

Retirement Plan for the Firefighters and Police Officers of the City of Longwood

Actuarial Valuation
As of October 1, 2025

Determines the Contribution
For the 2026/27 Fiscal Year



SOUTHERN
ACTUARIAL
SERVICES

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March 9, 2026

Introduction

This report presents the results of the October 1, 2025 actuarial valuation of the Retirement Plan for the Firefighters and Police Officers of the City of Longwood. 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 minimum required 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 40.99% of covered payroll, which represents an increase of 6.50% of payroll from the prior valuation.

The normal cost rate is 41.81% of payroll, which is 7.29% of payroll greater than the normal cost rate that was developed 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 3.64% of payroll due to investment gains, increased by 5.99% of payroll due to demographic experience, increased by 8.29% of payroll due to the assumption changes that are described below, and decreased by 3.35% of payroll due to the method change that is described below. Although the market value of assets earned 8.41% 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 that occur after September 30, 2025. On this basis, the actuarial value of assets earned 13.09% during the 2024/25 plan year, whereas a 6.50% 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 City must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2026/27 minimum required contribution will be equal to 40.99% multiplied by the total pensionable earnings for the 2026/27 plan year for the active employees who are covered by the plan and reduced by the portion of the Chapter 175/185 contribution that is allowed to be recognized during the 2026/27 plan year. As of the date of this report, the amount of the Chapter 175/185 contribution that is allowed to be recognized is \$302,812 per year.

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 \$57,315,262. As illustrated in Table I-A, current assets are sufficient to cover \$34,272,775 of this amount, the employer's 2025/26 expected contribution will cover \$2,128,570 of this amount, the employer's 2026/27 expected contribution will cover \$2,690,355 of this amount, and future employee contributions are expected to cover \$538,305 of this amount, leaving \$17,685,257 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 4.00% 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; and
- (5) The administrative expense loading was decreased from 3.00% of the projected benefit liability to 1.25% of the projected benefit liability.

The cumulative effect of these assumption changes was to increase the contribution rate by 8.29% of payroll.



Method Change

Effective October 1, 2025, the method used to determine the actuarial value of assets was changed from the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses that occur after September 30, 2021 to the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses that occur after September 30, 2025.

DRAGO Fund

Any Chapter 175/185 contributions received in excess of the “base amount” are deposited into the Defined Retirement Accumulation Group Obligation (DRAGO) Fund. As of October 1, 2025, the “base amount” is \$302,812, which is equal to the portion of the annual Chapter 175/185 contributions that the City may apply towards the minimum required contribution. In addition, the DRAGO Fund is credited with interest at the valuation rate of 6.50% as of each September 30, whereby the interest rate is applied to the balance in the DRAGO Fund as of the preceding October 1. DRAGO Fund assets are comingled with the pension fund assets. Upon retirement from active employment, the retiree is entitled to receive a pro-rata share of the DRAGO Fund balance as of his date of retirement, where his pro-rata share is determined by dividing the retiree’s credited service as of the October 1 preceding his last day of employment by the total credited service for all active employees on that date.

As of October 1, 2025, the DRAGO Fund balance is \$3,608,953, which reflects the DRAGO Fund balance of \$3,380,424 as of October 1, 2024 plus Chapter 175/185 contributions of \$236,877 plus investment earnings of \$221,141 minus benefit payments of \$229,489 as shown in Table II-F.

Advance Employer Contribution

The City has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an “advance employer contribution.” As of October 1, 2025, the advance employer contribution is \$379,308, which reflects the advance employer contribution of \$89,890 as of October 1, 2024 plus \$289,418 of actual City contributions in excess of the minimum required contribution for the 2024/25 plan year as shown in Table II-F.

The City may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2025/26 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the City may apply all or any portion of the advance employer contribution as an extra contribution in excess of the minimum required contribution.



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. Specifically, Table II-A shows the development of the actuarial value of assets, which is based on the market value of assets. 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.

Refund of Participant Contributions

It is our understanding that there are 52 participants who are due a refund of their contributions. We have estimated the accumulated amount of their refunds to be \$25,853 as of October 1, 2025. The average amount owed to these individuals is \$497 each. We recommend that the accumulated contributions be distributed to these individuals if possible in order to simplify the administration of the plan and to reduce future administrative costs.

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/ctc

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

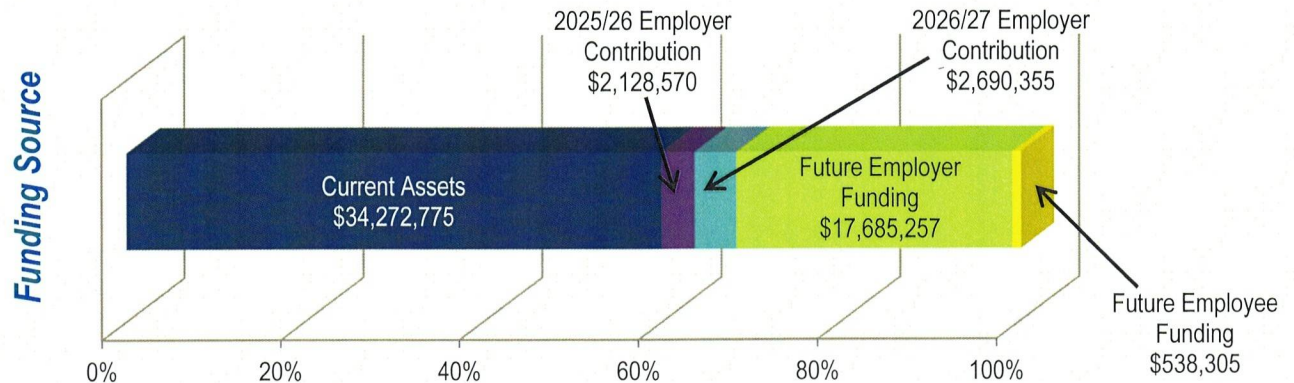
Enrolled Actuary No. 23-04927

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	\$56,607,666
Present Value of Future Administrative Expenses	\$707,596
Actuarial Value of Assets	(\$34,272,775)
Present Value of Future Employee Contributions	(\$538,305)
Present Value of Future Normal Costs	\$22,504,182
Present Value of Future Payroll	÷ \$53,830,176
Normal Cost Rate	= 41.8059%
Expected Payroll	x \$6,171,558
Normal Cost	\$2,580,075
Adjustment to Reflect Monthly Employer Contributions	\$75,993
Expected Employer Contribution for the 2025/26 Plan Year	(\$2,128,570)
Remaining Contribution Due/(Credit) for the 2025/26 Plan Year	\$527,498
	x 0.065
One Year's Interest Charge/(Credit) on the Remaining Contribution	\$34,287
Preliminary Employer Contribution for the 2026/27 Plan Year	\$2,690,355
Expected Payroll for the 2026/27 Plan Year	÷ \$6,563,452

