

GOING FURTHER

CITY OF SARASOTA
GENERAL EMPLOYEES' DEFINED BENEFIT
PENSION PLAN

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED
SEPTEMBER 30, 2025 AND 2024

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Independent Auditor's Report

**Board of Trustees
City of Sarasota General Employees' Defined Benefit Pension Plan
Sarasota, Florida**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Sarasota General Employees' Defined Benefit Pension Plan (the "Plan") (a fiduciary component unit of the City of Sarasota, Florida), as of and for the years ended September 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Plan, as of September 30, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the General Employees' Defined Benefit Pension Plan and do not purport to, and do not present fairly, the financial position of the City of Sarasota, as of September 30, 2025 and **2024**, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the schedule of changes in the net pension liability and related ratios, schedule of contributions and schedule of investment returns on pages 21 through 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.



Bradenton, Florida
January 30, 2026

Management's Discussion and Analysis

September 30, 2025 and 2024

(Unaudited)

The following pages represent Management's Discussion and Analysis (MD&A) of the City of Sarasota General Employees' Defined Benefit Pension Plan (the "Plan"). It depicts and reviews the financial picture and activities of the Plan as of and for the years ended September 30, 2025 and 2024.

The intent of this MD&A is to present an assessment of the Plan's financial performance to demonstrate to readers the results of financial operations more clearly. Readers should also review the financial statements, notes to the financial statements, and required supplementary information, which follows this discussion, to further enhance their understanding of the Plan's financial performance.

Financial Highlights

- Plan assets exceeded its liabilities as of September 30, 2025 and 2024, by \$192.6 million and \$184.7 million, respectively, reported as net position restricted for pensions.
- The annual money-weighted rate of return on investments net of expenses per the Plan's investment manager was 8.1% and 19.6% for the years ended September 30, 2025 and 2024, respectively.
- The Plan's objective is to meet long-term benefit obligations through contributions and investment income. As of Actuarial Valuation reports dated September 30, 2025 and 2024, the fiduciary net position as a percentage of the total pension liability using the market value of assets was 86.7% and 84.3%.
- Additions to the Plan's net position for the years ended September 30, 2025 and 2024, were approximately \$22.3 million and \$38.5 million, respectively, and is comprised of contributions of approximately \$7.7 million and \$7.7 million, respectively, and net investment gain of approximately \$14.6 million and \$30.8 million, respectively.
- Deductions to the Plan's net position for the years ended September 30, 2025 and 2024, were approximately \$14.4 million and \$15.0 million, respectively, and is comprised primarily of benefit payments of approximately \$14.1 million and \$14.7 million, respectively.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The financial statements are the: (1) Statements of Fiduciary Net Position, (2) Statements of Changes in Fiduciary Net Position, and (3) Notes to Financial Statements.

This report also contains the following "Required Supplementary Information" in addition to the financial statements: (1) Schedule of Changes in Net Pension Liability and Related Ratios, (2) Schedule of Contributions, and (3) Schedule of Investment Return.

Financial Statements

The financial statements contained in this report are described below.

The Statements of Fiduciary Net Position (page 9) present information on the assets and liabilities and the resulting net position restricted for pensions as of September 30, 2025 and 2024. The statements reflect the Plan's investments, at fair value, along with cash and cash equivalents, receivables and other assets and liabilities.

The Statements of Changes in Fiduciary Net Position (page 10) present information showing the change in the Plan's net position restricted for pensions during the years ended September 30, 2025 and 2024. These statements reflect contributions by members, the City and investment earnings along with deductions for retirement benefits, refunds and administrative expenses.

The notes to financial statements are an integral part of the financial statements and provide additional information that is essential to the comprehensive understanding of the data provided in the financial statements. These notes describe the accounting and administrative policies under which the Plan operates and provides additional levels of detail for select financial statement items (see notes to financial statements on pages 11-20 of this report).

