City of Wauchula
Pension Plan

Actuarial Valuation
As of October 1, 2025

Determines the Contribution
For the 2026/27 Fiscal Year

SOUTHERN ACTUARIAL SERVICES

May 15, 2026

Introduction

This report presents the results of the October 1, 2025 actuarial valuation of the City of Wauchula Pension Plan. 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 3.64% of payroll, which represents a decrease of 5.70% of payroll from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 3.72% of payroll due to investment gains, increased by 1.14% of payroll due to demographic experience, and decreased by 3.12% of payroll due to the assumption changes that are described below. Although the market value of assets earned 8.45% during the 2024/25 plan year, the actuarial value of assets is based on the market value adjusted to reflect a three-year phase-in of the unexpected investment gains and losses. On this basis, the actuarial value of assets earned

12.46% during the 2024/25 plan year, whereas a 6.75% 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 amortization payment towards the unfunded liability, where the amortization period is no longer than 30 years and where both amounts are adjusted as necessary for administrative expenses and to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the City's 2026/27 minimum required contribution will be equal to 3.64% of pensionable earnings.

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 $30,505,938 without regard to future administrative expenses. As illustrated in Table I-A, current assets are sufficient to cover $25,361,266 of this amount, the employer's 2025/26 contribution is expected to cover $344,634 of this amount, the employer's 2026/27 contribution is expected to cover $142,041 of this amount, and future employee contributions are expected to cover $3,659,867 of this amount, leaving $998,130 to be covered by future employer contributions beyond the 2026/27 plan year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

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 liablities 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.

<u>Assumption Changes</u>

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

(1) The assumed increase in future salaries was changed from a flat 5.00% per year to a service-based scale as described in item 4. of Table IV-A;

(2) The mortality rates were changed to the tables described in item 5. of Table IV-A;

(3) The disability rates were changed to the rates described in item 5. of Table IV-A; and

(4) The termination rates were changed to the rates described in item 5. of Table IV-A.

The cumulative effect of these assumption changes was to decrease the contribution rate by 3.12% of payroll.

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.

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 J. Carr/ljb

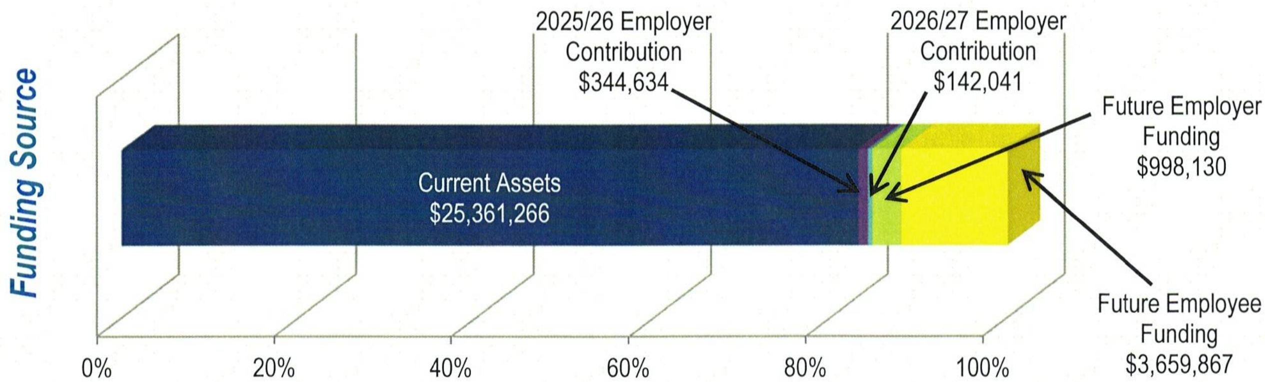
Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 26-04927