Minimum Required Contribution Rate **40.99%**

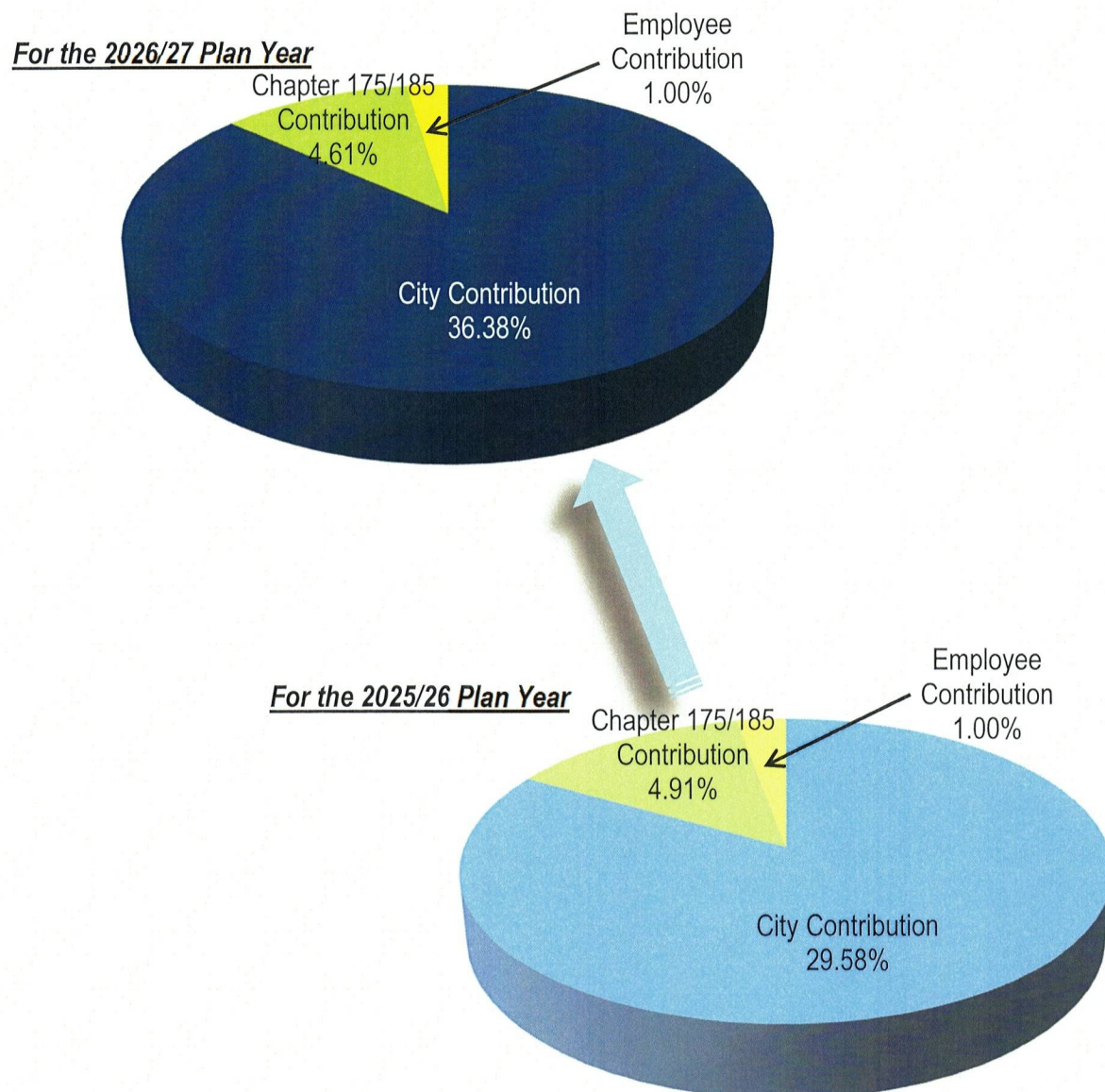
(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)



Minimum Required Contribution

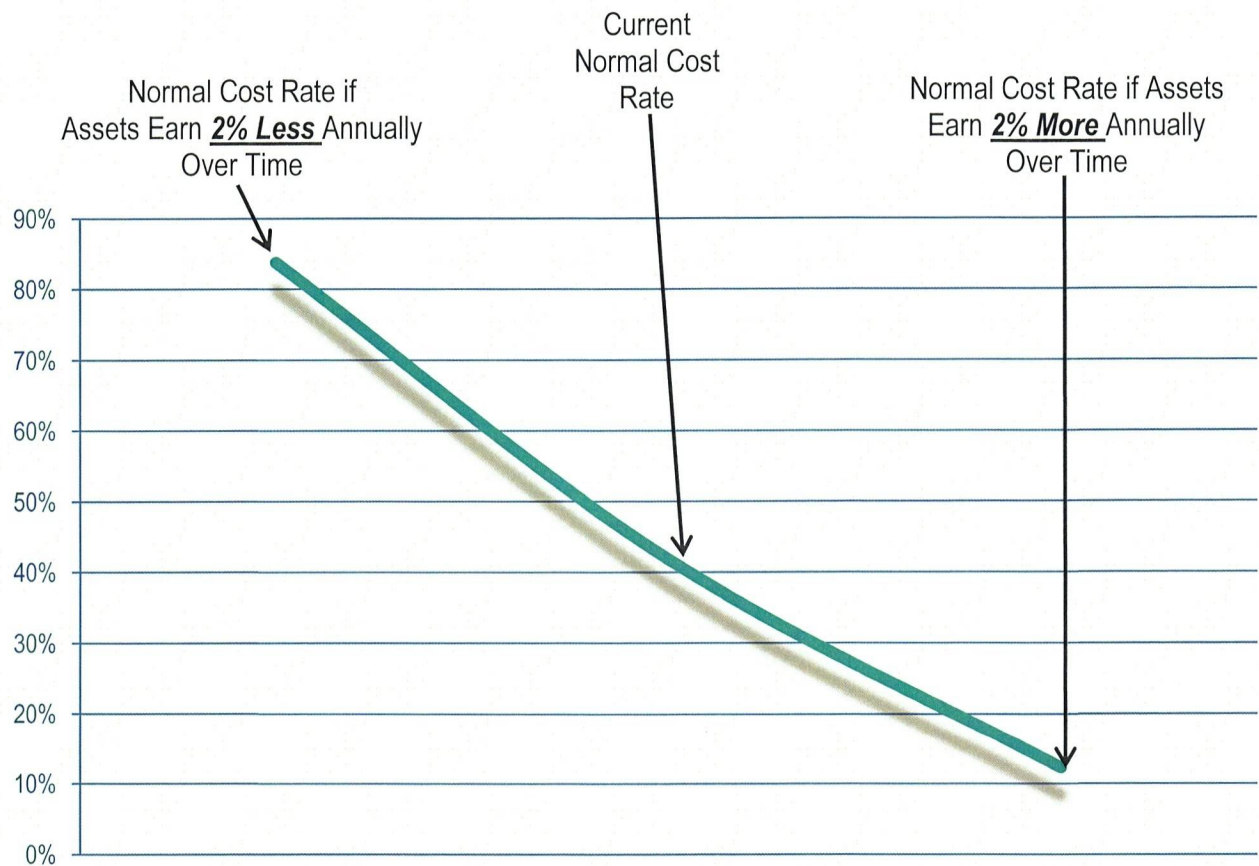
Table I-A
(continued)