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect the ongoing plan perspective. Therefore, in addition to the financial statements explained above, this financial report includes three additional "Required Supplementary Information" schedules with historical trend information. The required schedules are: (1) the Schedule of Changes in Net Pension Liability and Related Ratios, (2) the Schedule of Contributions, and (3) the Schedule of Investment Returns.

Statements of Fiduciary Net Position

The following condensed comparative Statements of Fiduciary Net Position demonstrates the financial position of the Plan at September 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total assets	\$ 192,793,006	\$ 184,925,708	\$ 161,378,525
Total liabilities	<u>201,818</u>	<u>257,273</u>	<u>186,774</u>
Net position	<u>\$ 192,591,188</u>	<u>\$ 184,668,435</u>	<u>\$ 161,191,751</u>

The Plan's total assets as of September 30, 2025 and 2024, were approximately \$192.8 million and \$184.9 million, respectively, and were mostly comprised of cash, cash equivalents and investments. The 2025 total assets increased approximately \$7.9 million from 2024, primarily due to favorable returns on the Plan's investments. The 2024 total assets increased approximately \$23.5 million from 2023 due primarily to favorable returns on the Plan's investments.

The Plan's total liabilities as of September 30, 2025 and 2024, were \$201,818 and \$257,273, respectively, and were mostly comprised of accounts payable. The 2025 total liabilities decreased approximately \$55,355 from 2024, due to a decrease in accounts payable. The 2024 total liabilities increased approximately \$70,499 from 2023, due to an increase in accounts payable.

Plan assets exceed its liabilities as of September 30, 2025 by \$192.6 million and total net position restricted for pensions increased by \$7.9 million or 4.3%, due to gains in the Plan's investment portfolio. Plan assets exceed its liabilities as of September 30, 2024 by \$184.7 million and total net position restricted for pensions increased by \$23.5 million or 14.6%, due to gains in the Plan's investment portfolio.

Statements of Changes in Fiduciary Net Position

The Statements of Changes in Fiduciary Net Position displays the effect of pension Plan transactions that occurred during the year, where Additions – Deductions = Increase (Decrease) in Plan net position. The table below reflects a condensed comparative summary of the changes in net position and reflects the activities of the Plan for the years ended September 30:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Additions			
Contributions	\$ 7,712,867	\$ 7,737,705	\$ 7,291,716
Net investment income (expense)	14,601,859	30,759,983	16,340,057
Total additions	<u>22,314,726</u>	<u>38,497,688</u>	<u>23,631,773</u>
Deductions			
Benefit payments	14,083,191	14,743,493	13,207,320
Administration expenses	298,930	277,511	257,326
Refunds of participant contributions	9,852	-	-
Total deductions	<u>14,391,973</u>	<u>15,021,004</u>	<u>13,464,646</u>
Increase (decrease) in Plan net position	7,922,753	23,476,684	10,167,127
Net position restricted for pensions			
Beginning of year	<u>184,668,435</u>	<u>161,191,751</u>	<u>151,024,624</u>
End of year	<u>\$ 192,591,188</u>	<u>\$ 184,668,435</u>	<u>\$ 161,191,751</u>

Additions to Fiduciary Net Position

The following condensed comparative summary demonstrates the additions to the Plan for the years ended September 30:

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Contributions				
Plan members	\$ 409,366	\$ 444,476	\$ (35,110)	(7.90)
City of Sarasota	7,303,501	7,293,229	10,272	0.14
Net investment income (expense)	<u>14,601,859</u>	<u>30,759,983</u>	<u>(16,158,124)</u>	<u>(52.53)</u>
Total additions	<u>22,314,726</u>	<u>38,497,688</u>	<u>(16,182,962)</u>	<u>(42.04)</u>

The revenues needed to finance retirement benefits are accumulated through the collection of contributions from plan members, contributions from the City and through earnings on investments (total additions). Additions for the years ended September 30, 2025 and 2024, totaled approximately \$22.3 million and \$38.5 million, respectively.