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

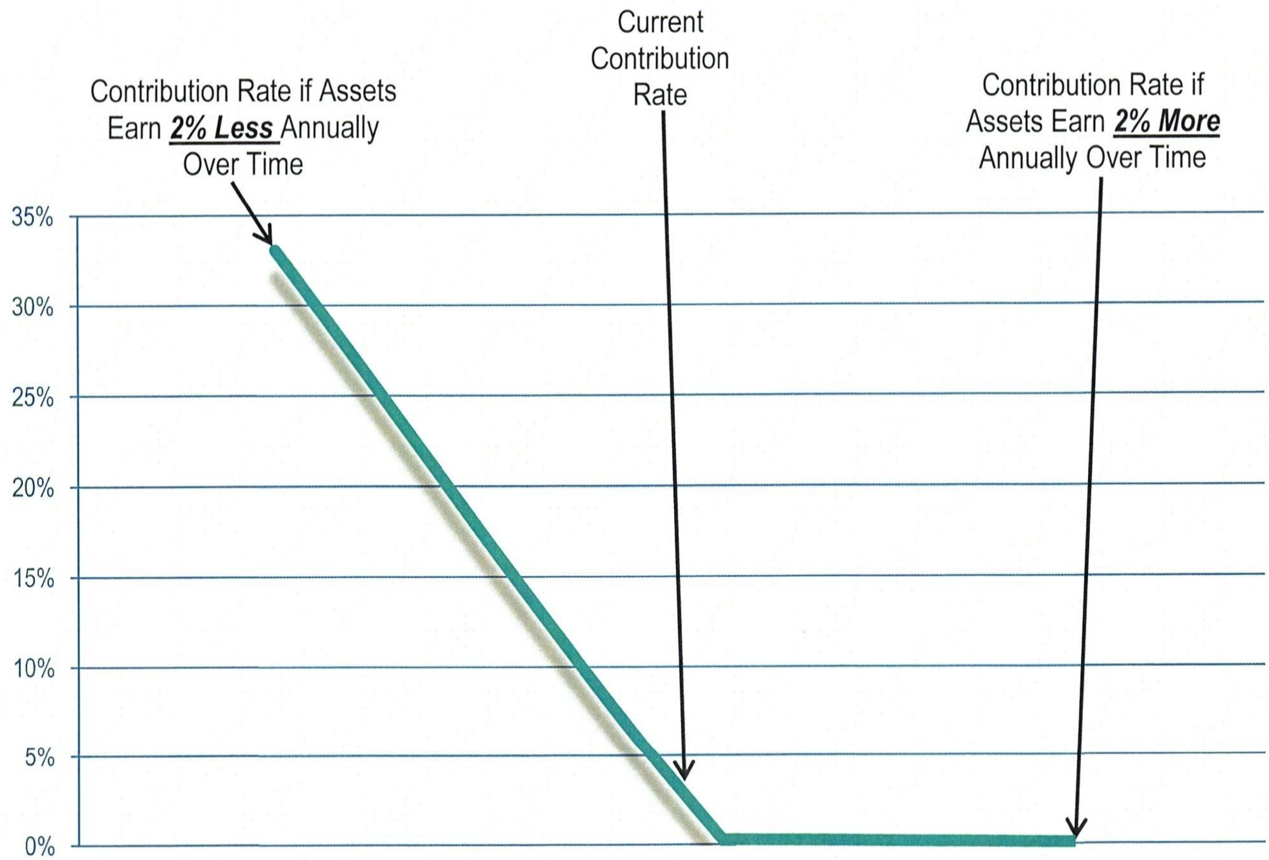


	For the 2026/27 Plan Year
Normal Cost for the 2025/26 Plan Year	$85,125
Unfunded Liability Amortization Payment for the 2025/26 Plan Year	$0
Expense Allowance for the 2025/26 Plan Year	$64,573
	$149,698
Adjustment to Reflect Semi-Monthly Employer Contributions	$5,153
Expected Employer Contribution for the 2025/26 Plan Year	($344,634)
Remaining Contribution Due/(Credit) for the Plan Year	($189,783)
	x 0.0675
One Year's Interest Charge/(Credit) on the Remaining Contribution	($12,810)
Preliminary Employer Contribution for the 2026/27 Plan Year	$142,041
Expected Payroll for the 2026/27 Plan Year	*÷ $3,900,189*
Minimum Required Contribution Rate	**3.64%**

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

Sensitivity Analysis

Table I-B



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

Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous minimum required contribution rate	9.34%
Increase (decrease) due to investment gains and losses	-3.72%
Increase (decrease) due to demographic experience	1.14% *
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	-3.12%
Increase (decrease) due to actuarial method changes	0.00%
Current minimum required contribution rate	3.64%

** balancing item*

Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$16,428,122	$16,428,122	$14,657,433
Termination benefits	$520,182	$520,182	$627,465
Disability benefits	$435,372	$435,372	$455,987
Death benefits	$324,381	$324,381	$574,587
Refund of employee contributions	$382,481	$382,481	$592,167
Sub-total	**$18,090,538**	**$18,090,538**	**$16,907,639**
Deferred Vested Participants			
Retirement benefits	$1,839,073	$1,839,073	$1,860,426
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$25,368	$25,368	$23,822
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,864,441**	**$1,864,441**	**$1,884,248**
Due a Refund of Contributions	**$56,987**	**$56,987**	**$56,987**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$9,795,807	$9,795,807	$9,689,938
Disability retirements	$176,670	$176,670	$200,387
Beneficiaries receiving	$1,120,655	$1,120,655	$1,126,263
DROP participants	$0	$0	$0
Sub-total	**$11,093,132**	**$11,093,132**	**$11,016,588**
Grand Total	**$31,105,098**	**$31,105,098**	**$29,865,462**
Present Value of Future Payroll	$35,135,360	$35,135,360	$36,598,652
Present Value of Future Employee Contribs.	$3,513,537	$3,513,537	$3,659,867
Present Value of Future Employer Contribs.	$2,845,164	$2,845,164	$1,484,805

Present Value of Accrued Benefits

Table I-E

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$6,182,999	$6,182,999	$5,363,478
Termination benefits	$172,145	$172,145	$252,245
Disability benefits	$251,076	$251,076	$246,788
Death benefits	$163,568	$163,568	$172,094
Refund of employee contributions	$121,585	$121,585	$265,363
Sub-total	**$6,891,373**	**$6,891,373**	**$6,299,968**
Deferred Vested Participants			
Retirement benefits	$1,839,073	$1,839,073	$1,860,426
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$25,368	$25,368	$23,822
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,864,441**	**$1,864,441**	**$1,884,248**
Due a Refund of Contributions	**$56,987**	**$56,987**	**$56,987**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$9,795,807	$9,795,807	$9,689,938
Disability retirements	$176,670	$176,670	$200,387
Beneficiaries receiving	$1,120,655	$1,120,655	$1,126,263
DROP participants	$0	$0	$0
Sub-total	**$11,093,132**	**$11,093,132**	**$11,016,588**
Grand Total	**$19,905,933**	**$19,905,933**	**$19,257,791**
Funded Percentage	133.42%	133.42%	137.91%

(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
Actively Employed Participants			
Retirement benefits	$6,136,870	$6,136,870	$5,311,947
Termination benefits	$124,458	$124,458	$194,744
Disability benefits	$251,076	$251,076	$246,788
Death benefits	$158,125	$158,125	$164,558
Refund of employee contributions	$144,990	$144,990	$274,211
Sub-total	**$6,815,519**	**$6,815,519**	**$6,192,248**
Deferred Vested Participants			
Retirement benefits	$1,839,073	$1,839,073	$1,860,426
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$25,368	$25,368	$23,822
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,864,441**	**$1,864,441**	**$1,884,248**
Due a Refund of Contributions	**$56,987**	**$56,987**	**$56,987**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$9,795,807	$9,795,807	$9,689,938
Disability retirements	$176,670	$176,670	$200,387
Beneficiaries receiving	$1,120,655	$1,120,655	$1,126,263
DROP participants	$0	$0	$0
Sub-total	**$11,093,132**	**$11,093,132**	**$11,016,588**
Grand Total	**$19,830,079**	**$19,830,079**	**$19,150,071**

Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
Actively Employed Participants			
Retirement benefits	$8,878,557	$8,878,557	$8,116,615
Termination benefits	$226,393	$226,393	$334,551
Disability benefits	$202,389	$202,389	$206,838
Death benefits	$179,474	$179,474	$216,580
Refund of employee contributions	$162,102	$162,102	$320,784
Sub-total	**$9,648,915**	**$9,648,915**	**$9,195,368**
Deferred Vested Participants			
Retirement benefits	$1,839,073	$1,839,073	$1,860,426
Termination benefits	$0	$0	$0
Disability benefits	$0	$0	$0
Death benefits	$25,368	$25,368	$23,822
Refund of employee contributions	$0	$0	$0
Sub-total	**$1,864,441**	**$1,864,441**	**$1,884,248**
Due a Refund of Contributions	**$56,987**	**$56,987**	**$56,987**
Deferred Beneficiaries	**$0**	**$0**	**$0**
Retired Participants			
Service retirements	$9,795,807	$9,795,807	$9,689,938
Disability retirements	$176,670	$176,670	$200,387
Beneficiaries receiving	$1,120,655	$1,120,655	$1,126,263
DROP participants	$0	$0	$0
Sub-total	**$11,093,132**	**$11,093,132**	**$11,016,588**
Grand Total	**$22,663,475**	**$22,663,475**	**$22,153,191**