The minimum required contribution rate of 40.99% includes both the City contribution and the allowable Chapter 175/185 contribution. In addition, employees are required to contribute 1.00% of pensionable earnings. The actual City contribution rate is expected to be approximately 36.38% based on the allowable Chapter 175/185 contribution for the 2025/26 plan year. The chart below shows the expected contribution rate by source for the 2026/27 plan year based on the expected payroll. A comparative chart shows the contribution rate by source for the previous plan 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	34.52%
Increase (decrease) due to investment gains and losses	-3.64%
Increase (decrease) due to demographic experience	5.99%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	8.29%
Increase (decrease) due to actuarial method changes	-3.35%
Current normal cost rate	<u>41.81%</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$27,914,422	\$27,914,422	\$37,273,937
Termination benefits	\$2,734,001	\$2,734,001	\$1,879,839
Disability benefits	\$913,870	\$913,870	\$269,075
Death benefits	\$116,099	\$116,099	\$87,669
Refund of employee contributions	\$78,461	\$78,461	\$343,596
Sub-total	\$31,756,853	\$31,756,853	\$39,854,116
<u>Deferred Vested Participants</u>			
Retirement benefits	\$4,415,346	\$4,415,346	\$4,590,035
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$4,415,346	\$4,415,346	\$4,590,035
<u>Due a Refund of Contributions</u>	\$25,853	\$25,853	\$25,853
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$10,301,867	\$10,301,867	\$10,557,540
Disability retirements	\$1,107,336	\$1,107,336	\$1,095,373
Beneficiaries receiving	\$478,175	\$478,175	\$484,749
DROP participants	\$0	\$0	\$0
Sub-total	\$11,887,378	\$11,887,378	\$12,137,662
<u>Grand Total</u>	<u>\$48,085,430</u>	<u>\$48,085,430</u>	<u>\$56,607,666</u>
Present Value of Future Payroll	\$44,202,838	\$44,202,838	\$53,830,176
Present Value of Future Employee Contribs.	\$442,031	\$442,031	\$538,305
Present Value of Future Employer Contribs.	\$13,971,692	\$13,971,692	\$22,504,182



Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$12,537,478	\$12,537,478	\$13,980,647
Termination benefits	\$1,279,221	\$1,279,221	\$752,184
Disability benefits	\$677,638	\$677,638	\$168,528
Death benefits	\$67,358	\$67,358	\$44,828
Refund of employee contributions	\$39,789	\$39,789	\$179,286
Sub-total	\$14,601,484	\$14,601,484	\$15,125,473
<u>Deferred Vested Participants</u>			
Retirement benefits	\$4,415,346	\$4,415,346	\$4,590,035
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$4,415,346	\$4,415,346	\$4,590,035
<u>Due a Refund of Contributions</u>	\$25,853	\$25,853	\$25,853
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$10,301,867	\$10,301,867	\$10,557,540
Disability retirements	\$1,107,336	\$1,107,336	\$1,095,373
Beneficiaries receiving	\$478,175	\$478,175	\$484,749
DROP participants	\$0	\$0	\$0
Sub-total	\$11,887,378	\$11,887,378	\$12,137,662
<u>Grand Total</u>	<u>\$30,930,061</u>	<u>\$30,930,061</u>	<u>\$31,879,023</u>
<u>Funded Percentage</u>	112.03%	112.03%	108.70%

(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

Table I-F

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$12,537,478	\$12,537,478	\$13,980,647
Termination benefits	\$1,253,558	\$1,253,558	\$4,332,127
Disability benefits	\$677,638	\$677,638	\$154,939
Death benefits	\$65,459	\$65,459	\$43,588
Refund of employee contributions	\$40,804	\$40,804	\$140,515
Sub-total	\$14,574,937	\$14,574,937	\$18,651,816
<u>Deferred Vested Participants</u>			
Retirement benefits	\$4,415,346	\$4,415,346	\$4,590,035
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$4,415,346	\$4,415,346	\$4,590,035
<u>Due a Refund of Contributions</u>	\$25,853	\$25,853	\$25,853
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$10,301,867	\$10,301,867	\$10,557,540
Disability retirements	\$1,107,336	\$1,107,336	\$1,095,373
Beneficiaries receiving	\$478,175	\$478,175	\$484,749
DROP participants	\$0	\$0	\$0
Sub-total	\$11,887,378	\$11,887,378	\$12,137,662
<u>Grand Total</u>	<u>\$30,903,514</u>	<u>\$30,903,514</u>	<u>\$35,405,366</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<u>Actively Employed Participants</u>			
Retirement benefits	\$17,784,807	\$17,784,807	\$20,991,267
Termination benefits	\$1,739,695	\$1,739,695	\$1,078,538
Disability benefits	\$572,869	\$572,869	\$153,183
Death benefits	\$73,703	\$73,703	\$50,689
Refund of employee contributions	\$45,233	\$45,233	\$197,674
Sub-total	\$20,216,307	\$20,216,307	\$22,471,351
<u>Deferred Vested Participants</u>			
Retirement benefits	\$4,415,346	\$4,415,346	\$4,590,035
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$4,415,346	\$4,415,346	\$4,590,035
<u>Due a Refund of Contributions</u>	\$25,853	\$25,853	\$25,853
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$10,301,867	\$10,301,867	\$10,557,540
Disability retirements	\$1,107,336	\$1,107,336	\$1,095,373
Beneficiaries receiving	\$478,175	\$478,175	\$484,749
DROP participants	\$0	\$0	\$0
Sub-total	\$11,887,378	\$11,887,378	\$12,137,662
<u>Grand Total</u>	<u>\$36,544,884</u>	<u>\$36,544,884</u>	<u>\$39,224,901</u>



Actuarial Value of Assets

Table II-A

<u>Unexpected Investment Gain (Loss)</u>	<u>Unrecognized Gain (Loss)</u>
	\$0

Market Value of Assets as of October 1, 2025	\$38,261,036
Minus DRAGO account balances	(\$3,608,953)
Minus advance employer contributions	(\$379,308)
Minus excess Chapter 175/185 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

\$0

Actuarial Value of Assets as of October 1, 2025 **\$34,272,775**

<u>Historical Actuarial Value of Assets</u>	
October 1, 2016	\$11,046,422
October 1, 2017	\$13,778,290
October 1, 2018	\$15,793,749
October 1, 2019	\$17,473,378
October 1, 2020	\$19,391,912
October 1, 2021	\$24,392,492
October 1, 2022	\$25,783,784
October 1, 2023	\$26,931,616
October 1, 2024	\$29,163,981
October 1, 2025	\$34,272,775

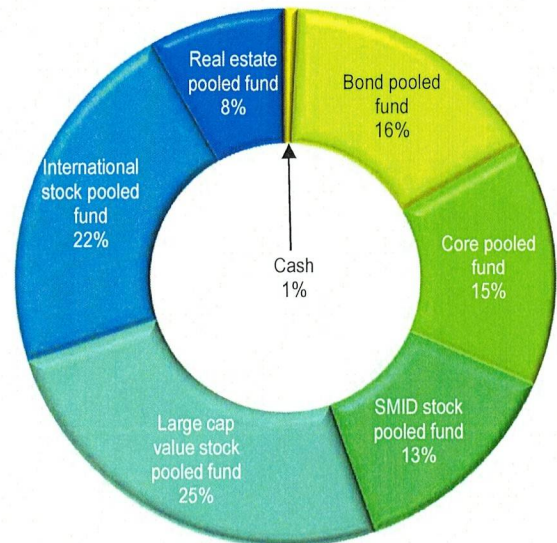


Market Value of Assets

Table II-B

As of October 1, 2025

Market Value of Assets	<u>\$38,261,036</u>
Cash	\$305,781
Bond pooled fund	\$6,115,632
Core pooled fund	\$5,656,959
SMID stock pooled fund	\$5,007,174
Large cap value stock pooled fund	\$9,708,566
International stock pooled fund	\$8,332,549
Real estate pooled fund	\$3,096,039
State contribution receivable	\$38,336

