(85,718)	(81,605)
% of Projected Annual Payroll	(6.5)%	(6.5)%	(6.5)%
Expected City and State Contribution	\$ 692,689	\$ 622,283	\$ 588,692
% of Projected Annual Payroll	52.5%	47.1%	46.9%
PAST CONTRIBUTIONS FOR PLAN YEAR ENDING 9/30/2025			
City and State Requirement	537,251		
Actual Contributions Made:			
City	408,746		
State	128,505		
Total	\$ 537,251		

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 (5.57% for 2025 and 5.92% 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 \$1,318,737. Contributions developed as of 10/1/2024 are expressed as a percentage of Projected Annual Payroll at 10/1/2025 of \$1,255,455.

CONTRIBUTION IMPACT OF ANNUAL CHANGES

Valuation Date	10/1/2025
Contribution Determined, Prior Year	36.9%
Summary of Impact on Contribution by Component	
Change in State Contribution Percentage	0.3%
Change in Normal Cost	(0.6)%
Change in Assumed Administrative Expense	0.0%
Payroll Change Effect on UAAL Amortization	(1.2)%
Investment Return (Actuarial Asset Basis)	(1.6)%
Salary Increases	1.3%
Active Decrements	(0.3)%
Inactive Mortality	1.1%
Full Recognition of 2015 Actuarial Gain Base	2.0%
Assumption Change	5.4%
Other	(0.5)%
Total Change in Contribution	5.9%
Contribution Determined, Current Year	42.8%

OTHER INFORMATION

ILLUSTRATION OF AMORTIZATION OF THE TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY

Year	Projected Unfunded Actuarial Accrued Liability
2025	2,319,164
2026	2,105,489
2027	1,927,967
2031	1,293,198
2036	396,079
2044	0

5-YEAR COMPARISON OF ACTUAL AND ASSUMED SALARY INCREASES

Year Ended	Actual	Assumed
9/30/2025	12.27%	4.75%
9/30/2024	6.05%	5.27%
9/30/2023	15.01%	6.25%
9/30/2022	10.83%	4.75%
9/30/2021	2.64%	4.95%

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

Year Ended	Market Value	Actuarial Value	Assumed
9/30/2025	8.96%	8.52%	7.25%
9/30/2024	23.96%	7.14%	7.25%
9/30/2023	12.04%	3.59%	7.25%
9/30/2022	(19.07)%	4.52%	7.25%
9/30/2021	19.87%	9.77%	7.25%

AVERAGE ANNUAL PAYROLL GROWTH

Valuation Date	Payroll
10/1/2025	1,249,159
10/1/2015	1,146,085
Total Increase	8.99%
Number of Years	10.00
Average Annual Rate	0.86%

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	\$ 15,761,317	\$ 13,843,496	\$ 1,917,821
Total Normal Cost	278,539		278,539
Benefit Payments	(847,607)	(847,607)	0
Administrative Expenses		(61,311)	61,311
Employer Contribution		408,746	(408,746)
Member Contribution	0	87,522	(87,522)
State Contribution	0	128,505	(128,505)
Interest	1,132,701	993,409	139,292
Expected, End of Year	\$ 16,324,950	\$ 14,552,760	\$ 1,772,190
Actual End of Year (before changes)	16,497,887	14,735,208	1,762,679
Actuarial (Gain)/Loss	\$ 172,937	\$ (182,448)	\$ (9,511)

SUMMARY OF COMPONENTS OF (GAIN)/LOSS

Investment Return (Actuarial Asset Basis)	\$ (182,448)
Salary Increases	148,685
Active Decrements	(34,343)
Inactive Mortality	126,197
Other	(67,602)
Change due to Actuarial (Gain)/Loss	\$ (9,511)