Development of the Normal Cost

Table I-H

Normal Cost as of October 1, 2025

Present Value of Future Benefits	$29,865,462
Actuarial Value of Assets	($25,361,266)
Present Value of Future Employee Contributions	($3,659,867)
Present Value of Future Normal Cost	$844,329
Present Value of Future Compensation	÷ $36,598,652
Normal Cost Accrual Rate	2.306995%
Expected Payroll for the Current Year	x $3,689,867
Normal Cost	$85,125

Actuarial Value of Assets

Table II-A

	Unexpected Investment Gain (Loss)		Unrecognized Gain (Loss)
For the 2023/24 plan year	*$2,752,516*	*x 1/3*	*$917,505*
For the 2024/25 plan year	*$420,344*	*x 2/3*	*$280,229*
			$1,197,734

Market Value of Assets as of October 1, 2025	$26,559,000
Minus advance employer contributions	$0
Adjustment for unrecognized gain or loss as shown above, but restricted to an amount that keeps the actuarial value of assets within an 80%-120% corridor of the market value	($1,197,734)
Actuarial Value of Assets as of October 1, 2025	**$25,361,266**

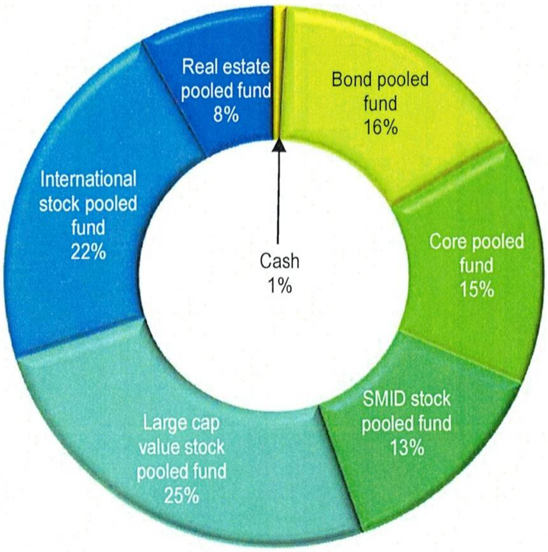
Historical Actuarial Value of Assets

October 1, 2016	$15,931,492
October 1, 2017	$17,687,189
October 1, 2018	$18,555,934
October 1, 2019	$19,048,717
October 1, 2020	$19,907,646
October 1, 2021	$23,201,946
October 1, 2022	$19,541,435
October 1, 2023	$22,533,736
October 1, 2024	$23,094,986
October 1, 2025	$25,361,266

Market Value of Assets

Table II-B

	As of October 1, 2025
Market Value of Assets	**$26,559,000**
Cash	$212,472
Bond pooled fund	$4,249,440
Core pooled fund	$3,930,732
SMID stock pooled fund	$3,479,229
Large cap value stock pooled fund	$6,745,986
International stock pooled fund	$5,789,862
Real estate pooled fund	$2,151,279

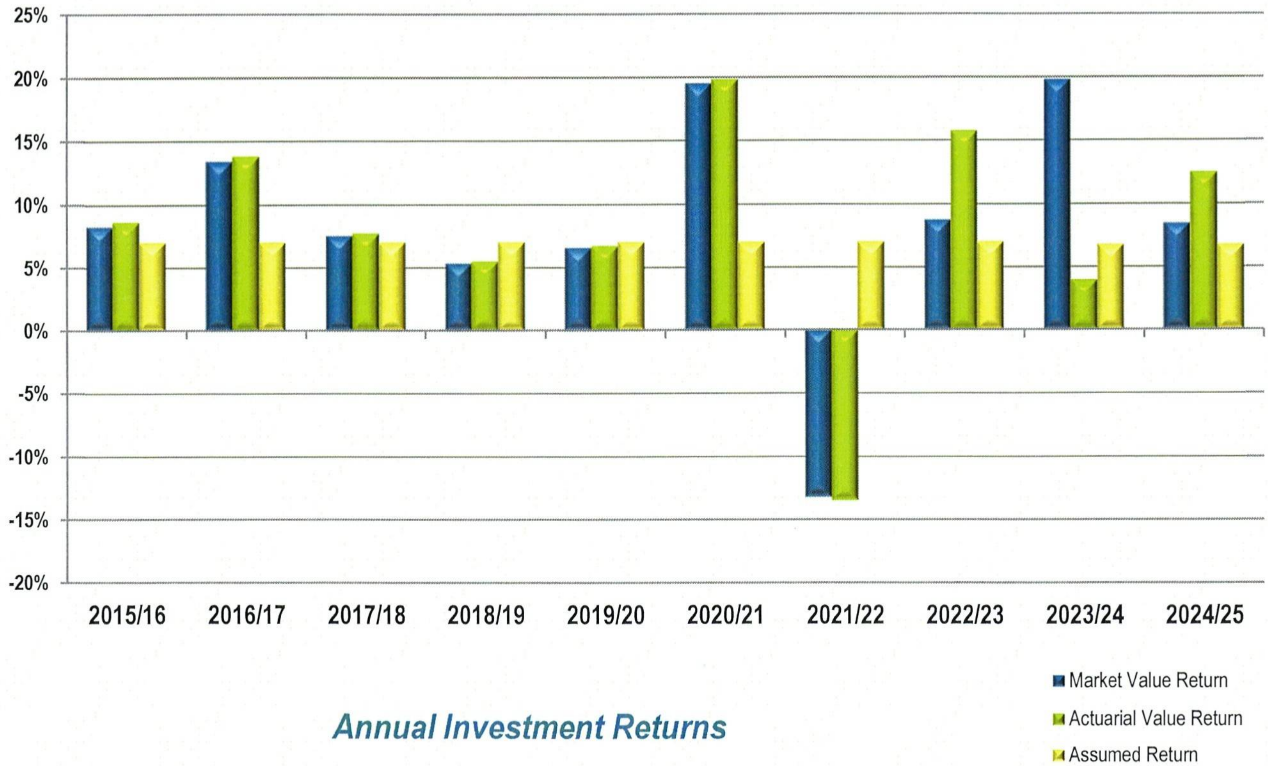


Historical Market Value of Assets

October 1, 2016	$16,469,897
October 1, 2017	$18,027,396
October 1, 2018	$19,010,433
October 1, 2019	$19,503,651
October 1, 2020	$20,206,933
October 1, 2021	$23,503,907
October 1, 2022	$20,073,346
October 1, 2023	$21,225,168
October 1, 2024	$25,043,776
October 1, 2025	$26,559,000

Investment Return

Table II-C



Annual Investment Returns

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2015/16	8.26%	8.61%	7.00%
2016/17	13.42%	13.80%	7.00%
2017/18	7.53%	7.71%	7.00%
2018/19	5.34%	5.47%	7.00%
2019/20	6.57%	6.70%	7.00%
2020/21	19.54%	19.84%	7.00%
2021/22	-13.21%	-13.45%	7.00%
2022/23	8.73%	15.75%	7.00%
2023/24	19.83%	3.94%	6.75%
2024/25	8.45%	12.46%	6.75%
10yr. Avg.	8.07%	7.71%	6.95%