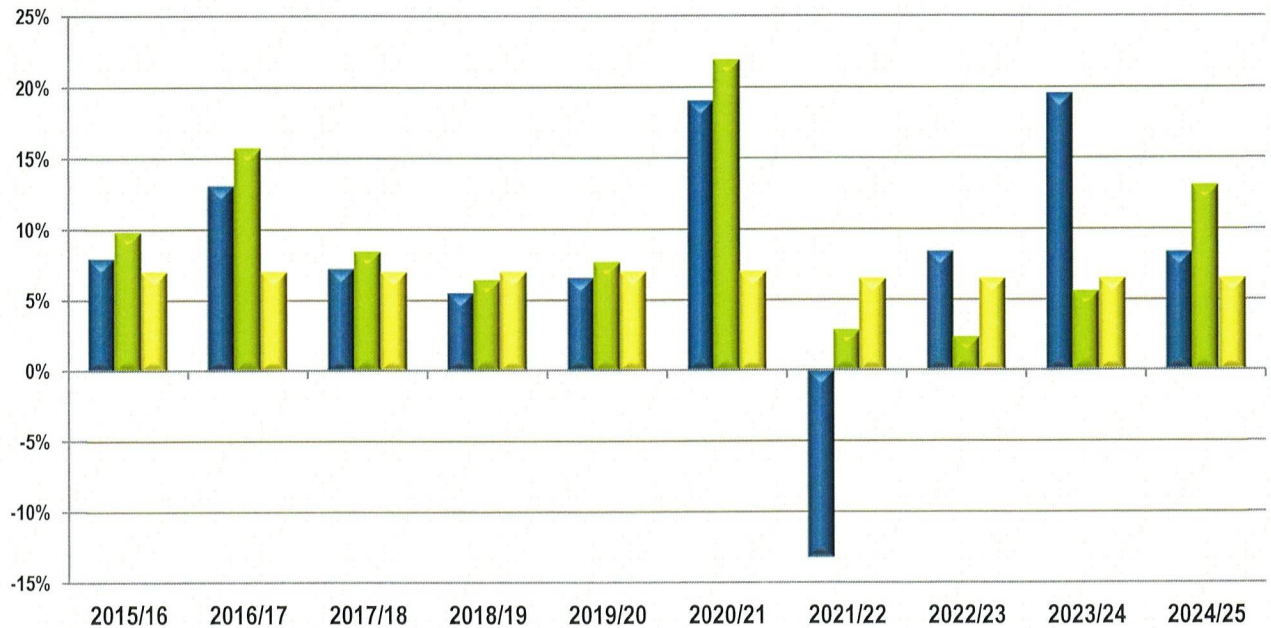
Historical Market Value of Assets

October 1, 2016	\$13,376,938
October 1, 2017	\$16,011,672
October 1, 2018	\$18,173,775
October 1, 2019	\$20,226,436
October 1, 2020	\$22,300,100
October 1, 2021	\$27,436,262
October 1, 2022	\$24,652,884
October 1, 2023	\$27,256,176
October 1, 2024	\$33,629,285
October 1, 2025	\$38,261,036



Investment Return

Table II-C

*Annual Investment Returns*

■ Market Value Return
■ Actuarial Value Return
■ Assumed Return

Plan	Market Value	Actuarial Value	Assumed
<u>Year</u>	<u>Return</u>	<u>Return</u>	<u>Return</u>
2015/16	7.97%	9.83%	7.00%
2016/17	13.12%	15.72%	7.00%
2017/18	7.25%	8.42%	7.00%
2018/19	5.53%	6.41%	7.00%
2019/20	6.60%	7.66%	7.00%
2020/21	19.06%	21.94%	7.00%
2021/22	-13.21%	2.88%	6.50%
2022/23	8.46%	2.37%	6.50%
2023/24	19.58%	5.59%	6.50%
2024/25	8.41%	13.09%	6.50%
10yr. Avg.	7.91%	9.24%	6.80%



Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2024	\$33,629,285	\$29,163,981
<i>Increases Due To:</i>		
Employer Contributions	\$2,223,880	\$2,223,880
Chapter 175/185 Contributions	\$539,689	\$539,689
Employee Contributions	\$69,546	\$69,546
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$2,833,115</u>	<u>\$2,833,115</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	<u>\$2,902,017</u>	
Total Investment Income	<u>\$2,902,017</u>	\$3,897,007
Other Income	\$0	
Total Income	<u>\$5,735,132</u>	<u>\$6,730,122</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$1,026,213)	(\$1,026,213)
Lump Sum Distributions	(\$1,704)	(\$1,704)
DRAGO Credits		(\$228,529)
Total Benefit Payments	<u>(\$1,027,917)</u>	<u>(\$1,256,446)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$75,464)	(\$75,464)
Advance Employer Contribution		(\$289,418)
Excess Chapter 175/185 Contribution		\$0
Total Expenses	<u>(\$1,103,381)</u>	<u>(\$1,621,328)</u>
As of October 1, 2025	<u><u>\$38,261,036</u></u>	<u><u>\$34,272,775</u></u>



Historical Trust Fund Detail

Table II-E

Income

Plan	Employer	Chapter	Employee	Service		Realized	Unrealized	Other
<u>Year</u>	<u>Contribs.</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	\$267,486	\$288,494	\$40,529	\$0	\$0	\$0	\$969,227	\$0
2016/17	\$879,207	\$2,252	\$41,578	\$0	\$0	\$0	\$1,808,976	\$0
2017/18	\$596,990	\$621,877	\$41,442	\$0	\$0	\$0	\$1,195,204	\$0
2018/19	\$1,003,693	\$344,255	\$45,730	\$0	\$0	\$0	\$1,032,587	\$0
2019/20	\$621,751	\$353,595	\$48,810	\$0	\$0	\$0	\$1,359,066	\$0
2020/21	\$734,518	\$357,030	\$51,492	\$0	\$0	\$0	\$4,327,805	\$0
2021/22	\$863,729	\$395,420	\$53,614	\$0	\$0	\$0	-\$3,684,388	\$0
2022/23	\$867,071	\$478,408	\$57,097	\$0	\$0	\$0	\$2,105,899	\$0
2023/24	\$1,333,729	\$515,735	\$59,840	\$0	\$0	\$0	\$5,428,235	\$0
2024/25	\$2,223,880	\$539,689	\$69,546	\$0	\$0	\$0	\$2,902,017	\$0

