City of Sanford Firefighter's Retirement System

GASB Disclosure Information

Statements 67/68

Measurement Date: September 30, 2025

GASB 68 Expense

Reporting Date: September 30, 2025

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

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October 30, 2025

Board of Trustees
City of Sanford
Firefighter's Pension Board

Re: GASB Statements 67/68 – City of Sanford Firefighter's Retirement System

Dear Board,

We are pleased to present this report of the GASB Statements 67/68 measured as of September 30, 2025. GASB 68 Expense is determined for the reporting period ending September 30, 2025.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB 67/68 and is not applicable for other purposes, such as determining the plan's funding requirements. Use of the results for other purposes may not be applicable and may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2024. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ending September 30, 2025 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB 67/68.

DATA AND ASSUMPTIONS

In conducting the valuation, we have relied on personnel, and plan design information supplied by the City and asset information supplied by the custodian bank. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report. The actuarial assumptions and methods are described in the Assumptions section of this report.

DISCLOSURES AND LIMITATIONS

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

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

ACTUARIAL CERTIFICATION

The valuation has been conducted in accordance with all applicable laws and regulations, as well as generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board.

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

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

Respectfully submitted,
Foster & Foster, Inc.

Sara Carlson

Sara E. Carlson, ASA, EA, MAAA

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SUMMARY

Valuation Date	10/01/2024	10/01/2023
GASB 67/68 Measurement Date	09/30/2025	09/30/2024
GASB 68 Reporting Date	09/30/2025	09/30/2024
PLAN MEMBERSHIP		
Inactives Currently Receiving Benefits	55	51
Inactives Not Yet Receiving Benefits	6	5
Active Plan Members	43	49
Total	104	105
Covered Payroll	$ 3,590,976	$ 3,880,595
NET PENSION LIABILITY/(ASSET)		
Total Pension Liability	$ 52,169,457	$ 48,618,752
Plan Fiduciary Net Position	51,551,117	48,158,450
Net Pension Liability/(Asset)	$ 618,340	$ 460,302
Plan Fiduciary Net Position As a % of Total Pension Liability	98.81%	99.05%
Net Pension Liability/(Asset) As a % of Covered Payroll	17.22%	11.86%
Total Pension Expense/(Income)	$ 1,584,733	$ 1,402,220
DEVELOPMENT OF SINGLE DISCOUNT RATE		
Single Discount Rate	6.40%	6.40%
Long-Term Expected Rate of Return	6.40%	6.40%
High-quality Municipal Bond Rate	4.50%	4.06%
Number of Years Future Benefit Payments Are Expected to be Paid	All Years	All Years

FIDUCIARY NET POSITION

STATEMENT OF FIDUCIARY NET POSITION

	MARKET VALUE SEPTEMBER 30, 2025
ASSETS	
Cash and Cash Equivalents:	
Short Term Investments	1,163,663
Prepaid Expenses	9,603
Cash	682
Total Cash and Equivalents	1,173,948
Investment Income	53,880
Total Receivables	53,880
INVESTMENTS:	
U. S. Bonds and Bills	5,401,306
Federal Agency Guaranteed Securities	4,863,073
Corporate Bonds	702,540
Stocks	7,543,760
Mutual Funds:	
Equity	26,885,824
Pooled/Common/Commingled Funds:	
Real Estate	5,365,312
Total Investments	50,761,815
TOTAL ASSETS	51,989,643
LIABILITIES	
Payables:	
DROP Distributions	421,323
Investment Expenses	15,612
Administrative Expenses	1,591
Total Liabilities	438,526
NET ASSETS:	51,551,117

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

		YEAR ENDED SEPTEMBER 30, 2025
ADDITIONS		
Contributions:		
Member		263,911
City		829,426
State		597,004
Total Contributions		1,690,341
Investment Income:		
Net Increase in Fair Value of Investments	3,375,736	
Interest & Dividends	907,183	
Less Investment Expense[1]	(143,591)	
Net Investment Income		4,139,328
Total Additions		5,829,669
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	1,878,066	
Lump Sum DROP Distributions	421,323	
Lump Sum PLOP Distributions	54,357	
Total Distributions		2,353,746
Administrative Expense		83,256
Total Deductions		2,437,002
Net Increase in Net Position		3,392,667
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		48,158,450
End of the Year		51,551,117