UNFUNDED ACTUARIAL ACCRUED LIABILITY

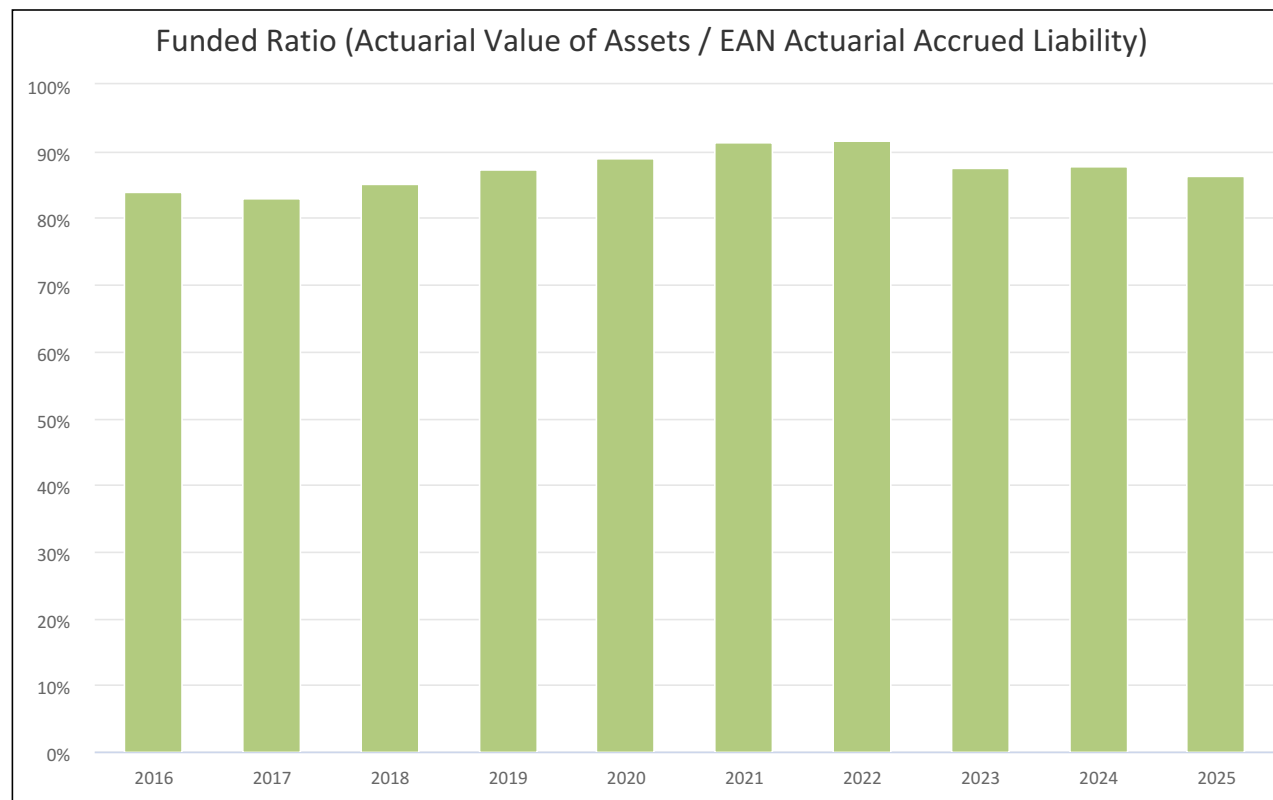
DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Unfunded Actuarial Accrued Liability as of October 1, 2024	\$	1,917,821
Expected Unfunded Actuarial Accrued Liability as of October 1, 2025	\$	1,772,190
Change to UAAL due to Actuarial (Gain)/Loss		(9,511)
Change to UAAL due to Assumption Change		556,485
Unfunded Actuarial Accrued Liability as of October 1, 2025	\$	<u>2,319,164</u>

SCHEDULE OF AMORTIZATION PAYMENTS

Unfunded Liability Base	Date Established	Years Remaining	Current Balance	Payment
Benefit	10/1/2000	5	122,010	27,932
Method	10/1/2005	10	231,537	31,093
Prior Losses	10/1/2005	3	96,629	34,489
Loss	10/1/2006	3	3,220	1,149
Gain	10/1/2007	3	(14,774)	(5,273)
Benefit	10/1/2007	12	37,434	4,453
Method	10/1/2008	3	(37,229)	(13,288)
Assum Change	10/1/2010	5	49,508	11,334
Software Change	10/1/2013	8	(82,219)	(12,963)
Benefit	10/1/2013	18	297	28
Assum Change	10/1/2014	9	113,678	16,442
Benefit	10/1/2014	19	(18,573)	(1,707)
Assum Change	10/1/2016	11	385,277	48,504
Loss	10/1/2016	1	48,151	48,151
Loss	10/1/2017	2	73,255	37,909
Gain	10/1/2018	3	(37,560)	(13,406)
Actuarial Gain	10/1/2019	4	(36,219)	(10,026)
Actuarial Gain	10/1/2020	10	(13,229)	(1,777)
Asmp/Mthd Change	10/1/2020	10	49,334	6,625
Actuarial Gain	10/1/2021	11	(126,124)	(15,878)
Actuarial Loss	10/1/2022	12	36,508	4,343
Benefits Change	10/1/2022	12	60,341	7,178
Actuarial Loss	10/1/2023	13	788,140	89,177
Actuarial Loss	10/1/2024	14	42,798	4,632
Actuarial Gain	10/1/2025	15	(9,511)	(989)
Assumption Change	10/1/2025	15	556,485	57,872
Total Unfunded Liability			2,319,164	356,004