Expenses

Plan	Monthly	Lump			<u>Other Actuarial Adjustments</u>		
	Benefit	Sum	Admin.	Invest.	DRAGO	Advance	Excess
<u>Year</u>	<u>Payments</u>	<u>Distributions</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Credits</u>	<u>Contribs.</u>	<u>Contribs.</u>
2015/16	\$51,945	\$1,429	\$54,619	\$0	\$136,551	-\$75,449	\$0
2016/17	\$51,944	\$1,491	\$43,844	\$0	\$146,109	-\$243,243	\$0
2017/18	\$237,405	\$9,773	\$46,232	\$0	\$105,391	\$41,253	\$0
2018/19	\$296,556	\$7,480	\$69,568	\$0	\$78,092	\$294,940	\$0
2019/20	\$243,680	\$499	\$65,379	\$0	\$219,964	-\$64,834	\$0
2020/21	\$270,271	\$0	\$64,412	\$0	\$238,796	-\$103,214	\$0
2021/22	\$326,739	\$6,385	\$78,629	\$0	\$279,524	-\$56,940	\$0
2022/23	\$829,871	\$2,005	\$73,307	\$0	\$35,809	-\$69,704	\$0
2023/24	\$888,323	\$6,606	\$69,501	\$0	\$189,466	\$48,389	\$0
2024/25	\$1,026,213	\$1,704	\$75,464	\$0	\$228,529	\$289,418	\$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

DRAGO* Account Reconciliation

DRAGO Fund Balance as of October 1, 2024	\$3,380,424
DRAGO Fund Contribution	\$236,877
DRAGO Fund Investment Return	\$221,141
DRAGO Fund Benefits Paid	(\$229,489)
Net DRAGO Fund Credit	\$228,529
DRAGO Fund Balance as of October 1, 2025	<u>\$3,608,953</u>

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2024	\$89,890
Additional Employer Contribution	\$2,526,692
Minimum Required Contribution	(\$2,237,274)
Net Increase in Advance Employer Contribution	\$289,418
Advance Employer Contribution as of October 1, 2025	<u>\$379,308</u>

Excess Chapter 175/185 Contribution

Excess Chapter 175/185 Contribution as of October 1, 2024	\$0
Additional Chapter 175/185 Contribution	\$539,689
Allowable Chapter 175/185 Contribution	(\$302,812)
Transfer to DRAGO Fund	(\$236,877)
Net Increase in Excess Chapter 175/185 Contribution	\$0
Excess Chapter 175/185 Contribution as of October 1, 2025	<u>\$0</u>

* Defined Retirement Accumulation Group Obligation



Historical Chapter 175/185 Contributions

Table II-G

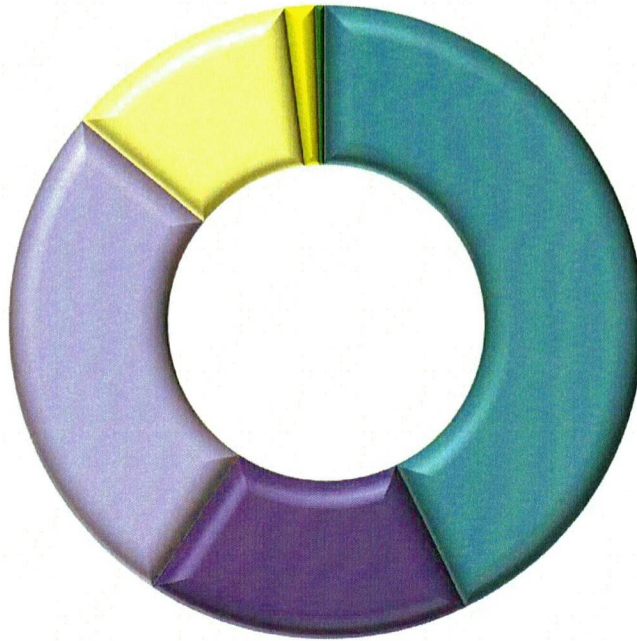
Total Accumulated Excess Chapter 175/185 Contribution **\$0**

	Chapter 175 Regular <u>Distribution</u>	Chapter 175 Supplemental <u>Distribution</u>	Chapter 185 <u>Distribution</u>	Allowable <u>Amount</u>
1998 Distribution	\$70,510	\$0	\$144,758	(\$215,268)
1999 Distribution	\$54,190	\$16,685	\$212,828	(\$283,703)
2000 Distribution	\$126,870	\$30,920	\$175,880	(\$333,670)
2001 Distribution	\$0	\$66,667	\$193,561	(\$260,228)
2002 Distribution	\$66,623	\$0	\$229,657	(\$296,280)
2003 Distribution	\$63,805	\$37,122	\$241,584	(\$342,511)
2004 Distribution	\$79,077	\$44,423	\$244,933	(\$368,433)
2005 Distribution	\$94,044	\$45,671	\$244,933	(\$384,648)
2006 Distribution	\$96,983	\$56,433	\$244,933	(\$398,349)
2007 Distribution	\$100,801	\$82,598	\$244,933	(\$428,332)
2008 Distribution	\$88,274	\$79,120	\$179,810	(\$347,204)
2009 Distribution	\$82,165	\$47,018	\$148,173	(\$277,356)
2010 Distribution	\$82,301	\$39,376	\$146,012	(\$267,689)
2011 Distribution	\$85,023	\$32,402	\$146,404	(\$263,829)
2012 Distribution	\$96,118	\$36,905	\$143,896	(\$276,919)
2013 Distribution	\$107,701	\$58,799	\$145,675	(\$306,831)
2014 Distribution	\$110,502	\$15,115	\$153,535	(\$279,152)
2015 Distribution	\$121,049	\$0	\$167,445	(\$288,494)
2016 Distribution	\$0	\$2,252	\$0	(\$2,252)
2017 Distribution	\$255,555	\$3,269	\$363,053	(\$603,372)
2018 Distribution	\$129,060	\$0	\$215,195	(\$302,812)
2019 Distribution	\$151,720	\$0	\$201,875	(\$302,812)
2020 Distribution	\$148,352	\$0	\$208,678	(\$302,812)
2021 Distribution	\$160,432	\$820	\$234,168	(\$302,812)
2022 Distribution	\$181,541	\$28,182	\$268,685	(\$302,812)
2023 Distribution	\$203,940	\$12,359	\$299,436	(\$302,812)
2024 Distribution	\$155,999	\$38,336	\$345,354	(\$302,812)
To DRAGO Fund				(\$888,297)



Summary of Participant Data

Table III-A

As of October 1, 2025Actively Employed Participants

Active Participants	83
DROP Participants	0

Inactive Participants

Deferred Vested Participants	32
Due a Refund of Contributions	52
Deferred Beneficiaries	0

Participants Receiving a Benefit

Service Retirements	23
Disability Retirements	3
Beneficiaries Receiving	1

Total Participants 194Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2016	67	0	52	2	121
October 1, 2017	65	0	63	2	130
October 1, 2018	76	0	65	5	146
October 1, 2019	77	0	60	7	144
October 1, 2020	81	0	63	11	155
October 1, 2021	77	0	72	12	161
October 1, 2022	81	0	75	15	171
October 1, 2023	79	0	77	21	177
October 1, 2024	78	0	83	23	184
October 1, 2025	83	0	84	27	194



Data Reconciliation

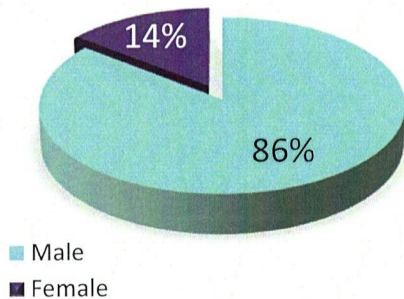
Table III-B

	<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>	78	0	31	52	0	19	3	1	184
<u>Change in Status</u>									
Re-employed									
Terminated	(5)		3	2					
Retired	(2)		(2)			4			
<u>Participation Ended</u>									
Transferred Out									
Cashed Out				(2)					(2)
Died									
<u>Participation Began</u>									
Newly Hired	12								12
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2025</u>	83	0	32	52	0	23	3	1	194