Total additions for 2025 decreased by approximately \$16.2 million or 42.0%. The decrease for 2025 was due primarily to investment gains of approximately \$14.6 million, as compared to \$30.8 million in 2024. Fund performance decreased to 8.1% as compared to 19.6% in 2024. General employees hired on or after September 7, 2011, through December 1, 2021, were enrolled in a 401(a) Defined Contribution Plan. As of December 1, 2021, new general employees are members of the Florida Retirement System.

The \$10,272 increase in contributions from the City is primarily due to the change in the actuarial calculation of the employers' contribution. The City contribution was a dollar-based contribution in the amount of \$7,303,501 for 2025.

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Contributions				
Plan members	\$ 444,476	\$ 465,108	\$ (20,632)	(4.44)
City of Sarasota	7,293,229	6,826,608	466,621	6.84
Net investment income (expense)	<u>30,759,983</u>	<u>16,340,057</u>	<u>14,419,926</u>	<u>88.25</u>
Total additions	<u>\$ 38,497,688</u>	<u>\$ 23,631,773</u>	<u>\$ 14,865,915</u>	<u>62.91</u>

Total additions for 2024 increased by \$14.9 million or 62.9%. The increase for 2024 was due primarily to investment gains of approximately \$30.8 million, as compared to \$16.3 million in 2023. Fund performance increased to 19.6% as compared to 11.3% in 2023. General employees hired on or after September 7, 2011, through December 1, 2021, were enrolled in a 401(a) Defined Contribution Plan. As of December 1, 2021, new general employees are members of the Florida Retirement System.

The \$466,621 increase in contributions from the City is primarily due to the change in the actuarial calculation of the employers' contribution. The City contribution was a dollar-based contribution in the amount of \$7,293,229 for 2024.

Deductions from Fiduciary Plan Net Position

The table below reflects a condensed comparative summary of the deductions of the Plan for the years ended September 30:

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>% Change</u>
Benefit payments	\$ 14,083,191	\$ 14,743,493	\$ (660,302)	(4.48)
Administrative expenses	298,930	277,511	21,419	7.72
Refunds of participant contributions	9,852	-	9,852	100.00
Total deductions	<u>\$ 14,391,973</u>	<u>\$ 15,021,004</u>	<u>\$ (629,031)</u>	<u>(4.19)</u>

During 2025, the Plan distributed \$14.1 million to retired employees, beneficiaries, and DROP participants, compared to \$14.7 million in 2024. For 2025, DROP distributions were \$447,386 compared to \$1.1M in 2024.

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Benefit payments	\$ 14,743,493	\$ 13,207,320	\$ 1,536,173	11.63
Administrative expenses	277,511	257,326	20,185	7.84
Total deductions	<u>\$ 15,021,004</u>	<u>\$ 13,464,646</u>	<u>\$ 1,556,358</u>	<u>11.56</u>

During 2024, the Plan distributed \$14.7 million to retired employees, beneficiaries, and DROP participants, compared to \$13.2 million in 2023. For 2024, DROP distributions were \$1.1M compared to \$499,665 in 2023.

Retirement System as a Whole

During 2025, the Plan's net position experienced an increase due to investment returns. We believe the assets of the Plan will increase over the intermediate and long-term investment horizon.

During 2024, the Plan's net position experienced an increase due to investment returns. We believe the assets of the Plan will increase over the intermediate and long-term investment horizon.

Requests for Information

This financial report is designed to provide a general overview of the City of Sarasota General Employees' Defined Benefit Plan's finances for those with an interest in the Plan's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Sarasota General Employees' Defined Benefit Pension Plan at 1565 1st Street, Sarasota, Florida 34236.