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

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 67/68 Measurement Date	09/30/2025	09/30/2024
GASB 68 Reporting Period Ending	09/30/2025	09/30/2024
TOTAL PENSION LIABILITY		
Service Cost	726,699	802,721
Interest	3,082,789	2,890,093
Changes in Benefit Terms	0	0
Experience (Gains)/Losses	1,623,423	1,441,224
Changes of Assumptions	471,540	0
Benefit Payments	(2,353,746)	(1,740,529)
Net Change in Total Pension Liability	3,550,705	3,393,509
Total Pension Liability – Beginning	48,618,752	45,225,243
Total Pension Liability – Ending (a)	$ 52,169,457	$ 48,618,752
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	829,426	873,938
Contributions – State	597,004	572,147
Contributions – Employee	263,911	271,642
Net Investment Income	4,139,328	6,422,660
Benefit Payments	(2,353,746)	(1,740,529)
Administrative Expense	(83,256)	(76,946)
Other	0	0
Net Change in Plan Fiduciary Net Position	3,392,667	6,322,912
Plan Fiduciary Net Position – Beginning	48,158,450	41,835,538
Adjustment to beginning of year	0	0
Plan Fiduciary Net Position – Ending (b)	$ 51,551,117	$ 48,158,450
Net Pension Liability – Ending (a) – (b)	$ 618,340	$ 460,302
Plan Fiduciary Net Position As % of Total Pension Liability	98.81%	99.05%
Covered Payroll	$ 3,590,976	$ 3,880,595
Net Pension Liability As % of Covered Payroll	17.22%	11.86%

SENSITIVITY TO CHANGES IN DISCOUNT RATE

GASB 67/68 Measurement Date	09/30/2025	09/30/2024
GASB 68 Reporting Date	09/30/2025	09/30/2024
Discount Rate	6.40%	6.40%
+ 1% Discount Rate	7.40%	7.40%
- 1% Discount Rate	5.40%	5.40%
Net Pension Liability		
Current Discount Rate	$ 618,340	$ 460,302
1% Increase in Discount Rate	(4,723,442)	(4,506,743)
1% Decrease in Discount Rate	7,076,892	6,461,126

PENSION EXPENSE YEAR-END SEPTEMBER 30, 2025

For the year ended September 30, 2025, the Sponsor will recognize a Pension Expense/(Income) of $1,584,733. Below is a summary of the components of the Pension Expense.

Fiscal Year End	09/30/2025
Beginning of Measurement Period	10/01/2024
End of Measurement Period	09/30/2025
Service Cost	$ 726,699
Interest on Total Pension Liability	3,082,789
Changes in Benefit Terms	0
Contributions – Employee	(263,911)
Projected Earnings on Investments	(3,058,248)
Administrative Expenses	83,256
Recognition of Deferred Outflows/(Inflows)	
Experience (Gains)/Losses	703,400
Assumption Changes	651,723
Investment Returns	(340,975)
Total Pension Expense	$ 1,584,733

PENSION DEFERRED OUTFLOWS/INFLOWS - YEAR-END SEPTEMBER 30, 2025

On September 30, 2025, the Sponsor will report deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	1,802,894	45,852
Changes of Assumptions	314,360	0
Net Difference Between Projected and Actual Earnings on pension Plan Investments	0	1,024,256
Total	$ 2,117,254	$ 1,070,108

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-Ended September 30:	
2026	$ 2,150,291
2027	78,963
2028	(965,892)
2029	(216,216)
2030	0
Thereafter	0

SUPPLEMENTARY GASB 68 EXPENSE DETAIL

AMORTIZATION SCHEDULE – EXPERIENCE

Year	Initial Base	Recognition Period	2025	2026	2027	2028	2029	Thereafter
2025	$ 1,623,423	3	$ 541,141	$ 541,141	$ 541,141	$ 0	$ 0	$ 0
2024	1,441,224	4	360,306	360,306	360,306	0	0	0
2023	(183,408)	4	(45,852)	(45,852)	0	0	0	0
2022	5,513	4	1,378	0	0	0	0	0
2021	(767,867)	5	(153,573)	0	0	0	0	0
Net Increase/(Decrease) in Pension Expense			$ 703,400	$ 855,595	$ 901,447	$ 0	$ 0	$ 0

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year	Initial Base	Recognition Period	2025	2026	2027	2028	2029	Thereafter
2025	$ 471,540	3	$ 157,180	$ 157,180	$ 157,180	$ 0	$ 0	$ 0
2022	526,532	4	131,633	0	0	0	0	0
2021	1,814,552	5	362,910	0	0	0	0	0
Net Increase/(Decrease) in Pension Expense			$ 651,723	$ 157,180	$ 157,180	$ 0	$ 0	$ 0

