

Retirement Plan for the Employees of the Town of Davie

Actuarial Valuation
As of October 1, 2025

Determines the Contribution
For the 2026/27 Fiscal Year



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November 30, 2025

Introduction

This report presents the results of the October 1, 2025 actuarial valuation for the Retirement Plan for the Employees of the Town of Davie. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2025 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2026/27 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2026/27 plan year. The minimum required contribution rate is 10.07% of covered payroll, which represents a decrease of 3.46% of payroll from the prior valuation.

The normal cost rate as of October 1, 2025 is 10.80%, as compared to a rate of 14.11% determined in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 0.77% of payroll due to investment gains, decreased by another 0.58% of payroll due to demographic experience, and decreased by 1.96% of payroll due to the assumption changes that are described below. Although the market value of assets earned 8.54% during the 2024/25 plan year, the actuarial value of assets is based on a five-year phase-in of the unexpected investment gains and losses. On this basis, the actuarial value of assets earned 8.37% during the 2024/25 plan year, whereas a 6.90% annual investment return was required to maintain a stable contribution rate.



Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan, adjusted as necessary for administrative expenses and to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the Town's 2026/27 minimum required contribution will be equal to 10.07% multiplied by the total pensionable earnings for the 2026/27 fiscal year for the active employees who are covered by the plan.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$152,872,965. As illustrated in Table I-A, current assets are sufficient to cover \$124,919,028 of this amount, the employer's 2025/26 expected contribution will cover \$3,826,121 of this amount, the employer's 2026/27 expected contribution will cover \$2,999,998 of this amount, and future employee contributions will cover \$5,939,250 of this amount, leaving \$15,188,568 to be covered by future employer funding beyond the 2026/27 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Assumption Changes

Effective October 1, 2025, several assumptions have been changed, as follows:

- (1) The assumed increase in future salaries was changed from a flat 5.00% per year to a service-based scale as described in item 4. of Table IV-A;
- (2) The mortality rates were changed to the tables described in item 5. of Table IV-A;
- (3) The disability rates were changed to the rates described in item 5. of Table IV-A;
- (4) The termination rates were changed to the rates described in item 5. of Table IV-A;
- (5) The retirement assumption was changed from a probability of retirement at each age during the period from normal retirement age to six years after normal retirement age to 100% retirement upon the attainment of normal retirement age;
- (6) The percentage of non-retirement participants who are assumed to be married was reduced from 100% to 80%; and
- (7) The administrative expense loading was decreased from 0.75% of the projected benefit liability to 0.50% of the projected benefit liability.

The cumulative effect of these assumption changes was to decrease the normal cost rate by 1.96% of payroll.



Employer Contribution Shortfall

For the 2024/25 plan year, the minimum required contribution was \$3,402,662 plus the employer contribution receivable as of October 1, 2024, which was equal to \$43,492. When the actual Town contribution of \$3,315,000 is subtracted from these amounts, there is an additional \$131,154 employer contribution receivable as of September 30, 2025. Therefore, the first \$131,154 of employer contributions made for the 2025/26 plan year will be applied to the 2024/25 plan year.

Identification and Assessment of Risk

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, there is always a risk that, should these assumptions not be realized, the liabilities of the plan, the contributions required to fund the plan, and the funded status of the plan may be significantly different than the amounts shown in this report.

Although a thorough analysis of the risk of not meeting the assumptions is beyond the scope of this report, this discussion is intended to identify the significant risks faced by the plan. In some cases, a more detailed review of the risks, including numerical analysis, may be appropriate to help the plan sponsor and other interested parties assess the specific impact of not realizing certain assumptions. For example, Table I-B illustrates the impact that alternative long-term investment returns would have on the contribution rate. Note that this report is not intended to provide advice on the management or reduction of the identified risks nor is this report intended to provide investment advice.

The most significant risk faced by most defined benefit pension plans is investment risk, i.e. the risk that long-term investment returns will be less than assumed. Other related risks include a risk that, if the investments of the plan decline dramatically over a short period of time (such as occurred with many pension plans in 2008), the plan's assets may not have sufficient time to recover before benefits become due. Even if the assets of the plan grow in accordance with the assumed investment return over time, if benefit payments are expected to be large in the short-term (for example, if the plan provides an actuarial equivalent lump sum payment option and a large number of participants are expected to become entitled to such a lump sum in the near future), the plan's assets may not be sufficient to support such a high level of benefit payments. We have provided a 10-year projection of the expected benefit payments in Table III-G to help the Trustees in formulating an investment policy that is expected to provide an investment return that meets both the short- and long-term cash flow needs of the pension plan.

Another source of risk is demographic experience. This is the risk that participants will receive salary increases that are different than the amount assumed, that participants will retire, become disabled, or terminate their employment at a rate that is different than assumed, and that participants will live longer than assumed, just to cite a few examples of the demographic risk faced by the plan. Although for most pension plans, the demographic risk is not as significant as the investment risk, particularly in light of the fact that the mortality assumption includes a component for future life



expectancy increases, the demographic risk can nevertheless be a significant contributing factor to liabilities and contribution rates that become higher than anticipated.

A third source of risk is the risk that the plan sponsor (or other contributing entities) will not make, or will not have the ability to make, the contributions that are required to keep the plan funded at a sufficient level. Material changes in the number of covered employees, covered payroll, and, in some cases, hours worked by active participants can also significantly impact the plan's liabilities and the level of contributions received by the plan.

Finally, an actuarial funding method has been used to allocate the gap between projected liabilities and assets to each year in the future. The contribution rate under some funding methods is higher during the early years of the plan and then is lower during the later years of the plan. Other funding methods provide for lower contribution rates initially, with increasing contribution rates over time.

The Trustees have adopted the aggregate funding method for this plan, which is expected to result in a contribution rate that is level as a percentage of payroll over the working life of the plan's active participants. A brief description of the actuarial funding method is provided in Table IV-A.

Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund, including a development of the actuarial value of assets which is based on a five-year smoothing of the investment gains and losses. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2025, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Certification

This actuarial valuation was prepared 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 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 change in plan costs or required contribution rates have been taken into account in the valuation.



For the firm,

Charles T. Carr

Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

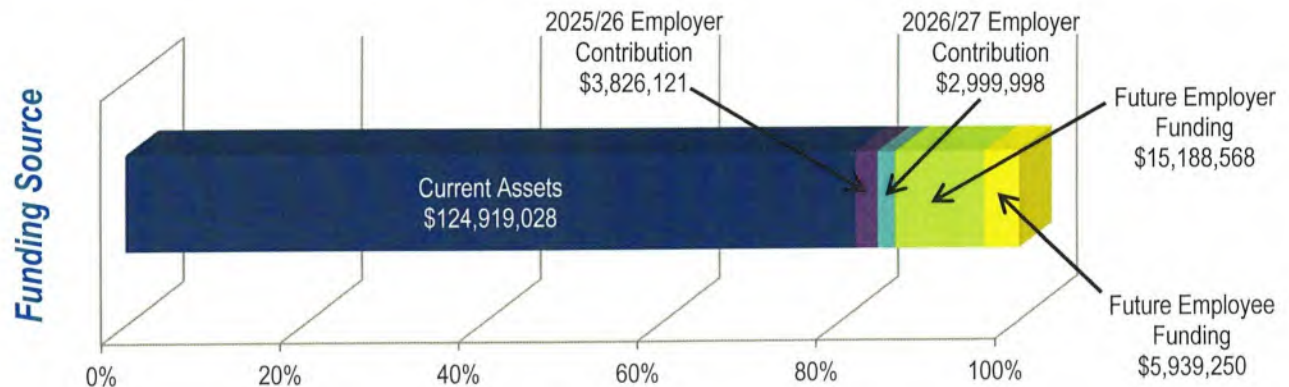
Enrolled Actuary No. 23-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2026/27 Plan Year