City of Sarasota General Employees' Defined Benefit Pension Plan

STATEMENTS OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and equivalents	\$ 272,478	\$ 304,543
Receivables		
Contributions	1,296,501	950,908
Interest and dividends	271,047	244,112
Total receivables	<u>1,567,548</u>	<u>1,195,020</u>
Prepaid expenses	<u>17,513</u>	<u>14,976</u>
Investments, at fair value		
Money market funds	9,429,742	10,195,684
U.S. government securities	13,664,490	13,461,261
Mortgage-backed securities	4,886,594	4,834,667
Collateralized mortgage obligations	1,221,323	776,442
Common and preferred stock	74,975,426	86,902,599
Corporate bonds and notes	9,435,728	9,304,909
Real estate funds	13,743,132	14,905,500
Foreign stocks	34,835,144	33,368,396
Foreign bonds and notes	578,684	271,555
Other equities	28,165,204	9,390,156
Total investments	<u>190,935,467</u>	<u>183,411,169</u>
Total assets	<u>\$ 192,793,006</u>	<u>\$ 184,925,708</u>
Liabilities and net position		
Liabilities		
Accounts payable	\$ 201,818	\$ 257,273
Total liabilities	<u>201,818</u>	<u>257,273</u>
Net position restricted for pension benefits	<u>192,591,188</u>	<u>184,668,435</u>
Total liabilities and net position	<u>\$ 192,793,006</u>	<u>\$ 184,925,708</u>

See accompanying notes to financial statements.

City of Sarasota General Employees' Defined Benefit Pension Plan

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Additions		
Contributions		
Plan members	\$ 409,366	\$ 444,476
City of Sarasota	7,303,501	7,293,229
Total contributions	<u>7,712,867</u>	<u>7,737,705</u>
Investment income		
Net increase in fair value of investments	10,478,007	27,536,489
Interest and dividends	5,092,409	4,271,197
Other	30,818	13,596
Total investment income, net	<u>15,601,234</u>	<u>31,821,282</u>
Less investment expenses	999,375	1,061,299
Net investment income	<u>14,601,859</u>	<u>30,759,983</u>
Total additions, net	<u>22,314,726</u>	<u>38,497,688</u>
Deductions		
Benefits	14,083,191	14,743,493
Administrative expenses	298,930	277,511
Refunds of contributions	9,852	-
Total deductions	<u>14,391,973</u>	<u>15,021,004</u>
Increase in net position	7,922,753	23,476,684
Net position restricted for pension benefits		
Beginning of year	<u>184,668,435</u>	<u>161,191,751</u>
End of year	<u>\$ 192,591,188</u>	<u>\$ 184,668,435</u>

See accompanying notes to financial statements.

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The City of Sarasota General Employees' Defined Benefit Pension Plan's (the "Plan") financial statements are prepared using the accrual basis of accounting. Contributions from the Plan's members are recognized as revenues in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Reporting Entity

The financial statements presented are only for the General Employees' Defined Benefit Pension Plan of the City of Sarasota, Florida, and are not intended to present the basic financial statements of the City of Sarasota, Florida (the "City").

The Plan is included in the City's Annual Comprehensive Financial Report (ACFR) for the years ended September 30, 2025 and **2024**. Anyone wishing further information about the City is referred to the City's ACFR.

The Plan is a fiduciary component unit of the City which accounts for the single employer defined benefit pension plan for general employees. The provisions of the Plan provide for retirement, disability and survivor benefits.

Financial Statement Presentation

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, the following schedules are required to be included in the Required Supplementary Information section of this report:

- A ten-year schedule of changes in the net pension liability.
- A ten-year schedule of contributions.
- A ten-year schedule of the annual money-weighted rate of return on pension plan investments.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, the disclosure of contingent assets and liabilities, and the accrued actuarial liability at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Fair value of other securities is determined by the mean of the most recent bid and asked prices obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Plan's Board of Trustees, with the assistance of a valuation service.

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

Plan Administration

The Plan, a defined benefit single employer public employee retirement plan, is administered by the Plan's Board of Trustees (the "Board") in accordance with Chapter 24, Article II, of the Sarasota City Code 1986, as restated or amended. The Plan's Board of Trustees consists of the City Auditor and Clerk, the Finance Director, four members of the Plan, and a trustee who is a legal resident of the City and appointed by the City Commission. The City Commission approves all Plan provisions and amendments.