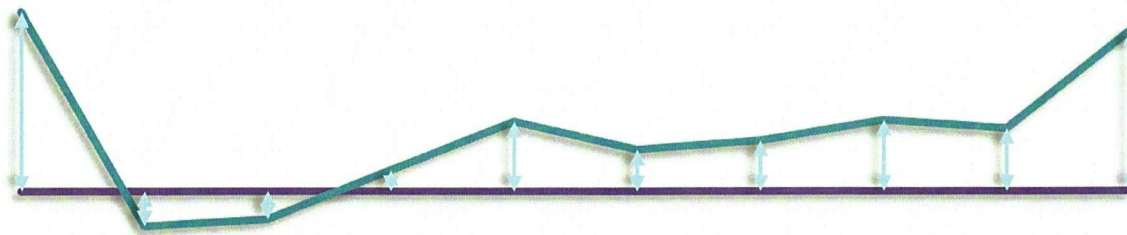


Active Participant Data

Table III-C

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

Average Age	37.0 years
Average Service	7.6 years
Total Annualized Compensation for the Prior Year	\$6,868,469
Total Expected Compensation for the Current Year	\$6,171,558
Average Increase in Compensation for the Prior Year	15.99%
Expected Increase in Compensation for the Current Year	6.35%

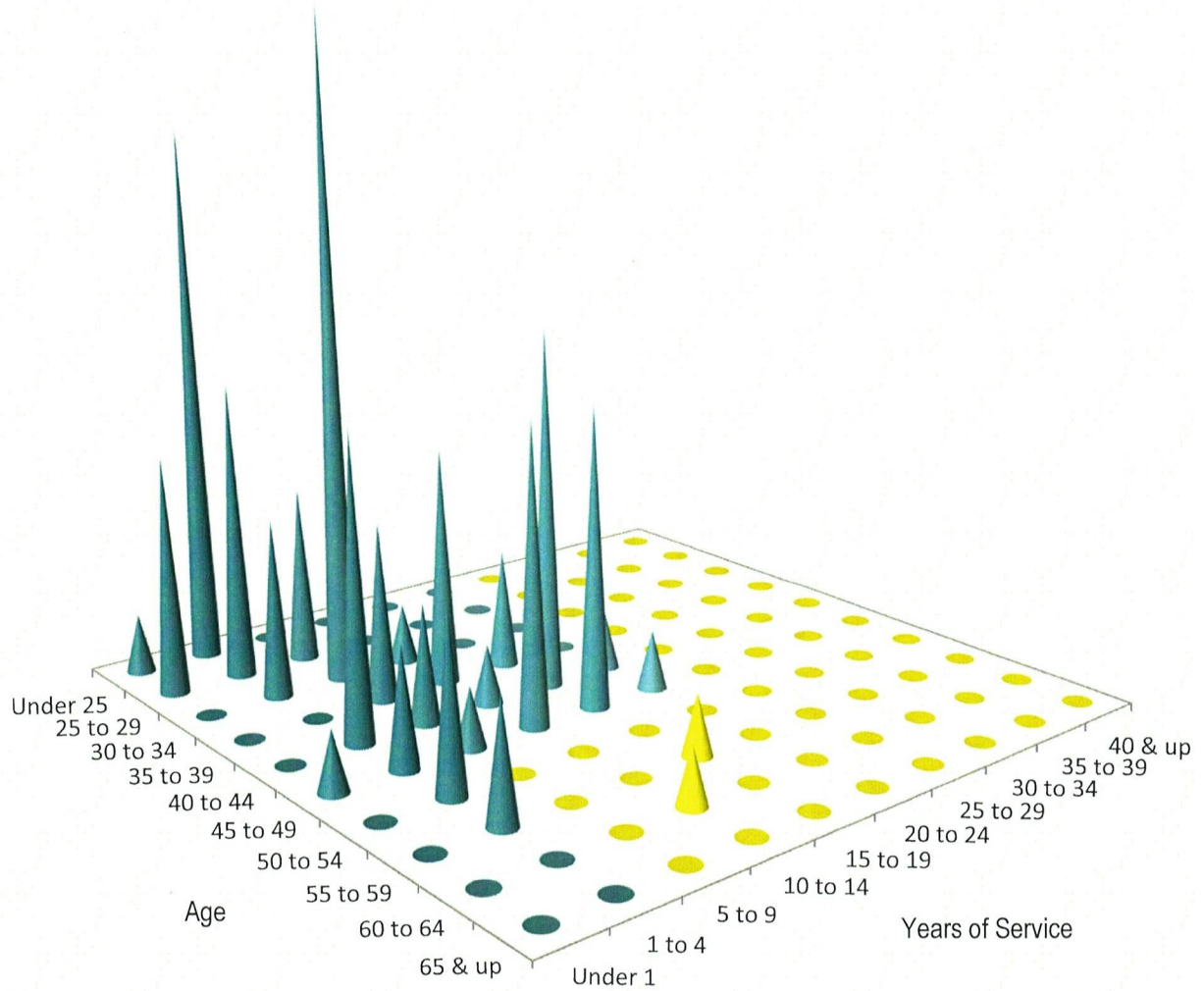
**Actual vs. Expected Salary Increases****Active Participant Statistics From Prior Valuations**

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2016	35.1	7.1	\$60,698	4.00%	17.56%
October 1, 2017	35.7	7.5	\$60,668	4.00%	1.36%
October 1, 2018	34.4	6.4	\$55,837	4.00%	1.88%
October 1, 2019	35.0	7.0	\$59,398	4.00%	5.60%
October 1, 2020	35.1	7.1	\$60,276	4.00%	9.26%
October 1, 2021	35.9	8.0	\$64,555	4.00%	7.15%
October 1, 2022	35.9	7.6	\$65,709	4.00%	7.80%
October 1, 2023	36.1	7.8	\$69,650	4.00%	9.32%
October 1, 2024	36.9	7.9	\$73,473	4.00%	8.71%
October 1, 2025	37.0	7.6	\$82,753	4.00%	15.99%



Active Age-Service Distribution

Table III-D



- ▲ *Eligible to retire*
- ▲ *May be eligible to retire*
- ▲ *Not eligible to retire*