Present Value of Future Benefits	\$152,112,403
Present Value of Future Administrative Expenses	\$760,562
Actuarial Value of Assets	(\$124,919,028)
Present Value of Future Employee Contributions	(\$5,939,250)
Present Value of Future Normal Costs	\$22,014,687
Present Value of Future Payroll	÷ \$203,892,354
Normal Cost Rate	= 10.7972%
Expected Payroll	x \$28,278,797
Normal Cost	\$3,053,321
Interest Adjustment Assuming a Beginning-of-Year Employer Contribution	\$0
Expected Employer Contribution for the 2025/26 Plan Year	(\$3,826,121)
Remaining Contribution Due/(Credit) for the 2025/26 Plan Year	(\$772,800)
	x 0.069
One Year's Interest Charge/(Credit) on the Remaining Contribution	(\$53,323)
Preliminary Employer Contribution for the 2026/27 Plan Year	\$2,999,998
Expected Payroll for the 2026/27 Plan Year	÷ \$29,783,229

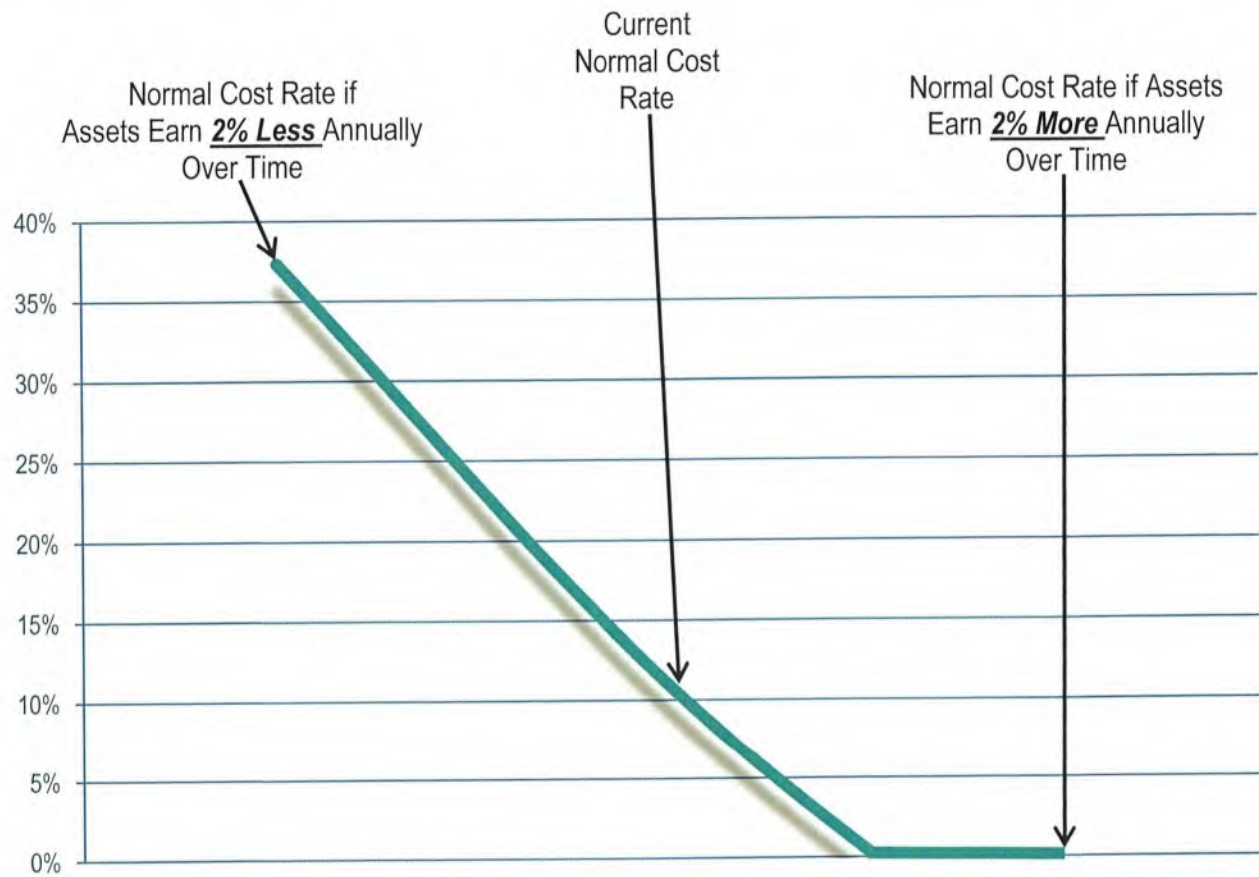
Minimum Required Contribution Rate **10.07%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Previous normal cost rate	14.11%
Increase (decrease) due to investment gains and losses	-0.77%
Increase (decrease) due to demographic experience	-0.58%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	-1.96%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>10.80%</u>



Present Value of Future Benefits (PVB)

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$92,963,286	\$92,963,286	\$84,139,414
Termination benefits	\$2,358,252	\$2,358,252	\$7,617,454
Disability benefits	\$2,306,989	\$2,306,989	\$674,452
Death benefits	\$1,885,156	\$1,885,156	\$831,668
Refund of employee contributions	\$634,727	\$634,727	\$639,264
Sub-total	\$100,148,410	\$100,148,410	\$93,902,252
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$5,927,066	\$5,927,066	\$5,956,726
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$5,927,066	\$5,927,066	\$5,956,726
<i><u>Due a Refund of Contributions</u></i>	\$244,656	\$244,656	\$244,656
<i><u>Deferred Beneficiaries</u></i>	\$505,412	\$505,412	\$500,278
<i><u>Retired Participants</u></i>			
Service retirements	\$42,124,696	\$42,124,696	\$41,551,756
Disability retirements	\$638,673	\$638,673	\$677,156
Beneficiaries receiving	\$4,044,292	\$4,044,292	\$4,058,826
DROP participants	\$5,253,663	\$5,253,663	\$5,220,753
Sub-total	\$52,061,324	\$52,061,324	\$51,508,491
<i><u>Grand Total</u></i>	<u>\$158,886,868</u>	<u>\$158,886,868</u>	<u>\$152,112,403</u>
Present Value of Future Payroll	\$224,917,927	\$224,917,927	\$203,892,354
Present Value of Future Employee Contribs.	\$6,504,379	\$6,504,379	\$5,939,250
Present Value of Future Employer Contribs.	\$28,257,895	\$28,257,895	\$22,014,687



Present Value of Accrued Benefits (PVAB)

Table I-E

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$40,734,881	\$40,734,881	\$45,284,194
Termination benefits	\$1,082,398	\$1,082,398	\$2,898,785
Disability benefits	\$991,671	\$991,671	\$227,507
Death benefits	\$759,710	\$759,710	\$276,850
Refund of employee contributions	\$283,789	\$283,789	\$284,732
Sub-total	\$43,852,449	\$43,852,449	\$48,972,068
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$5,927,066	\$5,927,066	\$5,956,726
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$5,927,066	\$5,927,066	\$5,956,726
<i><u>Due a Refund of Contributions</u></i>	\$244,656	\$244,656	\$244,656
<i><u>Deferred Beneficiaries</u></i>	\$505,412	\$505,412	\$500,278
<i><u>Retired Participants</u></i>			
Service retirements	\$42,124,696	\$42,124,696	\$41,551,756
Disability retirements	\$638,673	\$638,673	\$677,156
Beneficiaries receiving	\$4,044,292	\$4,044,292	\$4,058,826
DROP participants	\$5,253,663	\$5,253,663	\$5,220,753
Sub-total	\$52,061,324	\$52,061,324	\$51,508,491
<i><u>Grand Total</u></i>	<u>\$102,590,907</u>	<u>\$102,590,907</u>	<u>\$107,182,219</u>
<i><u>Funded Percentage</u></i>	127.45%	127.45%	121.99%

(Note: Funded percentage is equal to the ratio of the usable portion of the market value of assets divided by the present value of accrued benefits.)