Plan Membership

At September 30, 2025 and 2024, Plan membership consisted of the following:

	<u>2025</u>	<u>2024</u>
Inactive Plan members or beneficiaries currently receiving benefits	405	408
Inactive Plan members entitled to but not yet receiving benefits	11	14
Active Plan members	<u>67</u>	<u>75</u>
Total	<u><u>483</u></u>	<u><u>497</u></u>

Benefits Provided

The Plan covers permanent, probationary, and full-time City of Sarasota employees who are not members of the Police Officers' or Firefighters' Pension Plans and were hired prior to September 7, 2011. The Plan also covers some previous City employees that became Sarasota County employees through consolidation. Members may retire as early as age 55 with ten years of service. Such a retiree would receive a retirement benefit based upon a percentage of average annual earnings during the highest four years of the last ten years of employment prior to the date of retirement multiplied by the years of service. The retirement benefit percentage increases based upon the retiree's age up to a maximum of 2.5% at age 65, or after 30 years of service regardless of age. The Plan provides disability benefits as if the participant retired at age 65, provided that ten years of credited service has been attained. If an employee separates service from the City before achieving ten years of credited service, the employee will receive their contributions plus 4.5% interest compounded annually.

Contributions

Plan members are required to contribute 6% of their annual pay to the Plan and the City and County contributions must be at least 8% of annual payroll. The Plan's Board has elected to use a dollar-based contribution determination method, therefore \$7,303,501 and \$7,293,229 is required to be contributed in total by the City and County for the fiscal years ended September 30, 2025 and 2024, respectively. The actuarially determined City and County contribution is the estimated amount necessary to finance the costs of benefits earned by Plan members during the year, with an additional amount to finance any unfunded accrued liability.

During the year ended September 30, 2025, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2023. Contributions totaling \$7,712,867 were from the following sources: the City contributed \$7,303,501, and Plan members contributed \$409,366. There were no required contributions from the County.

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 2. PLAN DESCRIPTION AND CONTRIBUTION INFORMATION (CONTINUED)

Contributions (Continued)

During the year ended September 30, 2024, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2022. Contributions totaling \$7,737,705 were from the following sources: the City contributed \$7,293,229, and Plan members contributed \$444,476. There were no required contributions from the County.

NOTE 3. DEFERRED RETIREMENT OPTION PLAN

Effective November 20, 2000, the City approved an ordinance creating a deferred retirement option plan (DROP). In lieu of terminating employment, any member may elect to defer receipt of such service retirement pension and to participate in the DROP. A member's participation in the DROP may not exceed 60 months beginning at the time the election becomes effective. A member may participate only once. An account is established for each member participating in the DROP. The member's DROP account consists of the monthly retirement benefit the member would have received had they terminated their employment and the earnings on those amounts. The member's DROP account is credited at a rate equal to 2% per year and compounded quarterly. The accrued benefit at September 30, 2025 and 2024, was \$1,221,551 and \$1,162,727, respectively, and is included in net position restricted for pension benefits.

NOTE 4. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, amounts in demand and time deposits and short-term investments with original maturity dates within three months to the date acquired by the Plan. All of the Plan's deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a fair value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositor are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

Investment Policy

All investments of the Plan must be consistent with the investment policy adopted by the Plan's Board of Trustees. The policy is structured to maximize the financial return to the Plan consistent with the risks incumbent in each investment and is structured to establish and maintain an appropriate diversification of the Plan's assets. Investments of the Plan are comprised of money market funds, U.S. Government securities, U.S. Government agency securities, common and preferred stocks, corporate bonds and notes, real estate funds, and foreign stocks as authorized by Plan policies. During 2023, the investment policy was updated to comply with applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662, along with the regulations adopted by the Department of Management Services.