HISTORY OF FUNDING PROGRESS



ASSET INFORMATION

STATEMENT OF FIDUCIARY NET POSITION

	Market Value 9/30/2025
ASSETS	
Cash and Cash Equivalents:	
Short Term Investments	\$ 143,063.55
Total Cash and Equivalents	\$ 143,063.55
RECEIVABLES	
State Contributions	128,504.67
Total Receivable	\$ 128,504.67
INVESTMENTS	
Mutual Funds:	
Fixed Income	4,945,119.22
Equity	9,485,915.59
Pooled/Common/Commingled Funds:	
Real Estate	993,692.45
Total Investments	\$ 15,424,727.26
TOTAL ASSETS	\$ 15,696,295.48
LIABILITIES	
Payables:	
Investment Expenses/Unpaid Investment Expenses	5,500.00
Administrative Expenses/Unpaid Administrative Expenses	113.82
Prepaid Member Contribution	2,574.49
Prepaid Municipality Contribution	75,313.21
Total Liabilities	\$ 83,501.52
NET POSITION RESTRICTED FOR PENSIONS	\$ 15,612,793.96

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Year Ended 9/30/2025
ADDITIONS	
Contributions:	
Member	\$ 87,522.04
Employer	408,746.01
State	128,504.67
Total Contributions	<u>\$ 624,772.72</u>
Investment Income:	
Net Realized Gain (Loss)	\$ 34,791.23
Unrealized Gain (Loss)	335,530.92
Net Increase in Fair Value of Investments	<u>\$ 370,322.15</u>
Interest & Dividends	959,041.87
Less Investment Expense ¹	<u>(27,125.00)</u>
Net Investment Income	<u>\$ 1,302,239.02</u>
Total Additions	<u>\$ 1,927,011.74</u>
DEDUCTIONS	
Distributions To Members:	
Benefit Payments	\$ 800,123.40
Refunds of Member Contributions	47,483.92
Total Distributions	<u>\$ 847,607.32</u>
Administrative Expense	<u>\$ 61,310.96</u>
Total Deductions	<u>\$ 908,918.28</u>
NET INCREASE IN NET POSITION	<u>\$ 1,018,093.46</u>
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of the Year	\$ 14,594,700.50
End of the Year	<u>\$ 15,612,793.96</u>

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

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

	9/30/2025
ACTUARIAL VALUE OF ASSETS	
Market Value of Assets	\$ 15,612,794
Total Deferred Investment (Gains)/Losses	(877,586)
Preliminary Actuarial Value of Assets	\$ 14,735,208
Limited Actuarial Value of Assets	\$ 14,735,208
DEVELOPMENT OF ACTUARIAL (GAIN)/LOSS	
Market Value of Assets, Prior Year	\$ 14,728,076
Contributions	569,285
Benefit Payments	(847,607)
Administrative Expenses	(61,311)
Expected Investment Earnings	\$ 1,055,689
Actual Net Investment Earnings	(1,302,239)
2025 Actuarial Investment (Gain)/Loss	\$ (246,550)

DEFERRED INVESTMENT (GAIN)/LOSS

Year Ended	(Gain)/Loss	Percentage Deferred	Deferred (Gain)/Loss
9/30/2025	(246,550)	80%	(197,240)
9/30/2024	(2,007,387)	60%	(1,204,433)
9/30/2023	(525,871)	40%	(210,349)
9/30/2022	3,672,176	20%	734,436
9/30/2021	(1,493,219)	0%	0
Total Deferred Investment (Gains)/Losses			(877,586)

