City of Fort Meade
FireFighters' Retirement Plan

Actuarial Valuation

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

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

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June 2, 2026

Board of Trustees
City of Fort Meade
Firefighters' Pension Board

Re: City of Fort Meade FireFighters' Retirement Plan Actuarial Valuation Report

Dear Board,

This report details the annual actuarial valuation of the City of Fort Meade FireFighters' Retirement Plan as of October 1, 2025.

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

DATA AND ASSUMPTIONS

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

DISCLOSURES AND LIMITATIONS

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

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

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

ACTUARIAL CERTIFICATION

The valuation has been conducted in accordance with all applicable laws and regulations, as well as generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board; specifically No. 4 for Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, No. 23 for Data Quality, No. 27 for Selection of Economic Assumptions for Measuring Pension Obligations, No. 35 for Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, No. 44, Selection and Use of Asset Valuation Methods for Pension Valuations, and No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations.

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

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

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

Respectfully submitted,

Foster & Foster, Inc.

Douglas H. Lozen, EA, MAAA

Kevin H. Peng, ASA, EA, MAAA

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SUMMARY

The regular annual actuarial valuation of the City of Fort Meade FireFighters' Retirement Plan, performed as of October 1, 2025, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2026.

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

Valuation Date	10/1/2025	10/1/2024
Applicable to Fiscal Year Ending	9/30/2026	9/30/2025
Minimum Required Contribution [1]	$62,902	$48,174

As you can see, the Minimum Required Contribution shows an increase when compared to the results set forth in the October 1, 2024 actuarial valuation report. The increase is attributable to net unfavorable actuarial experience described in the next paragraph and a mandatory change in the mortality rates.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an average salary increase of 102.38% which exceeded the 2.75% assumption. This loss was offset in part by gains associated with favorable turnover experience, an investment return of 7.64% (Actuarial Asset Basis) which exceeded the 6.50% assumption, and inactive mortality experience.

[1] Please note that the City has access to a prepaid contribution of $228,842.56 that is available to offset a portion of the above stated requirements for the fiscal year ending September 30, 2026.

CHANGES SINCE PRIOR VALUATION

PLAN CHANGES

There have been no plan changes since the prior valuation.

ACTUARIAL ASSUMPTION/METHOD CHANGES

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

There were no method changes since the prior valuation.

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VALUATION RESULTS

PRINCIPAL VALUATION RESULTS

Valuation Date	New Assump 10/1/2025	Old Assump 10/1/2025	10/1/2024
PARTICIPANT DATA			
Actives	16	16	20
Service Retirees	8	8	7
Beneficiaries	3	3	2
Disability Retirees	0	0	0
Terminated Vested	5	5	7
Total	32	32	36
Projected Annual Payroll	446,885	446,885	280,483
Annual Rate of Payments to:			
Service Retirees	14,524	14,524	18,425
Beneficiaries	6,447	6,447	1,894
Disability Retirees	0	0	0
Terminated Vested	11,060	11,060	13,988
ASSETS			
Actuarial Value (AVA)	463,630	463,630	410,466
Market Value (MVA)	487,210	487,210	428,833
LIABILITIES			
Present Value of Benefits			
Actives			
Retirement Benefits	332,875	321,918	226,514
Disability Benefits	36,917	35,813	20,137
Death Benefits	2,482	3,399	2,337
Vested Benefits	40,775	38,781	32,767
Refund of Contributions	0	0	0
Service Retirees	140,803	137,087	139,533
Beneficiaries	33,260	33,545	11,856
Disability Retirees	0	0	0
Terminated Vested	111,002	107,217	133,822
Total	698,114	677,760	566,966