Present Value of Vested Benefits (PVVB)

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$40,734,881	\$40,734,881	\$45,284,194
Termination benefits	\$779,369	\$779,369	\$1,872,935
Disability benefits	\$991,671	\$991,671	\$227,507
Death benefits	\$584,125	\$584,125	\$182,836
Refund of employee contributions	\$612,497	\$612,497	\$826,975
Sub-total	\$43,702,543	\$43,702,543	\$48,394,447
<u>Deferred Vested Participants</u>			
Retirement benefits	\$5,927,066	\$5,927,066	\$5,956,726
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$5,927,066	\$5,927,066	\$5,956,726
<u>Due a Refund of Contributions</u>	\$244,656	\$244,656	\$244,656
<u>Deferred Beneficiaries</u>	\$505,412	\$505,412	\$500,278
<u>Retired Participants</u>			
Service retirements	\$42,124,696	\$42,124,696	\$41,551,756
Disability retirements	\$638,673	\$638,673	\$677,156
Beneficiaries receiving	\$4,044,292	\$4,044,292	\$4,058,826
DROP participants	\$5,253,663	\$5,253,663	\$5,220,753
Sub-total	\$52,061,324	\$52,061,324	\$51,508,491
<u>Grand Total</u>	<u>\$102,441,001</u>	<u>\$102,441,001</u>	<u>\$106,604,598</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$59,577,183	\$59,577,183	\$58,091,430
Termination benefits	\$1,504,125	\$1,504,125	\$4,214,667
Disability benefits	\$1,421,806	\$1,421,806	\$356,415
Death benefits	\$1,102,906	\$1,102,906	\$437,309
Refund of employee contributions	\$241,689	\$241,689	\$236,424
Sub-total	\$63,847,709	\$63,847,709	\$63,336,245
<u>Deferred Vested Participants</u>			
Retirement benefits	\$5,927,066	\$5,927,066	\$5,956,726
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$5,927,066	\$5,927,066	\$5,956,726
<u>Due a Refund of Contributions</u>	\$244,656	\$244,656	\$244,656
<u>Deferred Beneficiaries</u>	\$505,412	\$505,412	\$500,278
<u>Retired Participants</u>			
Service retirements	\$42,124,696	\$42,124,696	\$41,551,756
Disability retirements	\$638,673	\$638,673	\$677,156
Beneficiaries receiving	\$4,044,292	\$4,044,292	\$4,058,826
DROP participants	\$5,253,663	\$5,253,663	\$5,220,753
Sub-total	\$52,061,324	\$52,061,324	\$51,508,491
<u>Grand Total</u>	<u>\$122,586,167</u>	<u>\$122,586,167</u>	<u>\$121,546,396</u>



Actuarial Value of Assets

Table II-A

<u>Unexpected Investment Gain (Loss)</u>		<u>Unrecognized Gain (Loss)</u>	
For the 2021/22 plan year	(\$21,777,748)	x 20%	(\$4,355,550)
For the 2022/23 plan year	\$1,596,873	x 40%	\$638,749
For the 2023/24 plan year	\$13,277,628	x 60%	\$7,966,577
For the 2024/25 plan year	\$1,978,750	x 80%	\$1,583,000
			<u>\$5,832,776</u>

Market Value of Assets as of October 1, 2025 \$131,498,051

Minus DROP account balances (\$746,247)

Minus advance employer contributions \$0

Adjustment for unrecognized gain or loss as shown above,
but restricted to an amount that keeps the actuarial value
of assets within an 80%-120% corridor of the market value (\$5,832,776)

Actuarial Value of Assets as of October 1, 2025 \$124,919,028

<u>Historical Actuarial Value of Assets</u>	
October 1, 2016	\$49,150,405
October 1, 2017	\$55,087,022
October 1, 2018	\$62,274,992
October 1, 2019	\$69,060,694
October 1, 2020	\$87,246,093
October 1, 2021	\$97,351,256
October 1, 2022	\$103,116,201
October 1, 2023	\$107,124,259
October 1, 2024	\$114,908,149
October 1, 2025	\$124,919,028

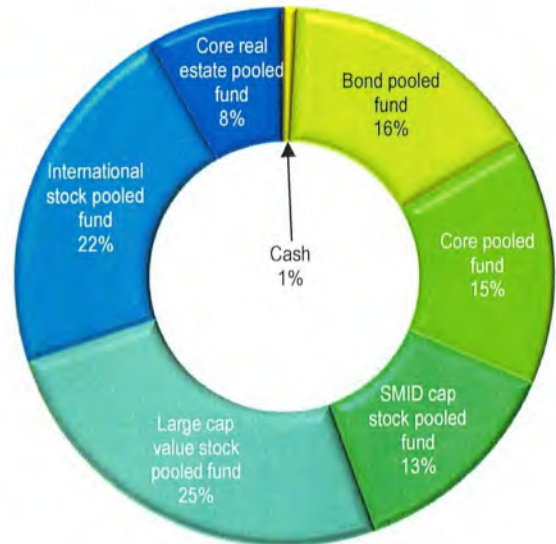


Market Value of Assets

Table II-B

As of October 1, 2025

Market Value of Assets	<u>\$131,498,051</u>
Cash	\$1,050,415
Bond pooled fund	\$21,008,303
Core pooled fund	\$19,432,681
SMID cap stock pooled fund	\$17,200,548
Large cap value stock pooled fund	\$33,350,682
International stock pooled fund	\$28,623,814
Core real estate pooled fund	\$10,635,454
Employer contribution receivable	\$196,154