Active Age-Service-Salary Table

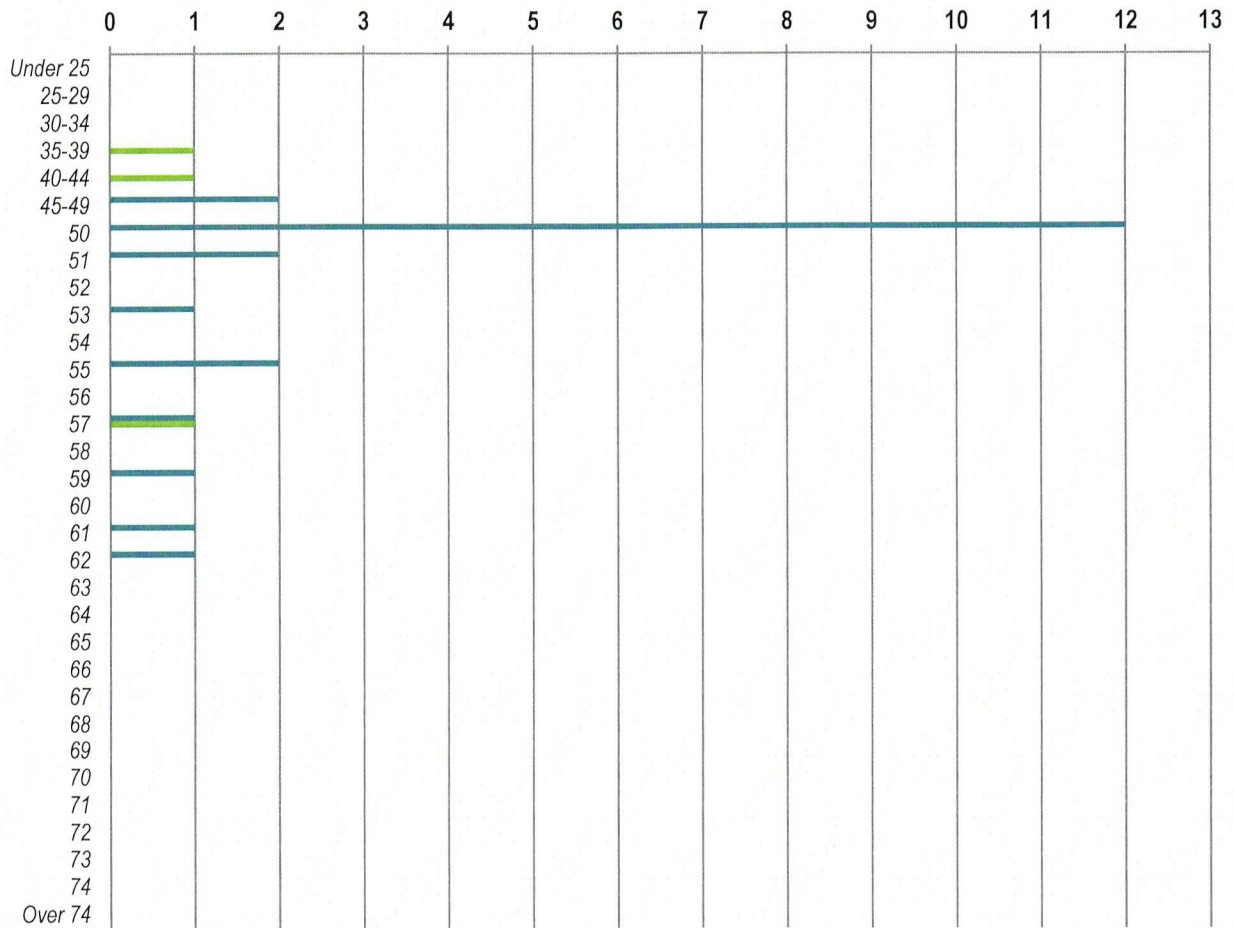
Table III-E

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	1	9	0	0	0	0	0	0	0	0	10
Avg.Pay	52,602	59,727	0	0	0	0	0	0	0	0	59,015
25 to 29	4	5	3	0	0	0	0	0	0	0	12
Avg.Pay	51,736	65,647	84,436	0	0	0	0	0	0	0	65,707
30 to 34	0	3	11	1	0	0	0	0	0	0	15
Avg.Pay	0	64,171	80,743	104,380	0	0	0	0	0	0	79,004
35 to 39	0	0	3	4	2	0	0	0	0	0	9
Avg.Pay	0	0	81,116	104,478	110,269	0	0	0	0	0	97,977
40 to 44	0	5	2	1	6	1	0	0	0	0	15
Avg.Pay	0	71,432	84,968	104,366	105,258	110,608	0	0	0	0	91,575
45 to 49	1	2	1	5	5	1	0	0	0	0	15
Avg.Pay	57,312	76,647	72,951	91,410	117,023	128,977	0	0	0	0	96,980
50 to 54	0	3	0	0	0	0	0	0	0	0	3
Avg.Pay	0	84,878	0	0	0	0	0	0	0	0	84,878
55 to 59	0	2	0	0	1	0	0	0	0	0	3
Avg.Pay	0	69,488	0	0	102,391	0	0	0	0	0	80,456
60 to 64	0	0	0	1	0	0	0	0	0	0	1
Avg.Pay	0	0	0	98,648	0	0	0	0	0	0	98,648
65 & up	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
Total	6	29	20	12	14	2	0	0	0	0	83
Avg.Pay	52,810	67,668	81,386	98,530	109,971	119,793	0	0	0	0	82,753