APPROXIMATE RATES OF RETURN

Basis	Rate of Return
Actuarial Valuation of Assets (approx.)	8.52%
Market Value of Assets	8.96%

CHANGES IN ASSETS AVAILABLE FOR BENEFITS – ACTUARIAL ASSET BASIS

	Year Ended 9/30/2025
ADDITIONS	
Contributions:	
Member	\$ 87,522.04
Employer	408,746.01
State	128,504.67
Total Contributions	<u>\$ 624,772.72</u>
Earnings from Investments:	
Interest & Dividends	\$ 959,041.87
Miscellaneous Income	0.00
Net Realized Gain (Loss)	34,791.23
Unrealized Gain (Loss)	335,530.92
Change in Actuarial Value	(126,380.96)
Total Earnings and Investment Gains	<u>\$ 1,202,983.06</u>
DEDUCTIONS	
Distributions To Members:	
Benefit Payments	\$ 800,123.40
Refunds of Member Contributions	47,483.92
Total Distributions	<u>\$ 847,607.32</u>
Expenses:	
Investment Related ¹	\$ 27,125.00
Administrative	61,310.96
Total Expenses	<u>\$ 88,435.96</u>
CHANGE IN NET ASSETS FOR THE YEAR	<u>\$ 891,712.50</u>
NET ASSETS	
Beginning of the Year	\$ 13,843,495.50
End of the Year	<u>\$ 14,735,208.00</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	\$	164,018.45
Plus Additions		125,955.54
Investment Return Earned		24,687.61
Less Distributions		0.00
End of the Year Balance	\$	314,661.60

SUPPLEMENTAL CHAPTER 185 SHARE PLAN ACTIVITY

Beginning of Year Balance	\$	0.00
Prior Year Adjustment		0.00
Plus Additions		0.00
Investment Return Earned (Est.)		0.00
Administrative Fees (Est.)		0.00
Less Distributions		0.00
End of Year Balance (Est.)	\$	0.00

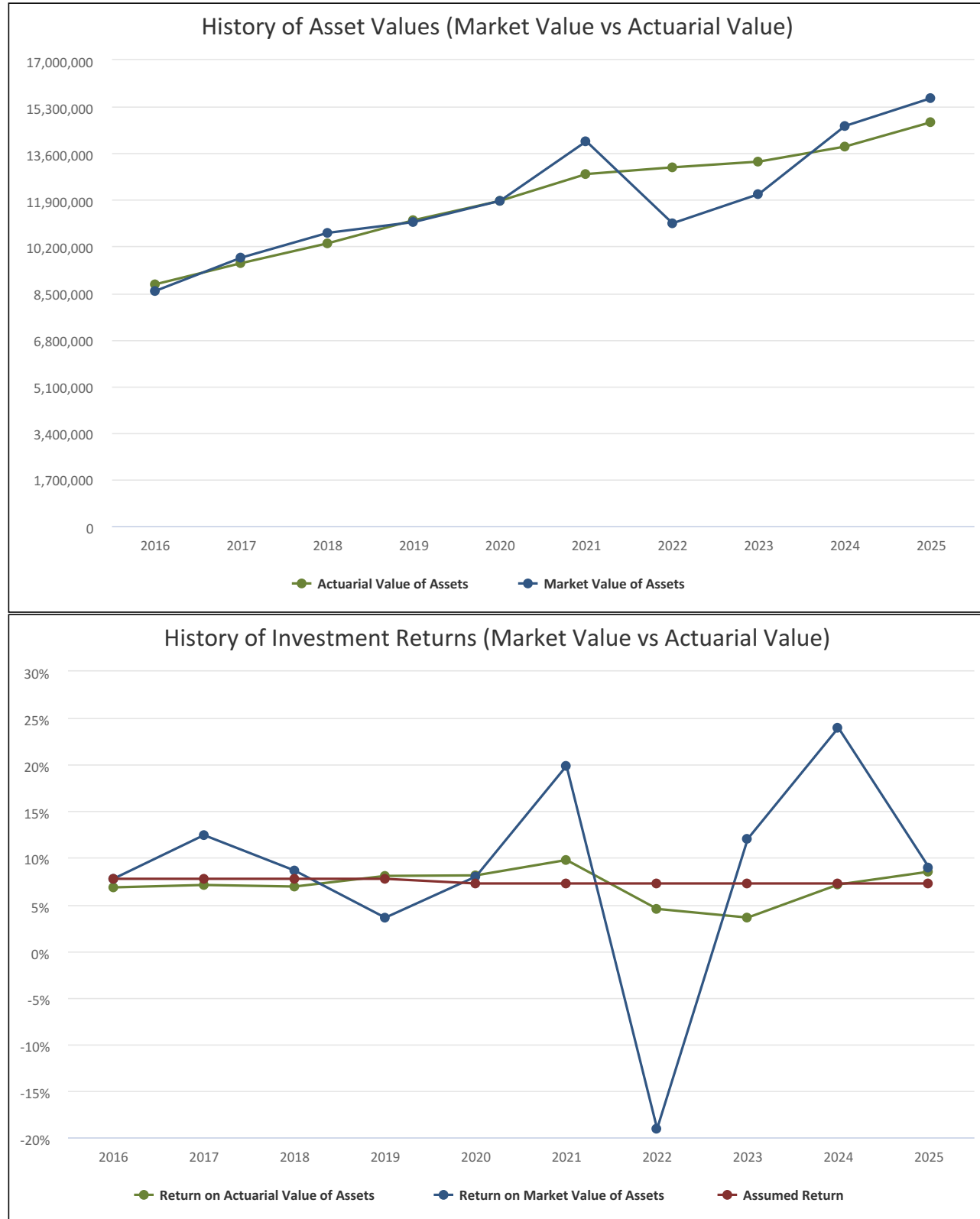
RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION