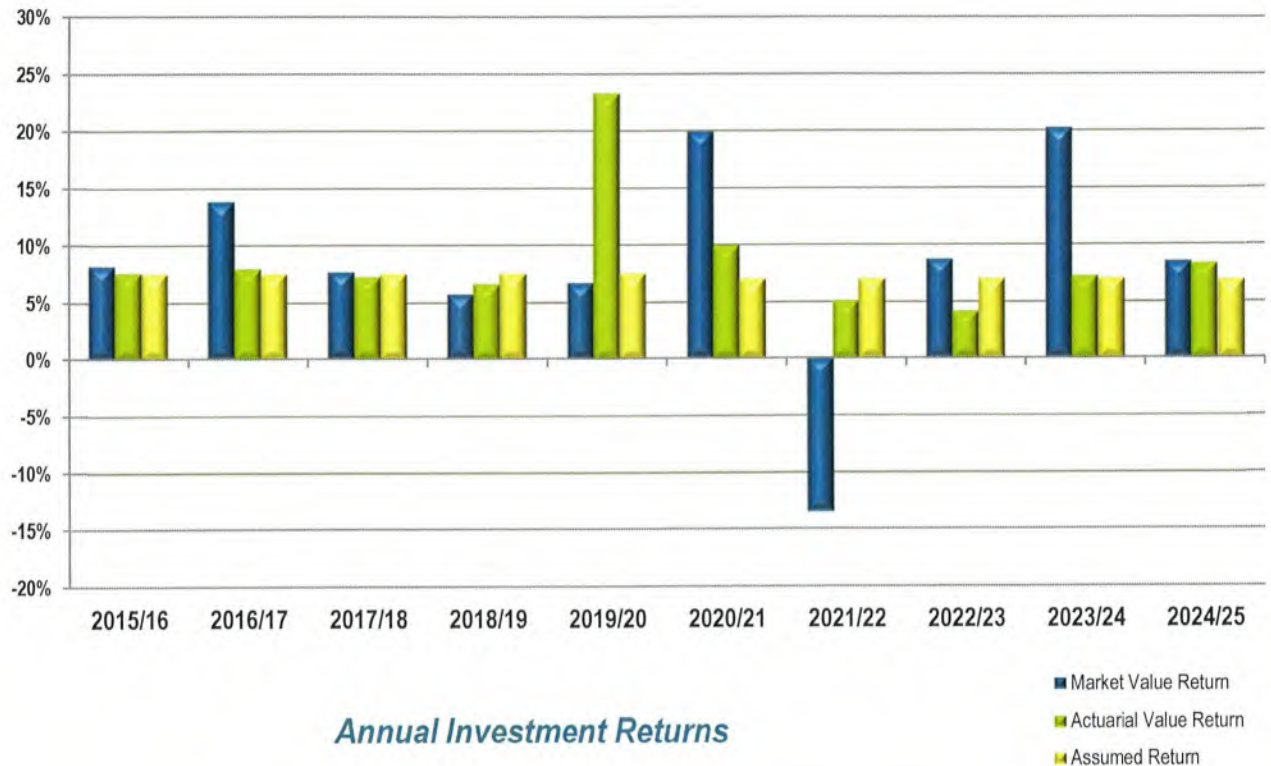
Historical Market Value of Assets

October 1, 2016	\$55,049,778
October 1, 2017	\$64,680,370
October 1, 2018	\$72,691,870
October 1, 2019	\$79,635,741
October 1, 2020	\$87,192,130
October 1, 2021	\$106,267,900
October 1, 2022	\$92,623,890
October 1, 2023	\$100,321,773
October 1, 2024	\$120,636,516
October 1, 2025	\$131,498,051



Investment Return

Table II-C

*Annual Investment Returns*

Plan	Market Value	Actuarial Value	Assumed
<u>Year</u>	<u>Return</u>	<u>Return</u>	<u>Return</u>
2015/16	8.20%	7.60%	7.50%
2016/17	13.84%	7.97%	7.50%
2017/18	7.66%	7.28%	7.50%
2018/19	5.75%	6.65%	7.50%
2019/20	6.70%	23.30%	7.50%
2020/21	19.94%	9.98%	7.00%
2021/22	-13.43%	5.13%	7.00%
2022/23	8.73%	4.20%	7.00%
2023/24	20.23%	7.27%	7.00%
2024/25	8.54%	8.37%	6.90%
10yr. Avg.	8.23%	8.66%	7.24%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2024	\$120,636,516	\$114,908,149
<i>Increases Due To:</i>		
Employer Contributions	\$3,402,662	\$3,402,662
Employee Contributions	\$757,212	\$757,212
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$4,159,874</u>	<u>\$4,159,874</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	<u>\$10,321,007</u>	
Total Investment Income	<u>\$10,321,007</u>	\$9,633,873
Other Income	\$0	
Total Income	<u>\$14,480,881</u>	<u>\$13,793,747</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$3,418,475)	(\$3,418,475)
Refund of Employee Contributions	(\$108,939)	(\$108,939)
DROP Credits		(\$163,522)
Total Benefit Payments	<u>(\$3,527,414)</u>	<u>(\$3,690,936)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$91,932)	(\$91,932)
Advance Employer Contribution		\$0
Total Expenses	<u>(\$3,619,346)</u>	<u>(\$3,782,868)</u>
As of October 1, 2025	<u><u>\$131,498,051</u></u>	<u><u>\$124,919,028</u></u>



Historical Trust Fund Detail

Table II-E

Income

Plan	Employer	Employee	Service		Realized	Unrealized	Other
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Purchase</u>	<u>Interest /</u>	<u>Gains /</u>	<u>Gains /</u>	<u>Income</u>
			<u>Contribs.</u>	<u>Dividends</u>	<u>Losses</u>	<u>Losses</u>	
2015/16	\$2,936,336	\$417,945	\$0	\$0	\$0	\$4,102,297	\$0
2016/17	\$3,109,997	\$446,412	\$0	\$0	\$0	\$7,747,395	\$0
2017/18	\$4,502,326	\$481,568	\$0	\$0	\$0	\$5,065,294	\$0
2018/19	\$3,944,403	\$495,591	\$313,056	\$0	\$0	\$4,259,241	\$0
2019/20	\$3,790,389	\$544,347	\$0	\$0	\$0	\$5,406,010	\$0
2020/21	\$3,616,169	\$566,736	\$0	\$0	\$0	\$17,538,904	\$0
2021/22	\$3,235,921	\$608,761	\$0	\$0	\$0	-\$14,315,877	\$0
2022/23	\$2,298,961	\$645,777	\$0	\$0	\$0	\$8,067,817	\$0
2023/24	\$2,847,238	\$695,538	\$0	\$0	\$0	\$20,300,637	\$0
2024/25	\$3,402,662	\$757,212	\$0	\$0	\$0	\$10,321,007	\$0

Expenses

Plan	Monthly				<u>Other Actuarial Adjustments</u>	
<u>Year</u>	<u>Benefit</u>	<u>Contrib.</u>	<u>Admin.</u>	<u>Invest.</u>	<u>DROP</u>	<u>Advance</u>
	<u>Payments</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Credits</u>	<u>Employer</u>
						<u>Contribs.</u>
2015/16	\$1,391,516	\$8,934	\$98,335	\$0	\$65,827	-\$155,031
2016/17	\$1,570,371	\$8,108	\$94,733	\$0	\$84,622	-\$143,165
2017/18	\$1,926,988	\$19,192	\$91,508	\$0	-\$120,935	\$0
2018/19	\$1,913,701	\$62,382	\$92,337	\$0	\$127,516	\$0
2019/20	\$2,050,599	\$40,623	\$93,135	\$0	\$276,384	\$0
2020/21	\$2,337,490	\$207,338	\$101,211	\$0	\$208,096	\$0
2021/22	\$2,984,017	\$101,873	\$86,925	\$0	-\$76,556	\$0
2022/23	\$3,152,132	\$76,835	\$85,705	\$0	-\$54,180	\$0
2023/24	\$3,080,072	\$360,288	\$88,310	\$0	\$19,920	\$0
2024/25	\$3,418,475	\$108,939	\$91,932	\$0	\$163,522	\$0

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2024	\$0
Additional Employer Contribution	\$3,402,662
Immediate Application of Advance Employer Contribution	\$0
Minimum Required Contribution	(\$3,402,662)
Net Increase in Advance Employer Contribution	\$0
Advance Employer Contribution as of October 1, 2025	\$0