Valuation Date	New Assump 10/1/2025	Old Assump 10/1/2025	10/1/2024
LIABILITIES (CONTINUED)			
Present Value of Future Salaries	2,712,117	2,707,509	1,847,399
Present Value of Future Member Contributions	0	0	0
Normal Cost (Retirement)	21,951	21,217	11,769
Normal Cost (Disability)	4,775	4,654	1,877
Normal Cost (Death)	201	277	158
Normal Cost (Vesting)	2,137	2,030	1,938
Normal Cost (Refunds)	0	0	0
Total Normal Cost	29,064	28,178	15,742
Present Value of Future Normal Costs	168,433	162,947	102,072
Accrued Liability (Retirement)	205,954	199,469	150,509
Accrued Liability (Disability)	11,001	10,606	8,279
Accrued Liability (Death)	1,320	1,800	1,310
Accrued Liability (Vesting)	26,341	25,089	19,585
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives)	285,065	277,849	285,211
Total Actuarial Accrued Liability (EAN AL)	529,681	514,813	464,894
Unfunded Actuarial Accrued Liability (UAAL)	66,051	51,183	54,428
Funded Ratio (AVA / EAN AL)	87.5%	90.1%	88.3%

ACTUARIAL PRESENT VALUE OF ACCRUED BENEFITS

Valuation Date	New Assump 10/1/2025	Old Assump 10/1/2025	10/1/2024
Vested Accrued Benefits			
Inactives	285,065	277,849	285,211
Actives	109,071	105,863	77,484
Total	394,136	383,712	362,695
Non-vested Accrued Benefits	8,326	8,024	8,195
Total Present Value Accrued Benefits (PVAB)	402,462	391,736	370,890
Funded Ratio (MVA / PVAB)	121.1%	124.4%	115.6%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	10,726	0	
Plan Experience	0	16,506	
Benefits Paid	0	(19,146)	
Interest	0	23,486	
Other	0	0	
Total	10,726	20,846	

CONTRIBUTION REQUIREMENTS

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

CALCULATION OF CONTRIBUTION REQUIREMENT

Normal Cost [1]	$30,009	$29,094	$16,254
Administrative Expenses [1]	25,937	25,937	26,377
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2025) [1]	6,956	5,423	5,543
Minimum Required Contribution	62,902	60,454	48,174

PAST CONTRIBUTIONS

Plan Years Ending:	9/30/2025
City and State Requirement	48,174
Actual Contributions Made:	
City	48,174

[1] Contributions developed as of 10/1/2025 displayed above have been adjusted to account for the timing of sponsor contributions.

OTHER INFORMATION

ILLUSTRATION OF AMORTITIZATION OF THE TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY

Year	Projected Unfunded Actuarial Accrued Liability
2025	66,051
2026	63,169
2027	60,101
2030	49,644
2034	32,242
2037	15,992
2040	0

5 YEAR COMPARISON OF ACTUAL AND ASSUMED SALARY INCREASES

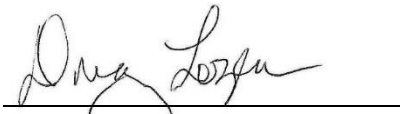
		Actual	Assumed
Year Ended	9/30/2025	102.38%	2.75%
Year Ended	9/30/2024	65.28%	2.75%
Year Ended	9/30/2023	-26.65%	3.00%
Year Ended	9/30/2022	33.52%	3.00%
Year Ended	9/30/2021	-18.36%	3.00%

5 YEAR COMPARISON OF INVESTMENT RETURN ON ACTUARIAL VALUE

		Market Value	Actuarial Value	Assumed
Year Ended	9/30/2025	8.69%	7.64%	6.50%
Year Ended	9/30/2024	19.80%	6.68%	6.50%
Year Ended	9/30/2023	8.60%	3.85%	6.75%
Year Ended	9/30/2022	-13.17%	4.82%	6.75%
Year Ended	9/30/2021	19.31%	9.86%	7.00%