City and State Required Contribution Rate	\$	39.90%
Pensionable Payroll Derived from Member Contributions		1,346,492.92
City and State Required Contribution	\$	537,250.68
Less Allowable State Contribution		(128,504.67)
Equals Required City Contribution for Fiscal 2025	\$	408,746.01
Less 2024 Prepaid Contribution		(133,375.40)
Less Actual City Contributions		(350,683.82)
Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2025	\$	(75,313.21)

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During Fiscal Year	Amount	Increase From Previous Year
2000	33,777.00	N/A
2001	34,703.00	2.7%
2002	41,179.00	18.7%
2003	45,153.00	9.7%
2004	55,715.30	23.4%
2005	51,529.33	-7.5%
2006	52,754.20	2.4%
2007	54,400.77	3.1%
2008	56,834.57	4.5%
2009	63,494.34	11.7%
2010	57,359.30	-9.7%
2011	55,676.37	-2.9%
2012	59,310.80	6.5%
2013	59,752.74	0.7%
2014	63,747.87	6.7%
2015	61,494.36	-3.5%
2016	69,593.43	13.2%
2017	67,453.64	-3.1%
2018	73,848.64	9.5%
2019	77,929.37	5.5%
2020	80,916.54	3.8%
2021	81,719.14	1.0%
2022	89,162.10	9.1%
2023	103,976.80	16.6%
2024	118,363.40	13.8%
2025	128,504.67	8.6%

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	15	17	18	19
Average Current Age	38.2	39.3	37.4	38.2
Average Age at Employment	32.2	33.4	32.0	31.8
Average Past Service	6.0	5.9	5.4	6.4
Average Annual Salary	\$83,277	\$76,376	\$73,822	\$68,141
SERVICE RETIREES				
Number	17	17	17	17
Average Current Age	64.2	63.2	62.2	61.2
Average Annual Benefit	\$45,023	\$43,766	\$42,546	\$41,349
DROP RETIREES				
Number	3	2	2	0
Average Current Age	57.0	53.9	52.9	N/A
Average Annual Benefit	\$55,933	\$55,449	\$53,834	N/A
BENEFICIARIES				
Number	1	1	1	1
Average Current Age	28.4	27.4	26.4	25.4
Average Annual Benefit	\$1,278	\$1,278	\$1,278	\$1,278
DISABILITY RETIREES				
Number	2	2	2	2
Average Current Age	69.4	68.4	67.4	66.4
Average Annual Benefit	\$25,687	\$25,278	\$24,882	\$24,496
TERMINATED VESTEDS				
Number	11	9	5	4
Average Current Age ¹	43.9	42.9	41.9	40.9
Average Annual Benefit ¹	\$29,778	\$29,778	\$29,778	\$29,778