Asset Reconciliation

Table II-D

	Market Value	Actuarial Value
As of October 1, 2024	**$25,043,776**	**$23,094,986**
Increases Due To:		
Employer Contributions	$384,096	$384,096
Employee Contributions	$393,038	$393,038
Service Purchase Contributions	$0	$0
Total Contributions	$777,134	$777,134
Interest and Dividends	$0	
Realized Gains (Losses)	$0	
Unrealized Gains (Losses)	$2,091,662	
Total Investment Income	$2,091,662	$2,842,718
Other Income	$0	
Total Income	**$2,868,796**	**$3,619,852**
Decreases Due To:		
Monthly Benefit Payments	($1,216,108)	($1,216,108)
Refund of Employee Contributions	($81,476)	($81,476)
Total Benefit Payments	($1,297,584)	($1,297,584)
Investment Expenses	$0	
Administrative Expenses	($55,988)	($55,988)
Advance Employer Contribution		$0
Total Expenses	**($1,353,572)**	**($1,353,572)**
As of October 1, 2025	**$26,559,000**	**$25,361,266**

Historical Trust Fund Detail

Table II-E

Income

Plan Year	Employer Contribs.	Employee Contribs.	Service Purchase Contribs.	Interest / Dividends	Realized Gains / Losses	Unrealized Gains / Losses	Other Income
2015/16	$13,515	$271,126	$0	$0	$0	$1,283,244	$0
2016/17	$0	$277,978	$0	$0	$0	$2,169,961	$0
2017/18	$208,949	$293,056	$0	$0	$0	$1,344,711	$0
2018/19	$133,519	$304,838	$0	$0	$0	$1,001,891	$0
2019/20	$4,783	$322,149	$0	$0	$0	$1,263,532	$0
2020/21	$155,637	$328,953	$0	$0	$0	$3,890,857	$0
2021/22	$229,950	$360,424	$0	$0	$0	-$3,081,357	$0
2022/23	$7,765	$386,114	$0	$0	$0	$1,726,692	$0
2023/24	$445,257	$368,046	$0	$0	$0	$4,173,435	$0
2024/25	$384,096	$393,038	$0	$0	$0	$2,091,662	$0

Expenses / ***Other Actuarial Adjustments***

Plan Year	Monthly Benefit Payments	Contrib. Refunds	Admin. Expenses	Invest. Expenses	Advance Employer Contribs.
2015/16	$835,033	$94,106	$49,123	$0	-$182,446
2016/17	$744,588	$104,812	$41,040	$0	-$198,198
2017/18	$729,980	$84,732	$48,967	$0	$114,292
2018/19	$795,324	$107,908	$43,798	$0	$435
2019/20	$766,152	$78,299	$42,731	$0	-$155,647
2020/21	$874,737	$155,897	$47,839	$0	$2,674
2021/22	$802,312	$88,447	$48,819	$0	$229,950
2022/23	$835,673	$85,223	$47,853	$0	-$496,500
2023/24	$882,057	$235,399	$50,674	$0	-$35,411
2024/25	$1,216,108	$81,476	$55,988	$0	$0

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

Other Reconciliations

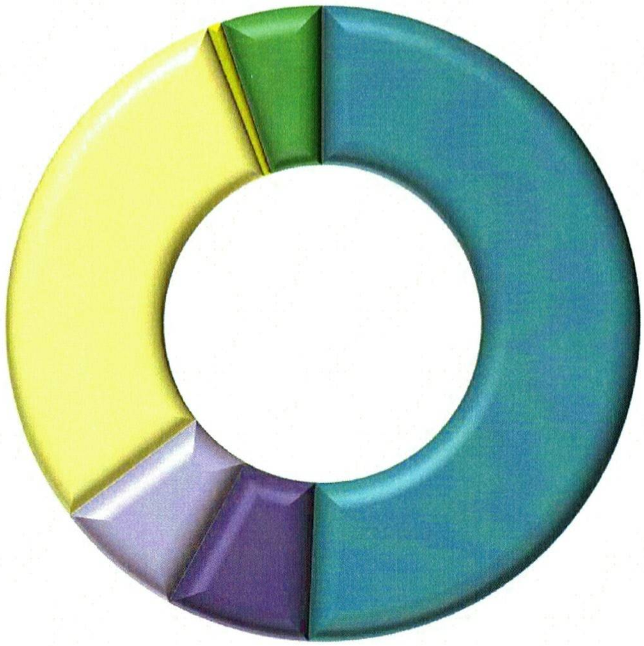
Table II-F

Advance Employer Contribution

Advance Employer Contribution as of October 1, 2024	$0
Additional Employer Contribution	$384,096
Minimum Required Contribution	($384,096)
Net Increase in Advance Employer Contribution	$0
Advance Employer Contribution as of October 1, 2025	$0

Summary of Participant Data

Table III-A



Participant Distribution by Status

	As of October 1, 2025
Actively Employed Participants	
Active Participants	69
DROP Participants	0
Inactive Participants	
Deferred Vested Participants	10
Due a Refund of Contributions	9
Deferred Beneficiaries	0
Participants Receiving a Benefit	
Service Retirements	40
Disability Retirements	1
Beneficiaries Receiving	7
Total Participants	**136**

Number of Participants Included in Prior Valuations

	Active	*DROP*	*Inactive*	*Retired*	*Total*
October 1, 2016	69	0	15	42	126
October 1, 2017	68	0	13	41	122
October 1, 2018	71	0	11	42	124
October 1, 2019	69	0	10	40	119
October 1, 2020	70	0	12	42	124
October 1, 2021	69	0	14	42	125
October 1, 2022	69	0	15	41	125
October 1, 2023	68	0	20	44	132
October 1, 2024	68	0	20	45	133
October 1, 2025	69	0	19	48	136

Data Reconciliation

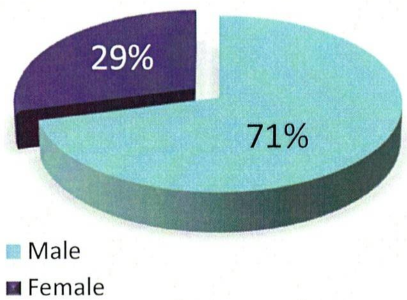
Table III-B

	Active	DROP	Deferred Vested	Due a Refund	Def. Benef.	Service Retiree	Disabled Retiree	Benef. Rec'v.	Total
October 1, 2024	68	0	10	10	0	37	1	7	**133**
Change in Status									
Re-employed									
Terminated	(14)		1	13					
Retired	(3)		(1)			4			
Participation Ended									
Transferred Out									
Cashed Out				(14)					**(14)**
Died						(1)			**(1)**
Participation Began									
Newly Hired	18								**18**
Transferred In									
New Beneficiary									
Other Adjustment									
October 1, 2025	69	0	10	9	0	40	1	7	**136**