STATEMENT BY ENROLLED ACTUARY

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



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #26-7778

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

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

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

UNFUNDED ACTUARIAL ACCRUED LIABILITIES

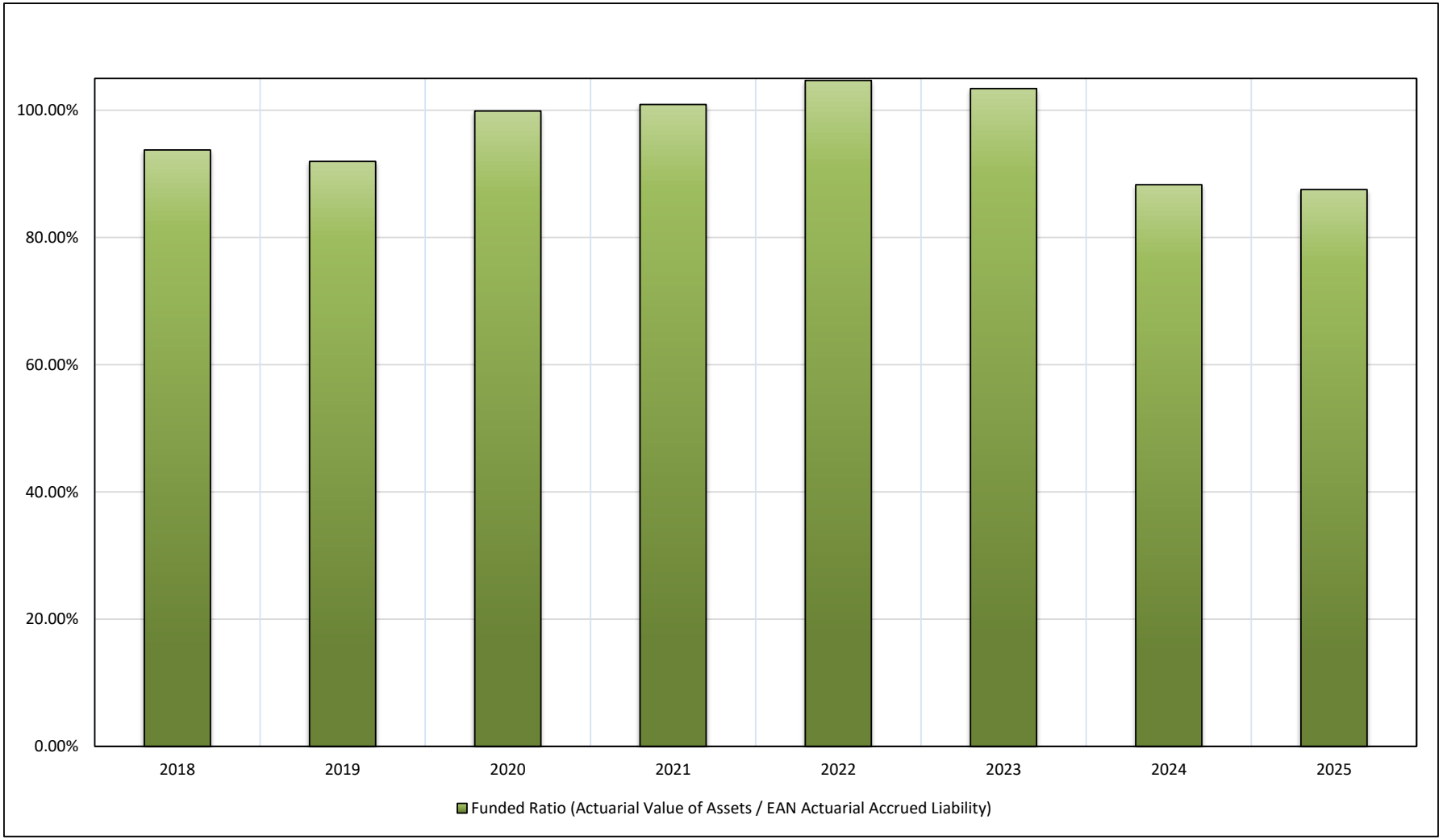
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2024	$54,428
(2)	Sponsor Normal Cost developed as of October 1, 2024	15,742
(3)	Expected administrative expenses for the year ended September 30, 2025	25,547
(4)	Expected interest on (1), (2) and (3)	5,391
(5)	Sponsor contributions to the System during the year ended September 30, 2025	48,174
(6)	Expected interest on (5)	4,471
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2025 (1)+(2)+(3)+(4)-(5)-(6)	48,463
(8)	Change to UAAL due to Assumption Change	14,868
(9)	Change to UAAL due to Actuarial (Gain)/Loss	2,720
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2025	66,051