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	1	1										2
25 - 29												0
30 - 34			1	1		1						3
35 - 39		1	1	1			1					4
40 - 44				1			1	1				3
45 - 49				1								1
50 - 54						1						1
55 - 59							1					1
60 - 64												0
65+												0
Total	1	2	2	4	0	2	3	1	0	0	0	15

PARTICIPANT RECONCILIATION

	Actives	Members Receiving Benefits	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
Number, prior valuation	17	17	2	1	2	1	8	48
New Entrants / Rehires	1							1
Vested (Deferred Annuity)								0
Non-Vested / Vested (Due Refund)	(1)						1	0
Refund of Contributions or Terminated Non-Vested	(1)						(1)	(2)
Hired/Termed Same Year							2	2
Retired								0
DROP	(1)		1					0
Disabled								0
Death, With Survivor								0
Death, No Survivor								0
Expired Annuities								0
Data Corrections								0
Other								0
Number, current valuation	15	17	3	1	2	1	10	49

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 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

7.25% 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
0	10.00%
1+	4.75%

Projected salary in the year of retirement is increased 15% to account for non-regular compensation for members hired before October 1, 2011. This assumption was adopted based on the January 15, 2021 experience study.

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

\$58,628 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 15 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.

Funding Method

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

Interest - A half year, based on current 7.25% assumption.
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.

Asset Valuation Method

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

Normal Retirement

Years After First Eligible	% Retiring During the Year
< 1	50%
1-4	20%
5	100%

This assumption was reviewed in the January 15, 2021 experience study. According to the Actuarial Impact Statement dated March 12, 2024, it was assumed that 100% retirement upon first eligibility for the 25 and out normal retirement.

Early Retirement

Commencing with the earliest Early Retirement Age (age 50 with 10 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption was supported by the January 15, 2021 experience study.

Termination Rate

% Terminating During the Year	
Service	Rate
< 5	9.00%
5+	3.00%

This assumption was adopted based on the January 15, 2021 experience study.

Disability Rate

Sample rates in table below. This assumption was reviewed and remained unchanged as part of the January 15, 2021 experience study. 75% are assumed to be In-Line-Of-Duty and 25% Not-In-Line-Of-Duty.

% Becoming Disabled During the Year	
Age	Rate
20	0.14%
25	0.15%
30	0.18%
35	0.23%
40	0.30%
45	0.51%
50	1.00%
55	1.55%
60+	2.09%

Cost of Living Adjustment

3.0% per year for Members retiring before January 1, 2016 who were hired before January 1, 2016. 2.9% per year for Members retiring on or after January 1, 2016 who were hired before January 1, 2016. No cost-of-living adjustment for Members who were hired on or after January 1, 2016.

PLAN PROVISIONS

Most Recent Plan Amendment	Ordinance 2024-07
Effective Date	February 28, 1967
Latest Amendment	October 22, 2024
Credited Service	a. Total aggregate period of service, including military leave, if reemployed within one year (Maximum 5 years credit). b. Upon termination, prior Credited Service will be forfeited if refund of contribution elected or if not reemployed within 5 years.
Salary	Total cash remuneration, plus tax deferred compensation contributed by the City on behalf of the member pursuant to IRC Section 414(h), including paid overtime up to 300 hours per fiscal year, but payment for accrued unused annual leave shall not be included except as provided below. Payment at retirement for a member's accumulated balance of accrued unused sick leave and annual leave on September 30, 2011 may still be included and will be paid at the actual hourly in effect at retirement. Earnings will include the lesser of the amount of unused sick and annual leave time accrued on September 30, 2011, or actual amount of sick and annual leave time remaining at the time of retirement.
Average Final Compensation	Average annual salary during the final 5 years of employment.
Normal Retirement	
Eligibility	Earlier of (1) Age 52 and 10 years of Service, or (2) Completion of 25 years of Service, regardless of age.
Benefit Amount	3.0% of Average Final Compensation times Years of Credited Service.
Form of Benefit	Ten Year Certain and Life Annuity (options available).

Early Retirement

Eligibility	Age 50 and 10 years of Service.
Benefit Amount	Computed as for Normal Retirement, reduced 3% for each year that Early Retirement precedes Normal Retirement.