Active Participant Data

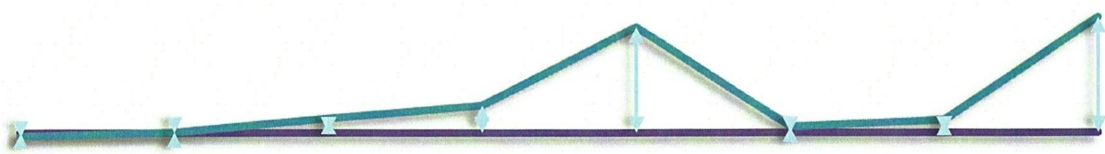
Table III-C

Gender Mix



As of October 1, 2025

Average Age	41.6 years
Average Service	6.3 years
Total Annualized Compensation for the Prior Year	$3,944,891
Total Expected Compensation for the Current Year	$3,689,867
Average Increase in Compensation for the Prior Year	13.65%
Expected Increase in Compensation for the Current Year	5.70%
Accumulated Contributions for Active Employees	$2,262,281



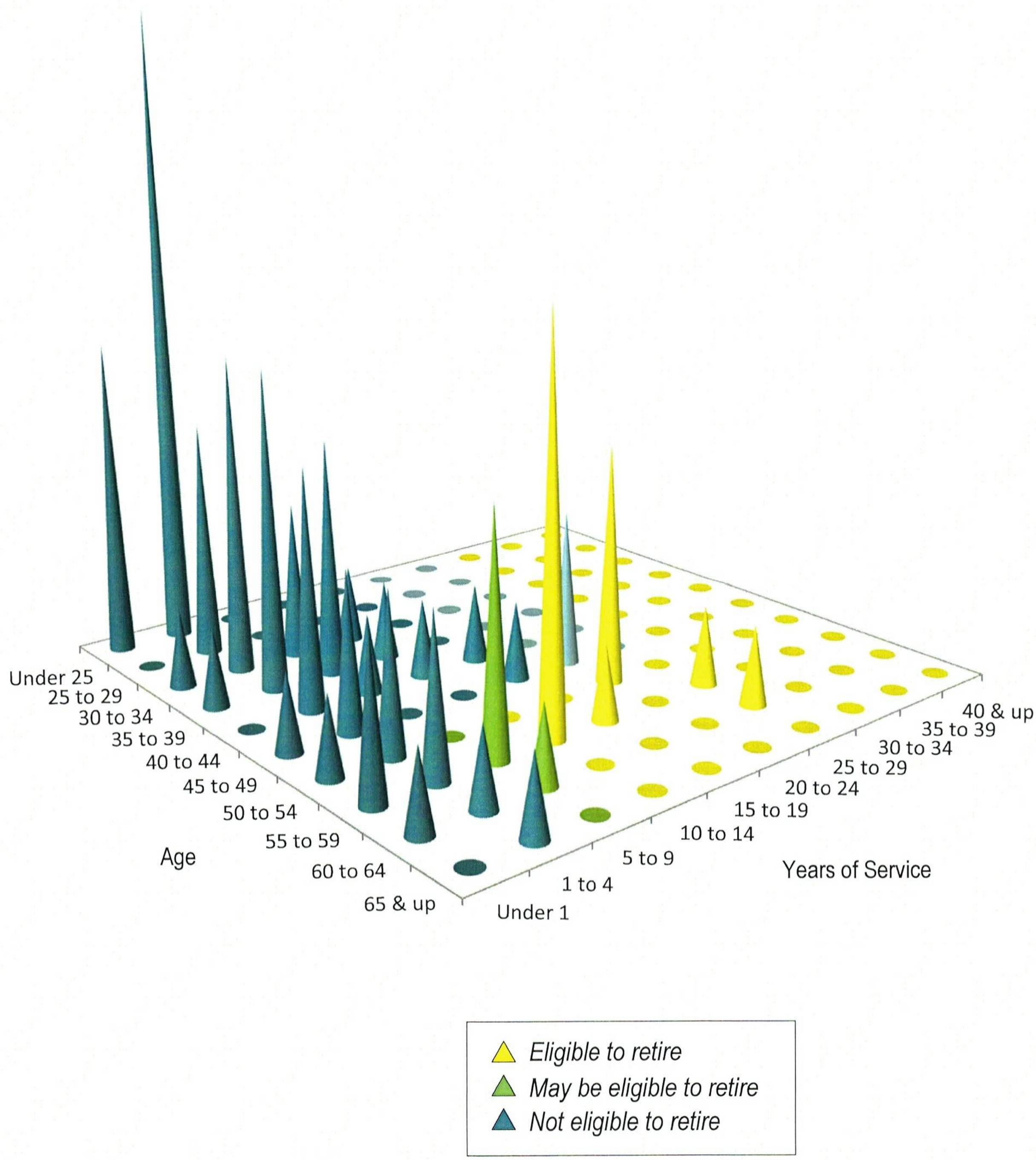
Actual vs. Expected Salary Increases

Active Participant Statistics From Prior Valuations

	Average Age	*Average Service*	*Average Salary*	*Average Expected Salary Increase*	*Average Actual Salary Increase*
October 1, 2016	37.9	5.9	$37,060	5.00%	5.98%
October 1, 2017	39.4	6.4	$39,926	5.00%	8.45%
October 1, 2018	39.7	6.5	$40,509	5.00%	4.73%
October 1, 2019	40.7	7.3	$42,549	5.00%	5.05%
October 1, 2020	40.1	6.9	$43,651	5.00%	6.08%
October 1, 2021	39.8	6.8	$44,999	5.00%	7.06%
October 1, 2022	41.0	7.4	$50,116	5.00%	12.92%
October 1, 2023	42.1	6.5	$50,927	5.00%	5.46%
October 1, 2024	41.5	6.7	$52,251	5.00%	5.94%
October 1, 2025	41.6	6.3	$57,172	5.00%	13.65%