Type of Base	Date Established	Years Remaining	10/1/2025 Amount	Amortization Amount
EAN Cost Method	10/1/2023	13	(13,604)	(1,485)
Actuarial Loss	10/1/2024	14	62,067	6,465
Actuarial Loss	10/1/2025	15	2,720	272
Assump Change	10/1/2025	15	14,868	1,485
			66,051	6,737

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2024	$54,428
(2)	Expected UAAL as of October 1, 2025	48,463
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(6,523)
	Salary Increases	78,709
	Active Decrements	(49,972)
	Inactive Mortality	(6,110)
	Other	(13,384)
	Increase in UAAL due to (Gain)/Loss	2,720
	Assumption Changes	14,868
(4)	Actual UAAL as of October 1, 2025	$66,051

HISTORY OF FUNDING PROGRESS



STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Cash	5,754.84
Total Cash and Equivalents	5,754.84
Total Receivable	0.00
Investments:	
Pooled/Common/Commingled Funds:	
Fixed Income	221,561.32
Equity	433,771.01
Real Estate	58,267.75
Total Investments	713,600.08
Total Assets	719,354.92
LIABILITIES	
Payables:	
Administrative Expenses	3,302.00
Prepaid City Contribution	228,842.56
Total Liabilities	232,144.56
NET POSITION RESTRICTED FOR PENSIONS	487,210.36

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

ADDITIONS		
Contributions:		
City	48,174.00	
Total Contributions		48,174.00
Investment Income:		
Net Increase in Fair Value of Investments	50,301.23	
Less Investment Expense[1]	(1,239.32)	
Net Investment Income		49,061.91
Total Additions		97,235.91
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	19,145.97	
Lump Sum DROP Distributions	0.00	
Lump Sum Benefit Distributions	0.00	
Total Distributions		19,145.97
Administrative Expense		19,713.00
Total Deductions		38,858.97
Net Increase in Net Position		58,376.94
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		428,833.42
End of the Year		487,210.36

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

ACTUARIAL ASSET VALUATION
September 30, 2025

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

Gains/Losses Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year 2025	2026	2027	2028	2029
09/30/2021	47,684	0	0	0	0	0
09/30/2022	(87,853)	(17,569)	0	0	0	0
09/30/2023	6,469	2,587	1,293	0	0	0
09/30/2024	50,112	30,068	20,046	10,024	0	0
09/30/2025	10,618	8,494	6,371	4,247	2,124	0
Total		23,580	27,710	14,271	2,124	0

Development of Investment Gain/Loss

Market Value of Assets, including Prepaid Contributions, 09/30/2024	518,229
Contributions Less Benefit Payments & Admin Expenses	148,762
Expected Investment Earnings*	38,444
Actual Net Investment Earnings	49,062
2025 Actuarial Investment Gain/(Loss)	10,618

*Expected Investment Earnings = 0.065 * 518,229 + -148,762 * [(1 + 0.065) ^ 0.5 - 1]

Development of Actuarial Value of Assets

(1) Market Value of Assets, 09/30/2025	487,210
(2) Gains/(Losses) Not Yet Recognized	23,580
(3) Actuarial Value of Assets, 09/30/2025, (1) - (2)	463,630
(4) Limited Actuarial Value of Assets, 09/30/2025	463,630
(A) 09/30/2024 Actuarial Assets, including Prepaid Contributions:	499,862
(I) Net Investment Income:	
1. Net Increase in Fair Value of Investments	50,301
2. Change in Actuarial Value	(5,213)
3. Investment Expenses	(1,239)
Total	43,849
(B) 09/30/2025 Actuarial Assets, including Prepaid Contributions:	692,473
Actuarial Assets Rate of Return = 2I/(A+B-I):	7.64%
Market Value of Assets Rate of Return:	8.69%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	6,523