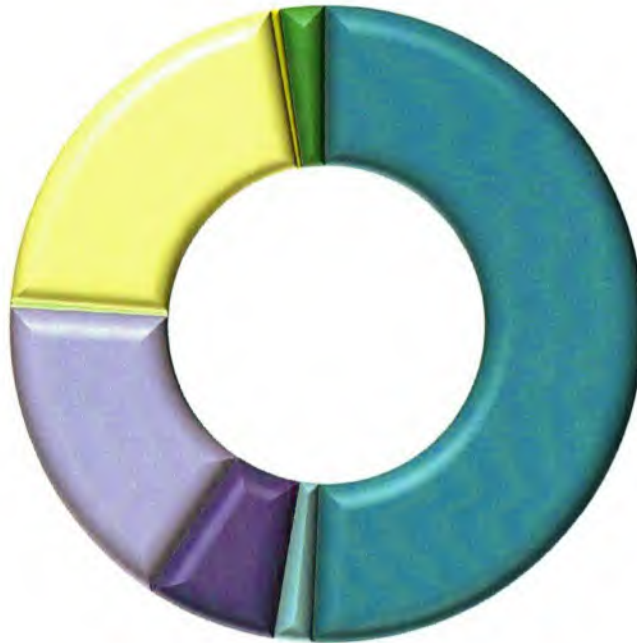
DROP Account Reconciliation

DROP Balance as of October 1, 2024	\$582,725
DROP Benefit Credits	\$331,795
DROP Investment Credits	\$40,616
DROP Benefits Paid Out	(\$208,889)
Net DROP Credit	\$163,522
DROP Balance as of October 1, 2025	\$746,247



Summary of Participant Data

Table III-A

As of October 1, 2025*Participant Distribution by Status*Actively Employed Participants

Active Participants	334
DROP Participants	13

Inactive Participants

Deferred Vested Participants	44
Due a Refund of Contributions	109
Deferred Beneficiaries	2

Participants Receiving a Benefit

Service Retirements	137
Disability Retirements	3
Beneficiaries Receiving	15

Total Participants 657Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2016	251	4	67	82	404
October 1, 2017	267	3	79	97	446
October 1, 2018	273	3	94	103	473
October 1, 2019	276	6	95	109	486
October 1, 2020	283	12	97	115	507
October 1, 2021	297	10	107	127	541
October 1, 2022	293	11	123	136	563
October 1, 2023	308	9	139	144	600
October 1, 2024	307	12	151	154	624
October 1, 2025	334	13	155	155	657



Data Reconciliation

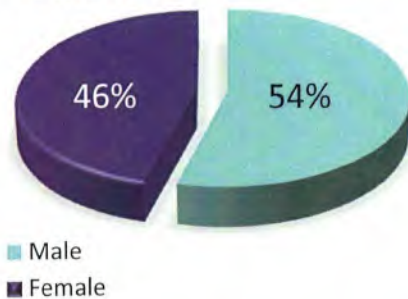
Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2024</u>	307	12	46	103	2	137	3	14	624
<u>Change in Status</u>									
Re-employed	2		(1)	(1)					
Terminated	(24)		1	23					
Retired	(2)	(2)	(2)			6			
<u>Participation Ended</u>									
Transferred Out	(3)	3							
Cashed Out				(16)					(16)
Died						(6)			(6)
<u>Participation Began</u>									
Newly Hired	54								54
Transferred In									
New Beneficiary								1	1
<u>Other Adjustment</u>									
<u>October 1, 2025</u>	334	13	44	109	2	137	3	15	657



Active Participant Data

Table III-C

As of October 1, 2025**Gender Mix**

Average Age	45.3 years
Average Service	8.4 years
Total Annualized Compensation for the Prior Year	\$26,895,213
Total Expected Compensation for the Current Year	\$28,278,797
Average Increase in Compensation for the Prior Year	7.96%
Expected Increase in Compensation for the Current Year	5.32%
Accumulated Contributions for Active Employees	\$5,518,297

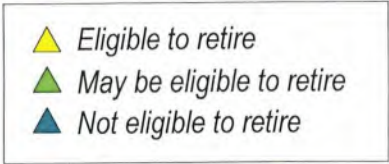
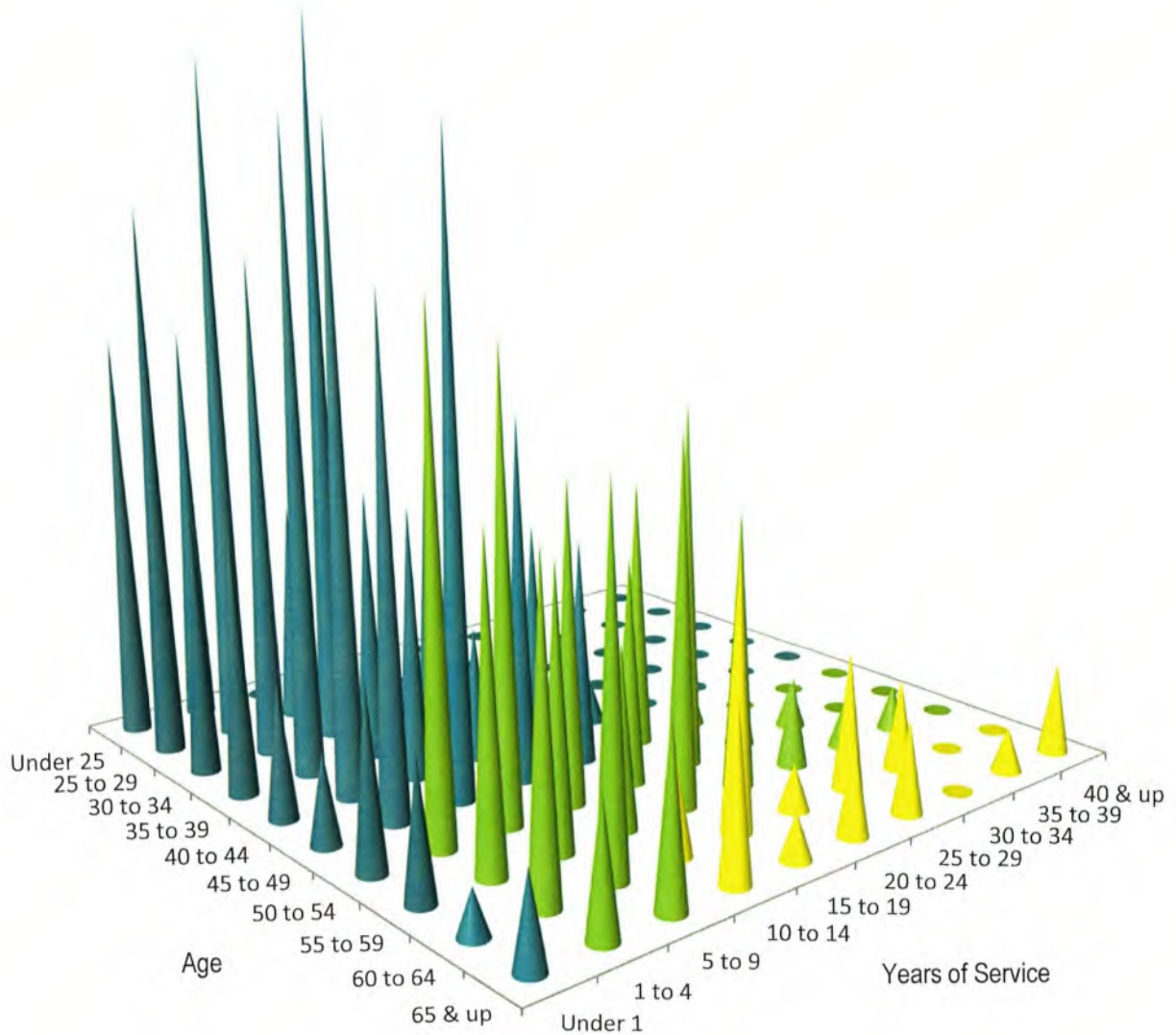
**Actual vs. Expected Salary Increases****Active Participant Statistics From Prior Valuations**