Active Age-Service Distribution

Table III-D



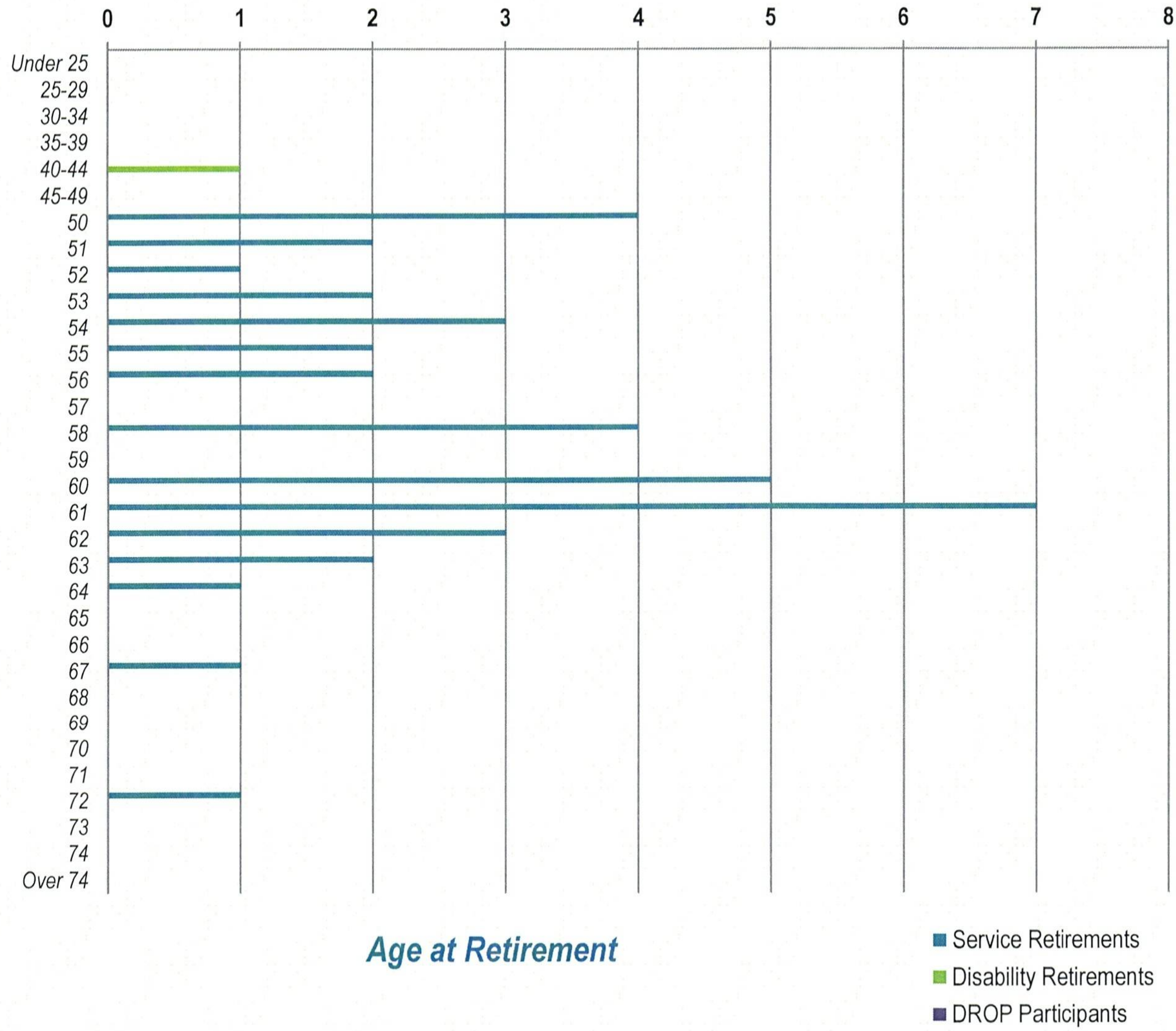
Active Age-Service-Salary Table

Table III-E

Attained Age	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	Total
	Completed Years of Service										
Under 25	**4**	**8**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12**
Avg.Pay	38,456	48,513	0	0	0	0	0	0	0	0	45,161
25 to 29	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**
Avg.Pay	0	57,018	0	0	0	0	0	0	0	0	57,018
30 to 34	**1**	**4**	**2**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**8**
Avg.Pay	37,749	46,316	53,898	66,231	0	0	0	0	0	0	49,630
35 to 39	**1**	**4**	**3**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**9**
Avg.Pay	35,195	46,870	54,807	67,383	0	0	0	0	0	0	50,498
40 to 44	**0**	**3**	**1**	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	0	49,427	117,627	87,639	54,319	0	0	0	0	0	67,978
45 to 49	**1**	**2**	**0**	**0**	**1**	**2**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	54,747	51,704	0	0	72,534	89,722	0	0	0	0	68,355
50 to 54	**1**	**2**	**0**	**0**	**0**	**3**	**0**	**0**	**0**	**0**	**6**
Avg.Pay	36,027	63,184	0	0	0	62,341	0	0	0	0	58,236
55 to 59	**2**	**2**	**3**	**5**	**1**	**0**	**1**	**0**	**0**	**0**	**14**
Avg.Pay	55,475	48,277	60,686	72,164	63,536	0	105,616	0	0	0	65,681
60 to 64	**1**	**1**	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**4**
Avg.Pay	93,790	37,055	60,510	0	0	0	54,783	0	0	0	61,535
65 & up	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**
Avg.Pay	0	47,309	0	0	0	0	0	0	0	0	47,309
Total	**11**	**30**	**10**	**8**	**3**	**5**	**2**	**0**	**0**	**0**	**69**
Avg.Pay	47,480	49,696	63,241	72,759	63,463	73,293	80,200	0	0	0	57,172