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

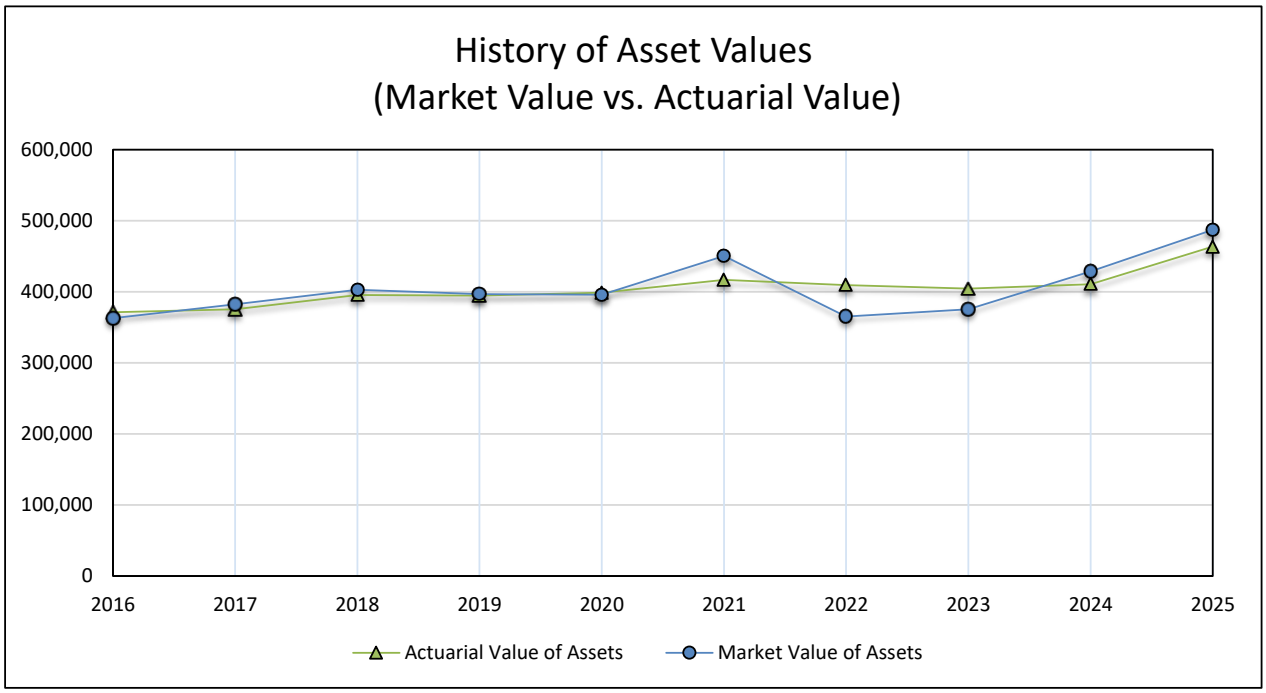
REVENUES		
Contributions:		
City	48,174.00	
Total Contributions		48,174.00
Earnings from Investments:		
Net Increase in Fair Value of Investments	50,301.23	
Change in Actuarial Value	(5,213.00)	
Total Earnings and Investment Gains		45,088.23
EXPENDITURES		
Distributions to Members:		
Benefit Payments	19,145.97	
Lump Sum DROP Distributions	0.00	
Lump Sum Benefit Distributions	0.00	
Total Distributions		19,145.97
Expenses:		
Investment related[1]	1,239.32	
Administrative	19,713.00	
Total Expenses		20,952.32
Change in Net Assets for the Year		53,163.94
Net Assets Beginning of the Year		410,466.42
Net Assets End of the Year[2]		463,630.36