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2016	48.2	9.7	\$63,019	4.00%	9.57%
October 1, 2017	47.3	9.2	\$63,134	5.00%	3.63%
October 1, 2018	46.8	9.0	\$63,868	5.00%	7.03%
October 1, 2019	46.9	9.1	\$65,274	5.00%	4.07%
October 1, 2020	46.2	8.7	\$67,655	5.00%	7.95%
October 1, 2021	45.7	8.5	\$70,563	5.00%	5.88%
October 1, 2022	46.1	8.7	\$73,663	5.00%	7.59%
October 1, 2023	45.9	8.5	\$75,124	5.00%	6.73%
October 1, 2024	45.8	8.6	\$78,236	5.00%	6.25%
October 1, 2025	45.3	8.4	\$80,525	5.00%	7.96%



Active Age-Service Distribution

Table III-D



Active Age-Service-Salary Table

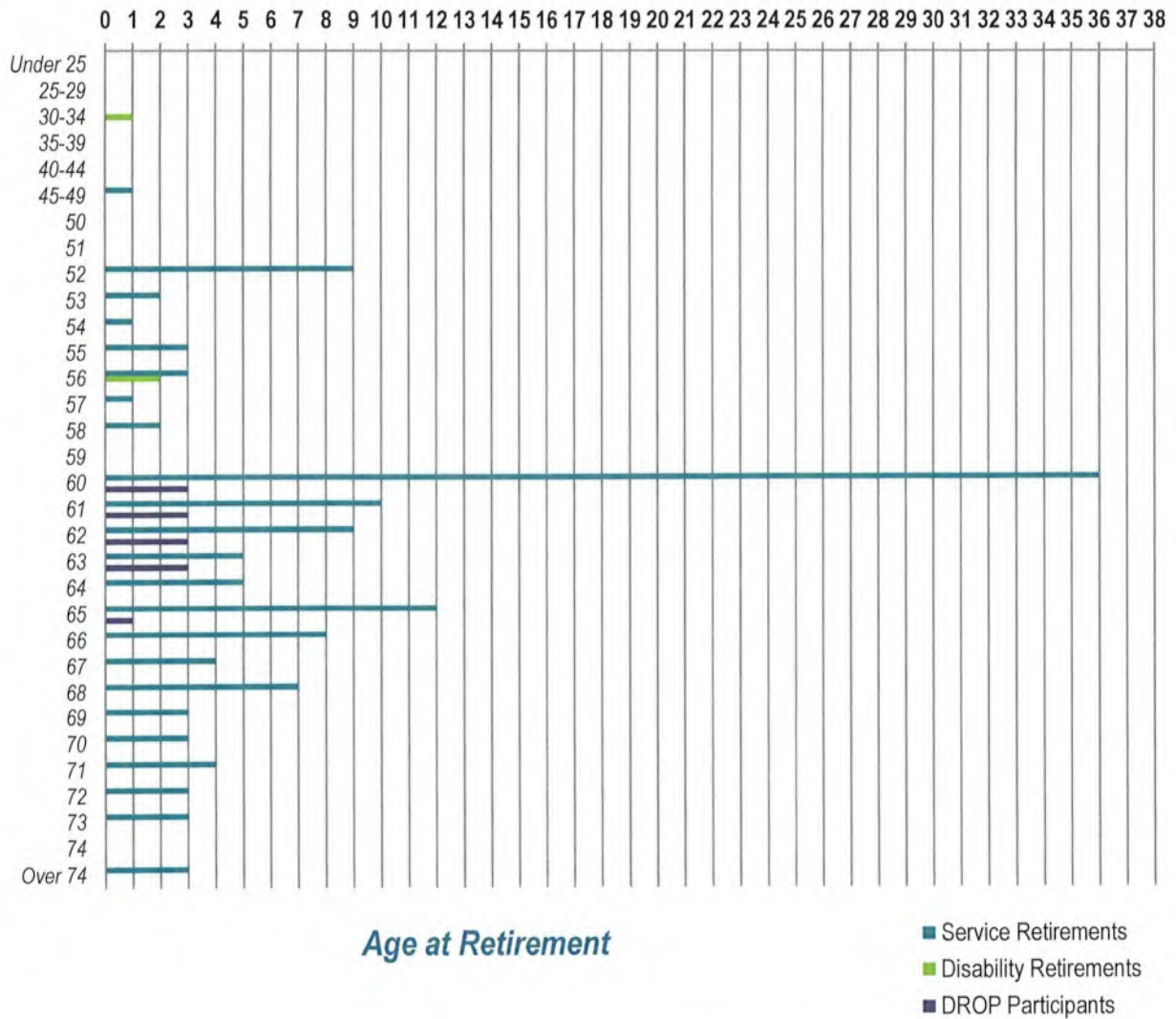
Table III-E

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	9	9	0	0	0	0	0	0	0	0	18
Avg.Pay	34,940	47,634	0	0	0	0	0	0	0	0	41,287
25 to 29	12	15	5	0	0	0	0	0	0	0	32
Avg.Pay	40,574	53,319	69,790	0	0	0	0	0	0	0	51,113
30 to 34	6	11	16	1	0	0	0	0	0	0	34
Avg.Pay	49,479	61,600	65,984	78,806	0	0	0	0	0	0	62,030
35 to 39	6	14	6	7	1	0	0	0	0	0	34
Avg.Pay	46,022	62,958	93,907	89,499	79,328	0	0	0	0	0	71,376
40 to 44	3	14	6	3	5	1	0	0	0	0	32
Avg.Pay	58,583	70,887	117,041	104,081	90,738	70,610	0	0	0	0	84,592
45 to 49	2	11	14	8	5	6	1	0	0	0	47
Avg.Pay	81,681	69,039	96,909	95,034	76,930	126,263	80,724	0	0	0	90,697
50 to 54	4	11	10	7	5	8	2	1	0	0	48
Avg.Pay	48,558	57,854	86,122	114,387	124,879	119,642	88,576	84,419	0	0	90,326
55 to 59	3	7	6	4	8	6	2	1	1	0	38
Avg.Pay	76,093	66,004	93,876	93,021	88,116	86,196	135,517	121,677	127,024	0	88,618
60 to 64	1	7	8	2	6	1	3	2	0	0	30
Avg.Pay	81,343	88,470	114,625	75,939	103,325	74,089	111,441	82,424	0	0	98,757
65 & up	2	3	4	4	1	2	2	0	1	2	21
Avg.Pay	66,658	100,195	91,045	159,940	79,616	98,340	140,633	0	99,518	125,062	111,669
Total	48	102	75	36	31	24	10	4	2	2	334
Avg.Pay	48,972	64,291	89,770	103,951	95,050	107,220	114,450	92,736	113,271	125,062	80,525