Cost-of-Living Adjustment	Members who retire on or after October 1, 2001, receive a 3% benefit increase on every July 1 for the accrued benefit earned prior to January 1, 2016. For service on and after this date the COLA shall equal the amount of the Social Security COLA for the year immediately prior to the COLA, provided that the minimum shall be 1.0% and the maximum shall be 3.0% Members hired on or after January 1, 2016 will not receive a COLA.
---------------------------	--

Vesting (Termination)

Less than 10 years of Contributing Service	Refund of Member Contributions without interest.
10 years or more	Accrued benefit payable at Normal Retirement Date if Member contributions left in Fund, or a refund of Member Contributions, without interest

Disability In Service

Eligibility	1. Date of Employment. 2. Service connected injury, disease or disability which permanently incapacitates him from performing police officer's duties.
Benefit Amount	The greater of 50% of regular base salary or the accrued benefit or 42% of Average Final Compensation for life and the life of the surviving beneficiary in the event of death with the first 120 payments guaranteed.

Disability Non-Service

Benefit Amount	Refund of Member Contributions with less than 10 years of Credited Service. With 10 or more years of Credited Service, the accrued benefit payable upon being granted a disability benefit.
----------------	---

Death - Service Incurred

Benefit	50% of base rate of pay in effect on date of death. Payable to spouse until death or remarriage. If no spouse, or upon death or remarriage, 15% payable to each unmarried child until age 18 (or to age 22, if in school); total maximum for all such children of 50%.
---------	--

Death - Non-Service Incurred

Benefit	50% of base rate of pay in effect on date of death payable monthly to beneficiary for a period of one year.
Optional Death Benefit	Accrued benefit paid to Beneficiary for 10 years at otherwise Normal or Early Retirement Date.

Contributions

Employee	6.5% of Salary.
Premium Tax	0.85% tax on premiums for casualty insurance
City	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Board of Trustees	Two City Council appointees who are City residents, two elected Members of the Police Department, and a fifth member elected by the other four.
-------------------	---

Deferred Retirement Option Plan

Eligibility	Eligibility for Normal Retirement.
Participation	Not to exceed 60 months.
Rate of Return	Actual net rate of investment return of the fund.
Form of Distribution	Lump sum at termination of employment.

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.
Ultimate Cost	The total cost to the plan once the last benefit has been paid. The Ultimate Cost equals 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.
Vested Benefit	Benefits members are entitled to regardless of employment status.

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 146.2% on October 1, 2015 to 62.5% 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 83.0%. 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 89.1% on October 1, 2015 to 86.4% 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, decreased from 0.3% on October 1, 2015 to -1.8% on October 1, 2025. The current Net Cash Flow Ratio of -1.8% 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 \$24,130,084. 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	15	17	20	19
Total Inactives ¹	24	23	18	13
Actives / Inactives ¹	62.5%	73.9%	111.1%	146.2%
ASSET VOLATILITY RATIO				
Market Value of Assets (MVA)	15,612,794	14,594,701	11,864,191	7,849,423
Total Annual Payroll	1,249,159	1,298,386	1,323,421	1,146,085
MVA / Total Annual Payroll	1,249.9%	1,124.1%	896.5%	684.9%
ACCRUED LIABILITY (AL) RATIO				
Inactive Accrued Liability	14,149,884	12,695,587	9,256,288	5,653,758
Total Accrued Liability (EAN)	17,054,372	15,761,317	13,343,514	9,133,015
Inactive AL / Total AL	83.0%	80.5%	69.4%	61.9%
FUNDED RATIO				
Actuarial Value of Assets (AVA)	14,735,208	13,843,496	11,864,191	8,141,724
Total Accrued Liability (EAN)	17,054,372	15,761,317	13,343,514	9,133,015
AVA / Total Accrued Liability (EAN)	86.4%	87.8%	88.9%	89.1%
NET CASH FLOW RATIO				
Net Cash Flow ²	(284,146)	(394,785)	(106,445)	22,103
Market Value of Assets (MVA)	15,612,794	14,594,701	11,864,191	7,849,423
Ratio	(1.8)%	(2.7)%	(0.9)%	0.3%

¹ Excludes terminated participants awaiting a refund of member contributions.

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