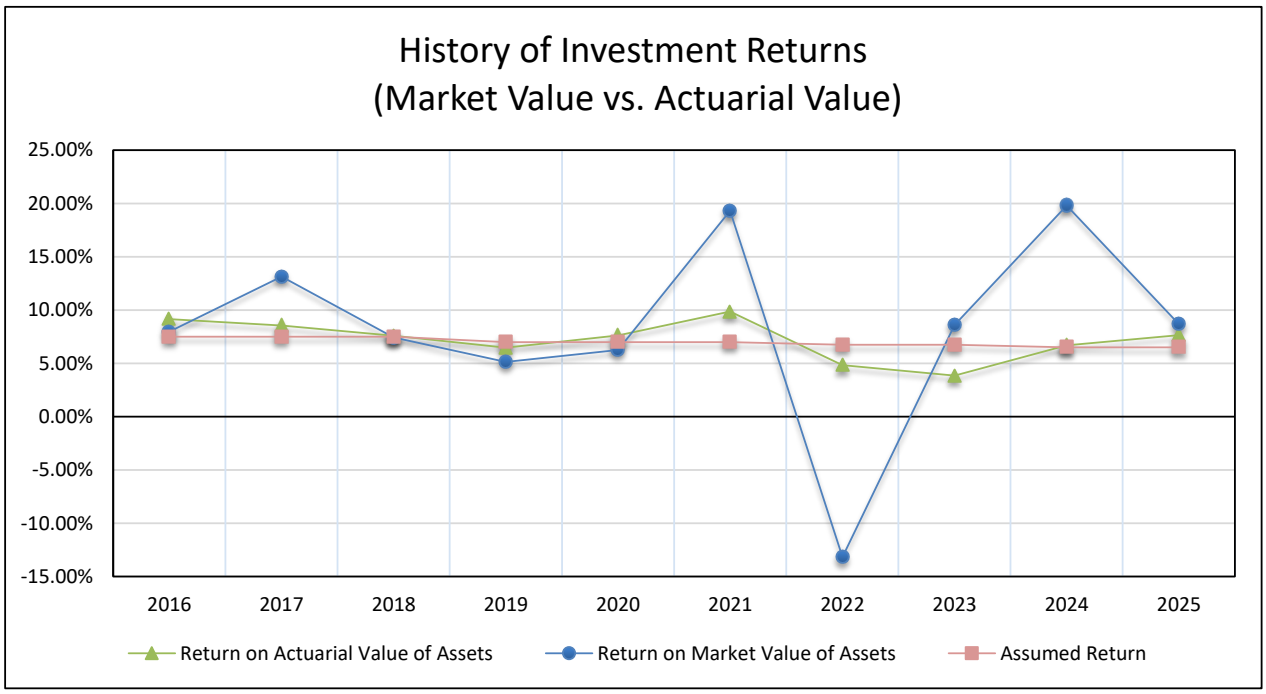
[1]Investment related expenses include investment advisory, custodial and performance monitoring fees.
[2]Net Assets may be limited for actuarial consideration.

RECONCILIATION OF CITY SHORTFALL/(PREPAID) CONTRIBUTION

(1)	Required City Contribution for Fiscal 2025	48,174.00
(2)	Less 2024 Prepaid Contribution	(89,395.38)
(3)	Less Actual City Contributions	(187,621.18)
(4)	Equals City's Shortfall/(Prepaid) Contribution as of September 30, 2025	($228,842.56)

History of Asset Values and Investment Returns





PARTICIPANT STATISTICS

STATISTICAL DATA

Valuation Date	10/1/2025	10/1/2024	10/1/2023	10/1/2022
ACTIVES				
Number	16	20	19	14
Average Current Age	42.6	38.1	36.6	32.2
Average Age at Employment	37.9	33.9	32.2	26.9
Average Past Service	4.7	4.2	4.4	5.3
Average Annual Salary	$28,262	$14,303	$8,380	$6,268
SERVICE RETIREES				
Number	8	7	7	7
Average Current Age	68.4	73.1	72.1	71.1
Average Annual Benefit	$1,816	$2,632	$2,632	$2,632
BENEFICIARIES				
Number	3	2	2	3
Average Current Age	85.4	83.1	82.1	81.5
Average Annual Benefit	$2,149	$947	$947	$2,566
DISABILITY RETIREES				
Number	0	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
TERMINATED VESTED				
Number	5	7	8	8
Average Current Age	53.7	54.6	54.3	53.3
Average Annual Benefit	$2,212	$1,998	$1,784	$1,784