Inactive Participant Data

Table III-F

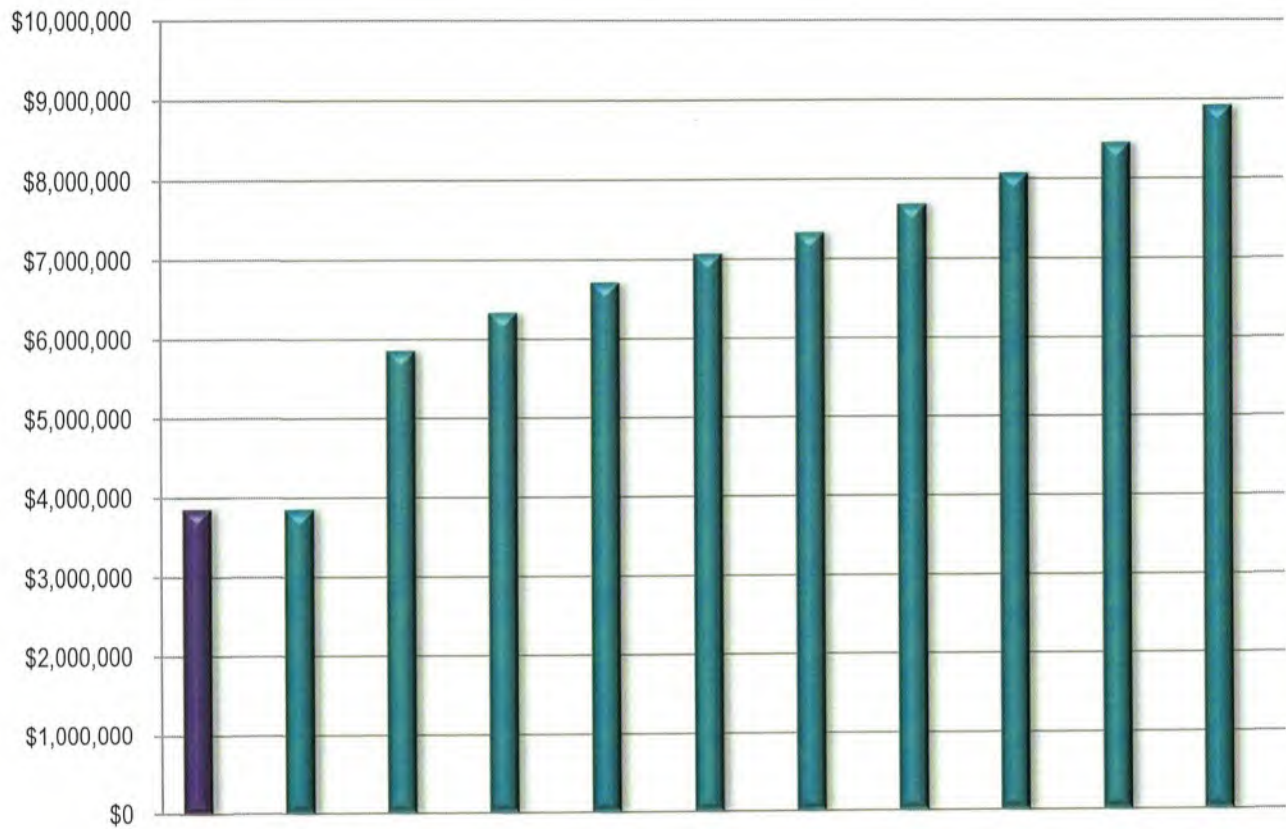
Average Monthly Benefit

Service Retirements	\$1,753.01
Disability Retirements	\$978.79
Beneficiaries Receiving	\$1,497.71
DROP Participants	\$2,161.83
Deferred Vested Participants	\$1,252.22
Deferred Beneficiaries	\$2,620.46



Projected Benefit Payments

Table III-G

Actual

For the period October 1, 2024 through September 30, 2025

\$3,859,209

Projected

For the period October 1, 2025 through September 30, 2026

\$3,852,676

For the period October 1, 2026 through September 30, 2027

\$5,856,893

For the period October 1, 2027 through September 30, 2028

\$6,337,935

For the period October 1, 2028 through September 30, 2029

\$6,710,941

For the period October 1, 2029 through September 30, 2030

\$7,070,451

For the period October 1, 2030 through September 30, 2031

\$7,340,758

For the period October 1, 2031 through September 30, 2032

\$7,689,803

For the period October 1, 2032 through September 30, 2033

\$8,072,856

For the period October 1, 2033 through September 30, 2034

\$8,456,533

For the period October 1, 2034 through September 30, 2035

\$8,922,507



Summary of Actuarial Methods and Assumptions

Table IV-A

NOTE: The following assumptions and methods have been selected and approved by the Board of Trustees based in part on the advice of the plan's enrolled actuary in accordance with the authority granted to the Board under the pension ordinances and State law. The salary increase assumption and incidence of mortality, disability, and termination of employment are based on an experience study conducted for the Florida Retirement System (FRS) in 2024 because the FRS covers a similar population of employees.

1. Actuarial Cost Method

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. Asset Method

The actuarial value of assets is equal to the market value of assets, adjusted to reflect a five-year phase-in of the unexpected investment gains and losses.

3. Interest (or Discount) Rate

6.90% per annum

4. Salary Increases

Plan compensation is assumed to increase in accordance with a service-based table, unless actual plan compensation is known for a prior plan year; separate tables were used for the general and management employees; rates for the general employees range from 6.35% for an employee with zero years of service to 3.65% for employees with 30 or more years of service; rates for the management employees range from 9.30% for an employee with zero years of service to 4.20% for employees with 30 or more years of service. *(Rates are based on an experience study conducted by the FRS in 2024.)*

Average final compensation is increased by 3.00% with respect to general employees who terminate their employment prior to October 1, 2028 and by 1.50% with respect to such employees who terminate their employment during the period October 1, 2028 through September 30, 2033.

Average final compensation is increased by 10.00% with respect to management employees who terminate their employment prior to October 1, 2026 and by 5.00% with respect to such employees who terminate their employment during the period October 1, 2026 through September 30, 2031.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

5. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set back one year
- Post-retirement healthy mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set back one year
- Post-retirement disabled mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with both male and female ages set forward four years
- Disability: Age-based rates of disability were assumed, ranging from 0.001% at age 21 to 0.011% at age 35 to 0.041% at age 45 to 0.136% at age 55 to 0.031% at ages 64 and later. *(Rates are based on an experience study conducted by the FRS in 2024.)*
- Termination: Age- and service-based rates of withdrawal were assumed, with separate rates used for general and management employees as well as separate rates for males and females; rates for male general employees range from 27.5% for an employee under age 25 with zero years of service to 0.5% for an employee at least age 55 with at least 30 years of service; rates for female general employees range from 32.5% for an employee under age 25 with zero years of service to 0.5% for an employee at least age 55 with at least 30 years of service; rates for male management employees range from 18.5% for an employee under age 55 with three years of service to 1.0% for an employee at least age 55 with at least 30 years of service; rates for female management employees range from 14.0% for an employee under age 55 with four years of service to 1.0% for an employee at least age 55 with at least 30 years of service. *(Rates are based on an experience study conducted by the FRS in 2024.)*
- Retirement: 100% upon the attainment of normal retirement age

No decrements are assumed during the first year immediately following the valuation date.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

6. Form of Payment

Future retirees have been assumed to select the single life annuity.

7. Marriage Assumption

80% of non-retired participants are assumed to be married to an opposite gender spouse; male spouses are assumed to be three years older than female spouses.