Inactive Participant Data

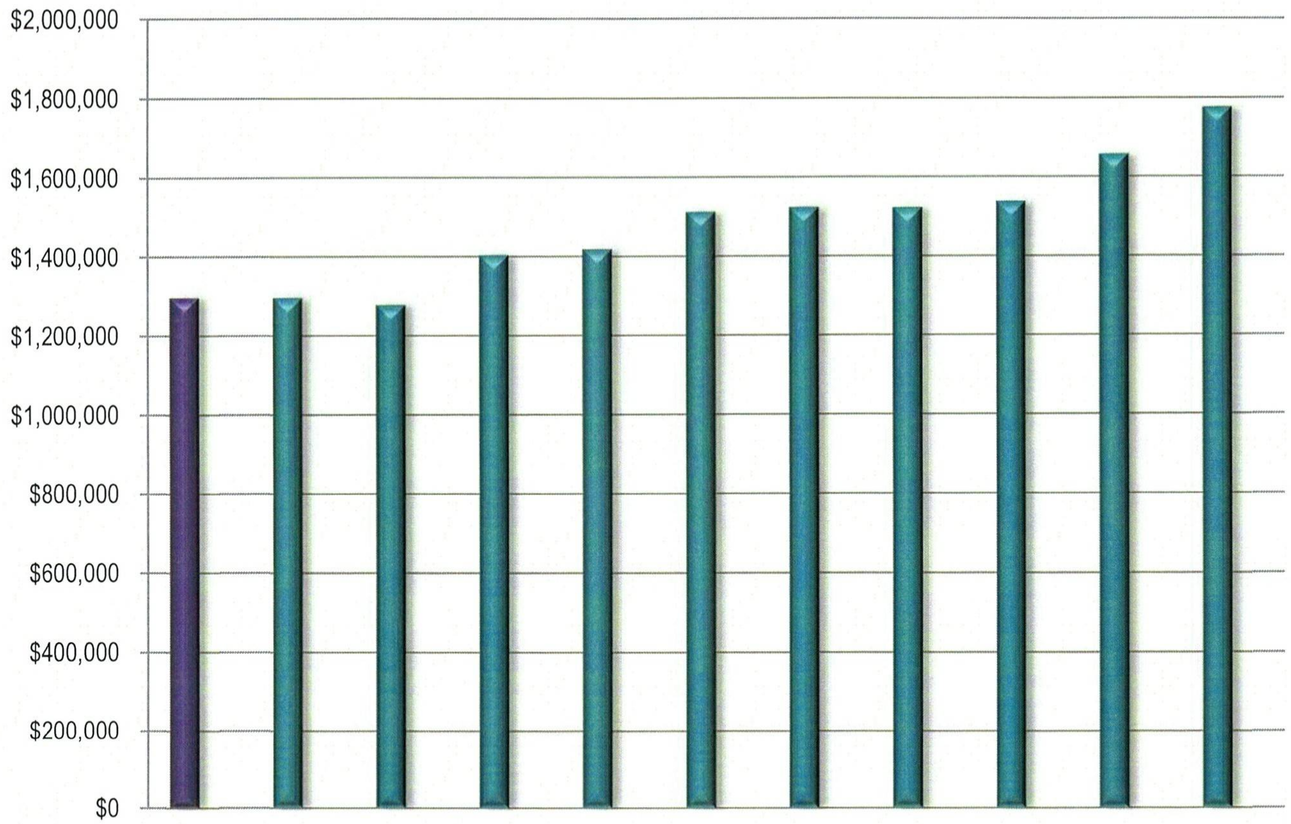
Table III-F



	Average Monthly Benefit
Service Retirements	$1,799.51
Disability Retirements	$1,715.41
Beneficiaries Receiving	$1,291.60
DROP Participants	Not applicable
Deferred Vested Participants	$1,699.95
Deferred Beneficiaries	Not applicable

Projected Benefit Payments

Table III-G



Actual	
For the period October 1, 2024 through September 30, 2025	$1,297,584
Projected	
For the period October 1, 2025 through September 30, 2026	$1,296,631
For the period October 1, 2026 through September 30, 2027	$1,277,692
For the period October 1, 2027 through September 30, 2028	$1,403,952
For the period October 1, 2028 through September 30, 2029	$1,418,338
For the period October 1, 2029 through September 30, 2030	$1,512,521
For the period October 1, 2030 through September 30, 2031	$1,524,188
For the period October 1, 2031 through September 30, 2032	$1,523,524
For the period October 1, 2032 through September 30, 2033	$1,538,108
For the period October 1, 2033 through September 30, 2034	$1,656,588
For the period October 1, 2034 through September 30, 2035	$1,775,989

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 three-year phase-in of the unexpected investment gains and losses.

3. **Interest (or Discount) Rate**

6.75% 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; for general employees, rates range from 6.35% for an employee with zero years of service to 3.65% for employees with 30 or more years of service; for police officers, 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.)*

In addition, all pay-related benefits other than disability benefits have been loaded by 5.00% to reflect anticipated accumulated sick leave and vacation pay.

Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

5. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set back one year *(applicable to general employees)*

  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 *(applicable to police officers)*

- Post-retirement healthy mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set back one year *(applicable to general employees and all non-disabled inactive participants)*

  Sex-distinct rates set forth in the PUB-2010 Benefits-Weighted Healthy Retiree Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2021 and with male ages set forward one year *(applicable to police officers)*

- Post-retirement disabled mortality: Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2021 and with both male and female ages set forward four years *(applicable to general employees and all disabled inactive participants)*

  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 *(applicable to police officers)*

Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

5. Decrements (continued)

- Disability:

Age-based rates of disability were assumed, ranging from 0.001% at age 21 to 0.011% at age 35 to 0.041% at age 45 to 0.136% at age 55 to 0.031% at ages 64 and later. *(applicable to general employees; rates are based on an experience study conducted by the FRS in 2024)*

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. *(applicable to police officers; 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 27.5% for an employee under age 25 with zero years of service to 0.5% for an employee at least age 55 with at least 30 years of service; rates for female employees range from 32.5% for an employee under age 25 with zero years of service to 0.5% for an employee at least age 55 with at least 30 years of service. *(applicable to general employees; rates are based on an experience study conducted by the FRS in 2024)*

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. *(applicable to police officers; rates are based on an experience study conducted by the FRS in 2024)*

- Retirement:

For police officers, 20% are assumed to retire at each of ages 55 through 57, 30% are assumed to retire at each of ages 58 and 59, and 100% are assumed to retire at age 60. For all other participants, 10% are assumed to retire at each of ages 55 through 59 and 100% are assumed to retire at age 60. Regardless of the foregoing, participants who have earned at least 30 years of service are assumed to retire immediately and deferred vested participants are assumed to wait until their normal retirement age to commence receipt of their benefit.

Summary of Actuarial Methods and Assumptions

Table IV-A

(continued)

6. **Form of Payment**

Future married retirees have been assumed to select the 50% joint and contingent annuity; future unmarried police retirees have been assumed to select the 10-year certain and life annuity; all other future unmarried retirees have been assumed to select the single life annuity.

7. **Marriage Assumption**

80% of non-retired participants are assumed to be married, with husbands three years older than wives.

8. **Expenses**

Administrative expenses are assumed to be 1.75% of covered payroll. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.

Changes in Actuarial Methods and Assumptions — Table IV-B

Since the completion of the previous valuation, the salary increase, mortality, disability, and withdrawal rates were all changed to the rates used by the FRS.