AGE AND SERVICE DISTRIBUTION

ACTIVE EMPLOYEES

	PAST SERVICE											
AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24		1										1
25 - 29		1	1									2
30 - 34	1											1
35 - 39			2									2
40 - 44			1									1
45 - 49		1	3					1				5
50 - 54	2											2
55 - 59												0
60 - 64	1										1	2
65+												0
Total	4	3	7	0	0	0	0	1	0	0	1	16

PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2024	20
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	(8)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Continuing participants	12
g. New entrants / Rehires	4
h. Total active life participants in valuation	16

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	Total
a. Number prior valuation	7	2	0	7	0	16
Retired	2			(2)		0
Vested (Deferred Annuity)						0
Vested (Due Refund)						0
Hired/Terminated in Same Year						0
Death, With Survivor	(1)	1				0
Death, No Survivor						0
Disabled						0
Refund of Contributions						0
Rehires						0
Expired Annuities						0
Data Corrections						0
b. Number current valuation	8	3	0	5	0	16

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 1 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 1 year. **Beneficiary Lives:** *Female:* PubG.H-2010 (Below Median) for Healthy Retirees. *Male:* PubG.H-2010 (Below Median) for Healthy Retirees, set back 1 year. **Disabled Lives:** 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates for healthy lives were projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.
Interest Rate	6.50% 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	2.75% per year. This assumption was adopted based on the November 27, 2023 actuarial experience study.
Payroll Growth	None.
Administrative Expenses	Average of actual expenses incurred in the prior two fiscal years.
Amortization Method	New UAAL amortization bases are amortized over 15 years; 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. 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.

Funding Method	Entry Age Normal Cost Method. The following loads are applied for determining the minimum required contribution: Interest - A half year. Salary - None. 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.
Retirement Age	100% retirement is assumed at the earliest of: (a) any age with 40 years of service; (b) age 55 with 30 years of service; (c) age 60 with 10 years of service; or (d) age 65. This assumption was adopted based on the November 27, 2023 actuarial experience study.

Disability Rate

% Becoming Disabled During the Year		
Age	Male	Female
20	0.03%	0.03%
25	0.04%	0.05%
30	0.05%	0.08%
35	0.07%	0.14%
40	0.12%	0.21%
45	0.20%	0.32%
50	0.36%	0.53%
55	0.72%	0.95%
60	1.26%	1.16%
65	1.75%	1.36%

It is assumed that 100% of disablements are service-related. This assumption was carried over from the prior actuary and adopted based on the November 27, 2023 actuarial experience study.

Termination Rate

% Terminating During the Year	
Service	Rate
0	15.5%
5	13.0%
10	10.5%
15	8.0%
20	5.5%
25+	3.0%

This assumption was adopted based on the November 27, 2023 actuarial experience study.

Marriage assumption

100% assumed married with spouse's same age as Member.

Actuarial Asset Method

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

PLAN PROVISIONS

Most Recent Plan Amendment	Ordinance No. 21-20
Plan Effective Date	January 1, 1969.
Participation Requirement	All full-time and volunteer firefighters of the City of Fort Meade, Florida participate in the plan as of the first day of the month.
Credited Service	The elapsed time from the participant's date of hire until his date of termination, retirement, or death, calculated to the nearest full month.
Compensation	Total cash remuneration, including overtime and payments for accrued vacation and longevity, but excluding bonuses; annual compensation in excess of $200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).
Average Final Compensation	Average of the last 5 years of compensation paid preceding termination of employment.
Normal Retirement	
Eligibility	The earlier of: 1) Age 65, or 2) Age 60 and 10 years of Credited Service, or 3) Age 55 and 30 years of Credited Service, or 4) 40 years of Credited Service, regardless of age.
Benefit Amount	1.75% of Average Final Compensation times Credited Service.
Form of Benefit	Ten Year Certain and Life thereafter (options available).
Early Retirement	
Eligibility	Age 50 and 10 years of Credited Service.
Benefit Amount	Accrued benefit, reduced 5% for each year prior to age 60