Inactive Participant Data

Table III-F

*Age at Retirement*

- Service Retirements
- Disability Retirements
- DROP Participants

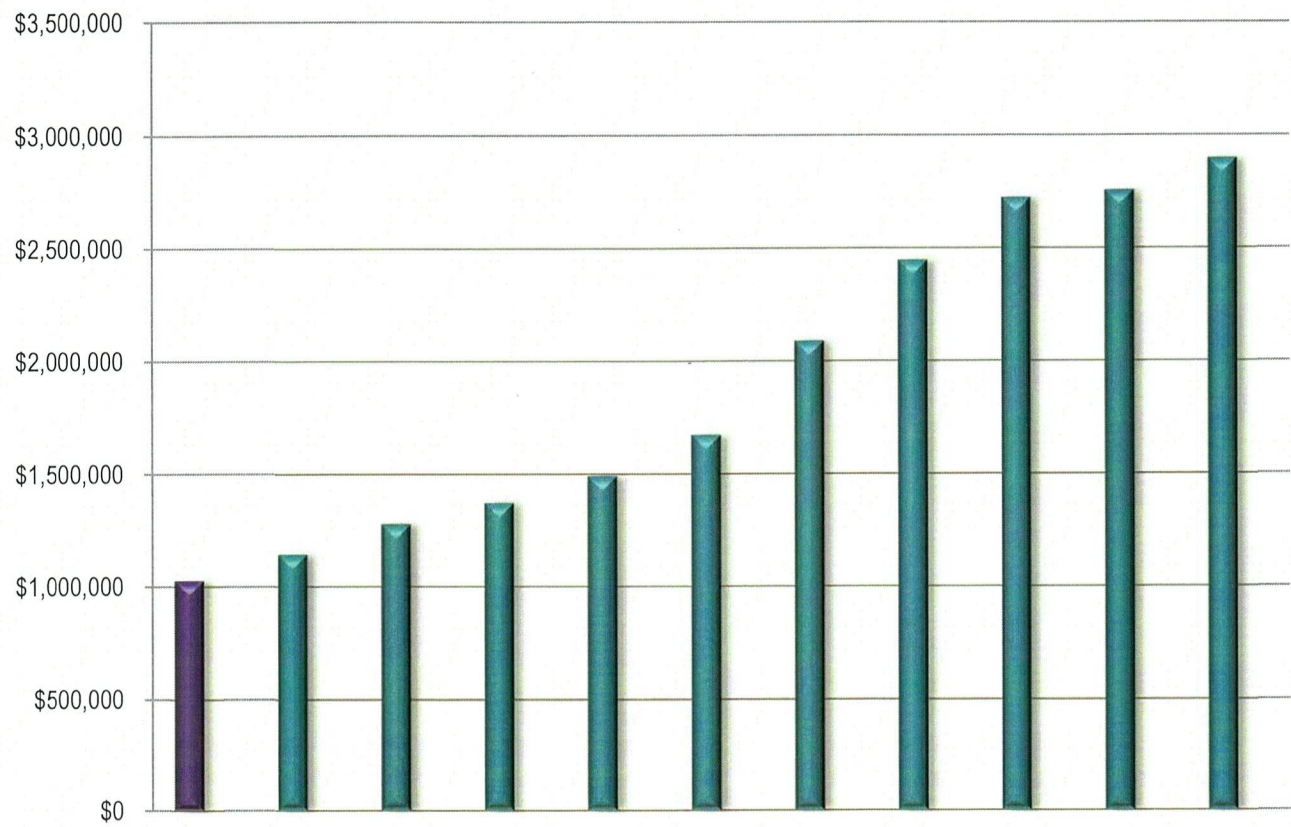
Average Monthly Benefit

Service Retirements	\$2,708.77
Disability Retirements	\$2,381.56
Beneficiaries Receiving	\$2,960.70
DROP Participants	Not applicable
Deferred Vested Participants	\$1,315.15
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2024 through September 30, 2025	\$1,027,917
---	-------------

Projected

For the period October 1, 2025 through September 30, 2026	\$1,143,021
For the period October 1, 2026 through September 30, 2027	\$1,277,650
For the period October 1, 2027 through September 30, 2028	\$1,371,616
For the period October 1, 2028 through September 30, 2029	\$1,490,401
For the period October 1, 2029 through September 30, 2030	\$1,669,950
For the period October 1, 2030 through September 30, 2031	\$2,088,985
For the period October 1, 2031 through September 30, 2032	\$2,447,215
For the period October 1, 2032 through September 30, 2033	\$2,724,783
For the period October 1, 2033 through September 30, 2034	\$2,758,362
For the period October 1, 2034 through September 30, 2035	\$2,899,250



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 that occur after September 30, 2025 and reduced by the DRAGO Fund balance and any accumulated excess employer contributions.

3. Interest (or Discount) Rate

6.50% 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; rates range from 8.50% for an employee with zero years of service to 4.80% for employees with 30 or more years of service. *(Rates are based on an experience study conducted by the FRS in 2024.)*

5. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Benefits-Weighted Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set forward one year; all pre-retirement deaths are assumed to be service-connected.



Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

5. Decrements (continued)

- 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 female ages set forward 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 female ages set forward one year
- Disability: Age-based rates of disability were assumed, ranging from 0.035% at age 20 to 0.055% at age 35 to 0.065% at age 45 to 0.520% at age 55 to 0.520% 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 for males and females; rates for male employees range from 17.5% for an employee age 55 or older with zero years of service to 0.8% for an employee any age with at least 30 years of service; rates for female employees range from 22.5% for an employee between ages 30 and 35 with zero years of service to 1.0% for an employee at any age with at least 30 years of service. *(Rates are based on an experience study conducted by the FRS in 2024.)*
- Retirement: Retirement is assumed to occur upon the attainment of normal retirement age.

6. Form of Payment

Future retirees have been assumed to select the 10-year certain and life annuity, except that participants who terminate their service with less than 15 years of service or prior to age 40 are assumed to receive a refund of their accumulated employee contributions.



Summary of Actuarial Methods and Assumptions

Table IV-A

7. Expenses

The total projected benefit liability has been loaded by 1.25% 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 method used to determine the actuarial value of assets was changed from the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses that occur after September 30, 2021 to the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses that occur after September 30, 2025; the salary increase, mortality, disability, and withdrawal rates were all changed to the rates used by the FRS; and the administrative expense loading was reduced from 3.00% of the projected benefit liability to 1.25% of the projected benefit liability.

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

- (1) Effective October 1, 2022, the actuarial value of assets was changed from the unadjusted market value to the market value adjusted to reflect a five-year phase-in of the unexpected investment gains and losses that occur after September 30, 2021.*
- (2) Effective October 1, 2021, the interest (or discount) rate was decreased from 7.00% per annum to 6.50% per annum.*
- (3) Effective October 1, 2020, the mortality basis was changed from the RP-2000 Blue Collar 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.*
- (4) 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 Blue Collar Mortality Table as required by State law.*



Summary of Plan Provisions

Table V-A

1. **Monthly Accrued Benefit**

3% of Average Final Compensation multiplied by Credited Service

2. **Normal Retirement Age and Benefit**

- **Age**

Age 50 with at least five years of Credited Service; or
Any age with at least 25 years of Credited Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Actuarially increased single life annuity (optional);
10-year certain and life annuity (normal form of payment);
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.)

3. **Service Incurred Disability Eligibility and Benefit**

- **Eligibility**

The participant is eligible if his disability was incurred during the course of his employment with the City.

- **Condition**

The Board must find that the participant has a physical or mental condition resulting from bodily injury, disease, or a mental disorder which renders him incapable of employment as a firefighter or police officer.

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Final Compensation:

- (a) Monthly Accrued Benefit based on a 2% benefit formula multiplier; or
- (b) 50% of Average Final Compensation

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

4. Non-Service Incurred Disability Eligibility and Benefit

- **Eligibility**

The participant must have earned at least 10 years of Credited Service if his disability was incurred other than during the course of his employment with the City.

- **Condition**

Same as for a Service Incurred Disability Benefit

- **Amount Payable**

A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other City-provided disability compensation from exceeding his Average Final Compensation:

- (a) Monthly Accrued Benefit based on a 2% benefit formula multiplier; or
- (b) 25% of Average Final Compensation

- **Form of Payment**

Same as for Normal Retirement

5. Delayed Retirement Age and Benefit

- **Age**

After Normal Retirement Age

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Same as for Normal Retirement

6. Deferred Vested Benefit

- **Age**

Any age with at least five years of Credited Service

- **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)

7. 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 payable at normal retirement age for 10 years certain plus an immediate \$50,000 lump sum payment. In the case of the death of a non-vested participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions plus an immediate \$50,000 lump sum payment.

8. Average Final Compensation

Average of the highest three years of Compensation out of the last 10 years of employment (or career average, if higher)

9. Compensation

Total cash remuneration, excluding overtime in excess of 300 hours per year after the effective date of the first collective bargaining agreement that comes into effect after June 30, 2011, excluding payments for extra duty or special detail work performed on behalf of a second party employer, and excluding lump sum payments for accrued annual leave and sick leave; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

10. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death, provided that the participant made all required contributions.

11. Participation Requirement

All police officers and full-time firefighters of the City of Longwood automatically become a participant in the plan on their date of hire; however, the police chief, fire chief, and public safety director are not eligible to participate.

12. Accumulated Contributions

The Employee Contributions accumulated with no interest; if the participant terminates his employment with less than five years of Credited Service, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan.



Summary of Plan Provisions

Table V-A

(continued)

13. Participant Contribution

1.00% of earnings

14. Definition of Actuarially Equivalent

- **Interest Rate**

6.50% per annum

- **Mortality Table**

Unisex mortality table promulgated by the Secretary of the Treasury for purposes of determining lump sum distributions under Internal Revenue Code (IRC) section 417(e)(3)

15. Plan Effective Date

January 1, 1996



Summary of Plan Amendments

Table V-B

No significant plan amendments were adopted since the completion of the previous valuation.