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

(1) *Effective October 1, 2023, the assumed interest (or discount) rate was decreased from 7.00% per annum to 6.75% per annum.*

(2) *Effective October 1, 2023, the actuarial value of assets was changed from the unadjusted market value to the market value adjusted to reflect a three-year phase-in of the unexpected investment gains and losses.*

(3) *Effective October 1, 2021, the actuarial cost method was changed from the frozen initial liability cost method to the aggregate cost method.*

(4) *Effective October 1, 2020, the mortality basis was changed from the RP-2000 Combined Mortality Table with generational improvements in mortality using Scale BB to selected PUB-2010 Mortality Tables with generational improvements in mortality using Scale MP-2018.*

(5) *Effective October 1, 2016, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*

Summary of Plan Provisions

Table V-A

1. **Monthly Accrued Benefit**

   2.50% of Average Final Compensation multiplied by Credited Service (up to 40 years)

2. **Normal Retirement Age and Benefit**

   - **Age**
     Age 60 with at least six years of Credited Service; or
     Any age with at least 30 years of Credited Service
   - **Amount**
     Monthly Accrued Benefit
   - **Form of Payment**
     Single life annuity (normal form of payment for unmarried participants; optional for married participants);
     10-year certain and life annuity (alternative normal form of payment for police officers; optional with actuarial adjustment for all other participants);
     50% joint and contingent annuity (normal form of payment for married participants; optional with actuarial adjustment for all other participants); or
     Actuarially equivalent lump sum distribution (automatic if the single sum value of the participant's benefit is less than or equal to $1,000)

3. **Early Retirement Age and Benefit**

   - **Age**
     Age 50 with at least six years of Credited Service
   - **Amount**
     Monthly Accrued Benefit (payable at Normal Retirement Age); or
     Monthly Accrued Benefit reduced by 1% for each of the first five years by which the participant's Early Retirement Age precedes age 60 and further reduced by 2% for each of the next five years by which the participant's Early Retirement Date precedes age 60 (payable at Early Retirement Age)
   - **Form of Payment**
     Same as for Normal Retirement

Summary of Plan Provisions

Table V-A

(continued)

4. Delayed Retirement Age and Benefit

- **Age**
  After Normal Retirement Age
- **Amount**
  Monthly Accrued Benefit
- **Form of Payment**
  Same as for Normal Retirement

5. Deferred Vested Benefit

- **Age**
  Any age with at least six years of Credited Service
- **Amount**
  Monthly Accrued Benefit (payable at Normal Retirement Age); or
  Monthly Accrued Benefit reduced by 1% for each of the first five years by which the participant's Early Retirement Age precedes his Normal Retirement Date and further reduced by 2% for each of the next five years by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)
- **Form of Payment**
  Same as for Normal Retirement

6. Service Incurred Disability Retirement Eligibility and Benefit

- **Eligibility**
  All participants are eligible.
- **Condition**
  The participant must have become disabled in the line of duty due to a sickness or injury which continuously and permanently renders him unable to perform any useful, meaningful work for the City in an available position for which he is reasonably qualified or may be reasonably trained to perform. Alternatively, a police officer must only be unable to render useful and efficient service as a police officer due to his disability. However, Disability Benefits will not be payable in cases where the disability arose as a result of excessive and habitual use of drugs, intoxicants, or narcotics or injury or disease sustained while willfully and illegally participating in fights, riots, or civil insurrections, while committing a crime, while serving in any branch of the U.S. armed forces, or while not employed by the City.

Summary of Plan Provisions

Table V-A

(continued)

- **Amount**

  A monthly benefit equal to the larger of (a) or (b), as follows:

  (a) Monthly Accrued Benefit; or

  (b) 50% of Average Final Compensation *(provided that the monthly disability benefit plus monthly worker's compensation cannot exceed the average wage used to determine the worker's compensation payment)*.

- **Form of Payment**

  Same as for Normal Retirement

7. Non-Service Incurred Disability Retirement Eligibility and Benefit

- **Eligibility**

  All participants are eligible.

- **Condition**

  Same as for a Service Incurred Disability, except that the disability was not incurred in the line of duty.

- **Amount**

  A monthly benefit equal to the larger of (a) or (b), as follows:

  (a) Monthly Accrued Benefit; or

  (b) 25% of Average Final Compensation *(provided that the monthly disability benefit plus monthly worker's compensation cannot exceed the average wage used to determine the worker's compensation payment)*.

- **Form of Payment**

  Same as for Normal Retirement

8. Pre-Retirement Death Benefits

<u>Monthly Annuity</u>

In the case of the death of a vested participant prior to retirement, his spouse will receive 50% of the participant's Monthly Accrued Benefit payable for life beginning at the participant's earliest retirement age or, with respect to unmarried, vested police officers, his beneficiary will receive the officer's Monthly Accrued Benefit payable for 10 years beginning at the officer's earliest retirement age. In the case of the death of a non-vested or unmarried participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

Summary of Plan Provisions

Table V-A

(continued)

Single Lump Sum Payment

In the case of the death of a participant prior to retirement, his beneficiary will receive $25,000, reduced by 10% for each year of Credited Service less than 10 years.

9. Post-Retirement Death Benefit

Single Lump Sum Payment

In the case of the death of a participant after retirement, his beneficiary will receive $25,000, reduced by 10% for each year of Credited Service less than 10 years.

10. Average Final Compensation

Average of the highest three consecutive years of Compensation out of the last 10 years of employment

11. Compensation

Regular salary or wage plus overtime pay, leave pay, bonuses, sick pay, incentive pay, and lump sum payments of accrued sick leave upon retirement; annual compensation in excess of $200,000 (as indexed) is excluded in accordance with Internal Revenue Code (IRC) §401(a)(17).

12. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death; police officers may purchase up to five years of additional Credited Service for certain military service.

13. Participation Requirement

All full-time employees of the City of Wauchula, Florida, including the City Clerk, but excluding members of the City Council, the Mayor, and state-certified firefighters

14. Accumulated Contributions

The Employee Contributions accumulated without interest; if the participant terminates his employment with less than six 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)

15. Employee and Employer Contributions

All participating employees are required to contribute 10% of compensation to the plan. In addition, the City of Wauchula is required to contribute the greater of 10% of covered payroll or the contribution required pursuant to Chapter 112, Florida Statutes.

16. Supplemental Retirement Benefit

All participants who retire at age 50 or later with at least six years of Credited Service receive a $100.00 monthly supplemental retirement benefit payable for their lifetime only.

17. Definition of Actuarially Equivalent

- **Interest Rate**
  7.00% per annum
- **Mortality Table**
  1983 Group Annuity Mortality Table, blended 50%/50% for males and females, and set back two years

18. Plan Effective Date

October 1, 2000

19. Cost-of-Living Adjustment

The Trustees of the plan are authorized to adopt a periodic cost-of-living adjustment (COLA) no more frequently than every other year of up to one-half of the increase in the Consumer Price Index, to a maximum COLA of 3.00%, provided that the actuary certifies that the COLA can be funded on a sound actuarial basis without increasing the level of contributions to the plan.

Summary of Plan Amendments

Table V-B

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

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

(1) Effective June 10, 2024, the plan was amended to provide a one-time 5% cost-of-living adjustment to individuals who retired prior to that date. (Ordinance 2024-10)

(2) Effective June 11, 2018, the plan was amended to provide a one-time 5% cost-of-living adjustment to individuals who retired prior to that date. (Ordinance 2018-05)