8. Expenses

The total projected benefit liability has been loaded by 0.50% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



Changes in Actuarial Methods and Assumptions

Table IV-B

Since the completion of the previous valuation, the salary increase, mortality, disability, and withdrawal rates were all changed to the rates used by the FRS; the retirement assumption was changed from a probability of retirement at each age during the period from normal retirement age to six years after normal retirement age to 100% retirement upon the attainment of normal retirement age; the percentage of non-retirement participants who are assumed to be married was reduced from 100% to 80%; and the administrative expense loading was reduced from 0.75% of the projected benefit liability to 0.50% of the projected benefit liability.

The following additional assumption and method changes were made during the past 10 years:

- (1) Effective October 1, 2024, the interest (or discount) rate was decreased from 7.00% per annum to 6.90% per annum.*
- (2) Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*
- (3) Effective October 1, 2020, the interest (or discount) rate was decreased from 7.50% per annum to 7.00% per annum.*
- (4) Effective October 1, 2020, the expense loading was reduced from 1.25% of the present value of future benefits to 0.75% of the present value of future benefits.*
- (5) Effective October 1, 2020, the actuarial value of assets was changed from the market value adjusted to reflect a five-year phase-in of the net investment gains and losses to the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses.*
- (6) Effective October 1, 2016, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*
- (7) Effective October 1, 2016, the assumed increase in future annual salaries was changed from 4.00% per year to 5.00% per year.*



Summary of Plan Provisions

Table V-A

1. Monthly Accrued Benefit

Employees Hired On and After October 1, 2013:

1.80% of Average Final Compensation multiplied by Credited Service

General Employees Hired Prior to October 1, 2013:

2.00% of Average Final Compensation multiplied by Credited Service

Management Employees Hired Prior to October 1, 2013:

3.00% of Average Final Compensation multiplied by Credited Service

(Note: The benefit payable from the qualified pension plan is limited to the allowable amount pursuant to Internal Revenue Code (IRC) section 415.)

2. Normal Retirement Age and Benefit

- Age**

Employees Hired On and After October 1, 2013:

Age 65 with at least 10 years of Vested Service; or

Age 60 with at least 30 years of Vested Service

General Employees Hired Prior to October 1, 2013:

Age 60 with at least six years of Vested Service; or

Age 56 with at least 30 years of Vested Service

Management Employees Hired Prior to October 1, 2013:

Age 52 with at least three years of Vested Service; or

Age 48 with at least 20 years of Vested Service

- Amount**

Monthly Accrued Benefit

- Form of Payment**

Single life annuity (normal form of payment);

Actuarially reduced 10-year certain and life annuity (optional);

Actuarially reduced 50% joint and contingent annuity (optional);

Actuarially reduced 66 $\frac{2}{3}$ % joint and contingent annuity (optional);

Actuarially reduced 75% joint and contingent annuity (optional);

Actuarially reduced 100% joint and contingent annuity (optional);

Any other actuarially equivalent form of payment approved by the Board; or

Actuarially equivalent lump sum distribution (automatic if the single sum value of the participant's benefit is less than or equal to \$5,000 or the monthly annuity is less than \$100)

(Note: A participant may change his joint annuitant up to two times after retirement.)



Summary of Plan Provisions

Table V-A

(continued)

3. Disability Eligibility and Benefit

- **Eligibility**

Employees Hired On or After October 1, 2013:	<i>10 years of Vested Service</i>
General Employees Hired Prior to October 1, 2013:	<i>Six years of Vested Service</i>
Management Employees Hired Prior to October 1, 2013:	<i>Three years of Vested Service</i>

- **Condition**

The participant must become totally and permanently disabled as determined by the Board of Trustees.

- **Amount Payable**

Same as for Normal Retirement

4. Delayed Retirement Age and Benefit

- **Age**

After Normal Retirement Age

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Same as for Normal Retirement

5. Deferred Vested Benefit

- **Age**

Employees Hired On and After October 1, 2013:	<i>Any age with at least 10 years of Vested Service</i>
General Employees Hired Prior to October 1, 2013:	<i>Any age with at least six years of Vested Service</i>
Management Employees Hired During the Period October 2, 2003 through September 30, 2013:	<i>Any age with at least three years of Vested Service</i>
Management Employees Hired Prior to October 2, 2003:	<i>Any age with no service requirement</i>

- **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age)

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

6. Pre-Retirement Death Benefit

In the case of the death of a vested participant prior to retirement, his beneficiary will receive the participant's Monthly Accrued Benefit commencing at the participant's Normal Retirement Age or an actuarially equivalent benefit commencing prior to Normal Retirement Age. If the beneficiary is neither a spouse nor a dependent child, then the pre-retirement death benefit will also be adjusted actuarially to account for any difference between the ages of the participant and beneficiary.

7. Average Final Compensation

Employees Hired On and After October 1, 2013: *Average of the highest six years of Compensation*

General Employees Hired Prior to October 1, 2013: *Average of the highest five years of Compensation*

Management Employees Hired Prior to October 1, 2013: *Average of the highest three years of Compensation*

8. Compensation

Total cash remuneration for services rendered; with respect to bargaining employees, overtime in excess of 300 hours per year earned after September 30, 2012 and payments for unused sick and annual leave accrued after that date are excluded from compensation; with respect to non-bargaining employees, overtime in excess of 300 hours per year earned after June 30, 2011 and payments for unused sick and annual leave accrued after that date are excluded from compensation; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

9. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death. In the case of employees who were hired prior to October 1, 2003, the participant must pay the full actuarial cost of his service earned prior to October 1, 2003 in order to receive a retirement benefit for such service. In addition, participants may purchase up to five years of service credit for previous full-time employment with the federal government, including military service, or with any state, county, or city government other than the Town of Davie, provided that no retirement benefit is provided for such service under another retirement plan.

10. Vested Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death.



Summary of Plan Provisions

Table V-A

(continued)

11. Participation Requirement

All full-time general and management employees of the Town of Davie, Florida automatically become a participant in the plan on their date of hire.

12. Accumulated Contributions

The Employee Contributions accumulated with interest at the rate of 6.00% per annum; if a non-vested participant terminates his employment, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan; vested participants may optionally elect to receive their Accumulated Contributions in lieu of any other benefits payable from the plan.

13. Participant Contribution

3.00% of earnings with respect to participants hired on or after October 1, 2013; 1.00% of earnings with respect to all other participants for the period after the collective bargaining agreement ratification date up to the first payroll after October 1, 2013, increasing to 1.50% of earnings for the period through September 30, 2014, and increasing to 2.50% of earnings thereafter.

14. Definition of Actuarially Equivalent

- **Interest Rate**
8.00% per annum
- **Mortality Table**
1994 Group Annuity Reserving Table, projected to 2002 by Scale AA

15. Automatic Cost-of-Living Adjustment (COLA)

All benefits include an automatic 3% annual cost-of-living adjustment which is effective for payments made at least five years after initial retirement.

16. Plan Effective Date

October 1, 2003

17. Deferred Retirement Option Plan (DROP)

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 60 months. DROP accounts are credited with interest at the rate of 6.50% per annum.



Summary of Plan Amendments

Table V-B

There were no significant amendments adopted since the completion of the previous valuation.

The following additional plan amendments were adopted during the past 10 years and were reflected in prior valuation reports:

- (1) During the 2023/24 fiscal year, the plan was amended to allow certain employees who are promoted from a general employee position to a management position to commence receipt of their general employee pension at the same time that they commence receipt of their management pension and provides for an actuarially equivalent reduction in the general employee pension to account for the earlier payment of the benefit. (Ordinance No. 2024-019)*
- (2) During the 2020/21 fiscal year, certain employees who had previously chosen not to participate in the plan were allowed a one-time opportunity to opt into the plan. (Ordinance No. 2021-015)*