AMORTIZATION SCHEDULE – INVESTMENTS

Year		Initial Base	Recognition Period		2025		2026		2027		2028		2029		Thereafter
2025	$	(1,081,080)	5	$	(216,216)	$	(216,216)	$	(216,216)	$	(216,216)	$	(216,216)	$	0
2024		(3,748,378)	5		(749,676)		(749,676)		(749,676)		(749,676)		0		0
2023		(68,862)	5		(13,772)		(13,772)		(13,772)		0		0		0
2022		10,585,902	5		2,117,180		2,117,180		0		0		0		0
2021		(7,392,457)	5		(1,478,491)		0		0		0		0		0
Net Increase/(Decrease) in Pension Expense				$	(340,975)	$	1,137,516	$	(979,664)	$	(965,892)	$	(216,216)	$	0

ADDITIONAL EXHIBITS

SCHEDULE OF CONTRIBUTIONS

Plan Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contrib. as % of Covered Payroll
09/30/2025	$ 806,957	$ 1,426,430	$ (619,473)	$ 3,590,976	39.72%
09/30/2024	$ 625,096	$ 1,042,624	$ (417,528)	$ 3,880,595	26.87%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ended September 30, 2025:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October 1, 2023 valuation date.
Interest Rate	6.40%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2023 Actuarial Valuation Report for the City of Sanford Firefighter's Retirement System prepared by Foster & Foster Actuaries and Consultants.

Investment Disclosures

Schedule of Investment Returns

For the year ended September 30, 2025, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 8.66 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2025	8.66%
09/30/2024	15.57%

Support for Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of September 30, 2025, as provided by Dahab Associates, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Large Cap Equity	30.0%	9.91%
Mid Cap Equity	12.5%	9.08%
Small Cap Equity	12.5%	8.69%
Foreign/International Equity	10.0%	5.32%
Real Estate	15.0%	3.68%
Fixed Income	20.0%	0.85%
Total	100.0%	

Inflation rate of investment advisor	2.50%

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

ASSUMPTIONS

Valuation Date	October 1, 2024
GASB 67/68 Measurement Date	September 30, 2025
GASB 68 Reporting Date	September 30, 2025
Discount Rate	6.40%
Long-Term Rate of Return	6.40%
Cost Method	Entry Age Normal
Latest Experience Study Date	May 2, 2022
Mortality	
Healthy Active Lives:	Female: PubS-2010 for Employees Male: PubS-2010 for Employees, set forward 1 year
Healthy Retiree Lives:	Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set forward 1 year
Beneficiary Lives:	Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back 1 year
Disabled Lives:	Female: PubG.H-2010 for Disabled Retirees, set forward 1 year Male: PubG.H-2010 for Disabled Retirees
	All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2021.
	The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees.
	90% of active deaths are assumed to be service-incurred.
Salary Scale	Service based
Inflation	2.50%

A summary of other assumptions reflected in the valuation can be found in the October 1, 2024 Actuarial Valuation Report for the City of Sanford Firefighter's Retirement System prepared by Foster & Foster Actuaries and Consultants.

CHANGES IN ASSUMPTIONS

Total Pension Liability as of the September 30, 2025 measurement date reflects the following assumption changes:

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2024, FRS valuation report for special risk employees.

DEVELOPMENT OF THE DISCOUNT RATE

The projection of cash flows used to determine the Discount Rate assumed that current Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.40 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.50 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index.

The single equivalent Discount Rate was 6.40 percent.

SUMMARY OF CURRENT PLAN

PLAN DESCRIPTION

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:
a. Two legal residents appointed by the City Commission,
b. Two Firefighters (selected by a majority of Department Members),
c. A fifth Member elected by the other four Board Members and approved by the Commission.

The retirement system shall be closed to new Members on October 1, 2017. Firefighters hired on or after October 1, 2017 shall become compulsory members of the Florida Retirement System (FRS).

BENEFITS PROVIDED

The Plan provides retirement, termination, disability and death benefits.

A summary of the benefit provisions can be found in the Actuarial Valuation as of October 1, 2024 for the City of Sanford Firefighter's Retirement System prepared by Foster & Foster Actuaries and Consultants.

BENEFIT CHANGES

No benefit changes have been reflected since the prior year.

DEFERRED RETIREMENT OPTION PROGRAM

Eligibility:	Satisfaction of Normal Retirement requirements, defined as the earlier of the following: (1) Age 55 with 10 years of Credited Service, or (2) 25 years of Credited Service.
Participation:	Not to exceed 60 months.
Rate of return:	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.
DROP balance:	The DROP balance as of September 30, 2025 is $786,537[1].

[1]Investment Return Earned is based on available data through June 30, 2025.
Investment Return Earned includes earnings for the Quarter ending September 30, 2024.