Disability	
Eligibility	Total and permanent as determined by the commission. Coverage from date of employment for service incurred disabilities; 10 years of Credited Service required for non-service.
Benefit Amount	**Service Incurred:** Accrued benefit (1.75% rate), but not less than 30% of Compensation in effect at the time of disability. **Non-service Incurred:** Accrued benefit (1.75% rate).
Duration	Benefit commences on first day of the month following establishment of disability. Benefits are paid for life with 120 months guaranteed, or, if earlier, until recovery (as determined by the commission).
Pre-Retirement Death	
Eligibility	Coverage from date of employment.
Benefit Amount	**Death prior to Normal Retirement Date:** Spouse will receive a single lump sum payment equal to the actuarially equivalent value of 75% of the participant's vested accrued benefit. **Death on or after Normal Retirement Date:** Spouse will receive 66⅔% of the participant's accrued 66⅔% joint and contingent annuity payable for life. Alternatively, his spouse may choose to receive the 75% lump sum benefit that is payable in the case of a pre- retirement death prior to reaching Normal Retirement Age.
Post-Retirement Death	According to option selected, if any.
Vesting (Termination)	
Eligibility	10 years or more of Credited Service.
Benefit Amount	Accrued benefit (1.75% rate) payable at the Member's election, on his otherwise Early or Normal Retirement Date.

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

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

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

IMPACT OF PLAN MATURITY ON RISK

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has increased from 88.2% on October 1, 2018 to 100.0% on October 1, 2025, indicating that the plan has experienced a significant growth in active population.

- 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 53.8%. 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 93.8% on October 1, 2018 to 87.5% 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, increased from -1.9% on October 1, 2018 to 1.9% on October 1, 2025. The current Net Cash Flow Ratio of 1.9% indicates that contributions are generally covering the plan's benefit payments and administrative expenses.

LOW DEFAULT-RISK OBLIGATION MEASURE

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 8 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 $703,205. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. Given that plan benefits are paid over time through the combination of contributions and investment returns, prudent investments selected by the Board help to balance asset accumulation through these two sources.

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

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	10/1/2025	10/1/2024	10/1/2020	10/1/2018
SUPPORT RATIO				
Total Actives	16	20	12	15
Total Inactives [1]	16	16	17	17
Actives / Inactives [1]	100.0%	125.0%	70.6%	88.2%
ASSET VOLATILITY RATIO				
Market Value of Assets (MVA)	487,210	428,833	396,092	403,020
Total Annual Payroll	452,191	286,069	91,042	69,778
MVA / Total Annual Payroll	107.7%	149.9%	435.1%	577.6%
ACCRUED LIABILITY (AL) RATIO				
Inactive Accrued Liability	285,065	285,211	261,462	272,705
Total Accrued Liability (EAN)	529,681	464,894	399,307	421,848
Inactive AL / Total AL	53.8%	61.3%	65.5%	64.6%
FUNDED RATIO				
Actuarial Value of Assets (AVA)	463,630	410,466	398,850	395,523
Total Accrued Liability (EAN)	529,681	464,894	399,307	421,848
AVA / Total Accrued Liability (EAN)	87.5%	88.3%	99.9%	93.8%
NET CASH FLOW RATIO				
Net Cash Flow [2]	9,315	(23,630)	(25,096)	(7,528)
Market Value of Assets (MVA)	487,210	428,833	396,092	403,020
Ratio	1.9%	-5.5%	-6.3%	-1.9%

[1] Excludes terminated participants awaiting a refund of member contributions.

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