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 4. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investment Policy (Continued)

The following was the Plan's adopted asset allocation policy as of September 30:

Asset Class	Target Allocation	
	2025	2024
Fixed income	20.00%	20.00%
Domestic equity	50.00%	50.00%
International equity	15.00%	15.00%
Real estate	10.00%	10.00%
Infrastructure	5.00%	5.00%
	100.00%	100.00%

Rate of Return

For the years ended September 30, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.74% and 20.20%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. As of September 30, 2025 and 2024, the Plan had the following investments:

Portfolio/Investments	2025	
	Fair Value	Duration (Years)
Money market funds	\$ 9,429,742	N/A
U.S. government securities	13,664,490	2.93
Mortgage backed securities	4,886,594	22.84
Collateralized mortgage obligations	1,221,323	8.17
Common and preferred stock	74,975,426	N/A
Corporate bonds and notes	9,435,728	2.98
Real estate funds	13,743,132	N/A
Foreign stocks	34,835,144	N/A
Foreign bonds and notes	578,684	2.21
Other equities	28,165,204	N/A
Total investments	\$ 190,935,467	

Portfolio/Investments	2024	
	Fair Value	Duration (Years)
Money market funds	\$ 10,195,684	N/A
U.S. government securities	13,461,261	2.98
Mortgage backed securities	4,834,667	23.9
Collateralized mortgage obligations	776,442	14.48
Common and preferred stock	86,902,599	N/A
Corporate bonds and notes	9,304,909	2.54
Real estate funds	14,905,500	N/A
Foreign stocks	33,368,396	N/A
Foreign bonds and notes	271,555	1.5
Other equities	9,390,156	N/A
Total investments	\$ 183,411,169	

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 4. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

The Plan manages exposure to declines in fair values through other methods such as evaluating the credit rating, diversifying the investments in the portfolio, and outside portfolio consulting. The Plan does not limit the weighted average maturity of its investment portfolio.

Custodial Credit Risk

For an investment, this is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not believe that they have a custodial risk exposure as all their securities are insured, registered and held by an outside custodian.

Concentration of Credit Risk

The Plan does not allow for any investment of more than 10% (at market) of an investment manager's equity portfolio to be invested in the shares of a single corporate issuer. Investments in equity securities shall not exceed 75% of the fair value of the total Plan assets. With the exception of Treasury and agency obligations, no more than 10% (at cost) of any investment manager's total fixed income portfolio shall be invested in the securities of a single issuer. No more than 17.5% (at market) of the Plan's assets may be invested in securities issued by corporations domiciled outside the United States.

Credit Risk

The Plan must operate in compliance with all applicable state and federal laws concerning the investment of pension assets. All equity investments are limited to those issues that are traded on a major stock exchanges or in over-the-counter securities for which there is an active market maker regulated by the NASD. Investments in corporate fixed income securities must hold a rating in one of the three highest classifications by a major rating service. If commercial paper is used, it must be rated A-1 or P-1. Ratings for the Plan's applicable securities are as follows:

	Credit Ratings			
	September 30, 2025		September 30, 2024	
	S&P	Moody's	S&P	Moody's
U.S. government securities	AA+	Aa1	AA+	Aaa
U.S. government agency securities	AAA	Aaa....NR	AAA	Aaa....NR
Corporate bonds	AA+...BBB	Aaa...Baa1	AA+...BBB	Aaa...Baa1

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan does not have a policy that addresses the risks associated with investments in foreign currency. As of September 30, 2025 and 2024, the Plan held \$35,413,828 and \$33,639,951 in international investments, representing approximately 18.5% and 18.3%, respectively of total Plan investments. The aggregate investment in Foreign Stocks exceeded the Plan's asset allocation policy of 10%; however, the largest concentration of investments in Foreign Stocks with one manager was \$15,481,724 and \$13,896,032 as of September 30, 2025 and 2024, respectively. Most of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 4. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of September 30, 2025 and 2024:

Investment	2025			Fair Value
	Level 1	Level 2	Level 3	
Investments by Fair Value Level				
Debt securities				
U.S. government securities	\$ 2,261,698	\$ 11,402,792	\$ -	\$ 13,664,490
Mortgage backed securities	-	4,886,594	-	4,886,594
Collateralized mortgage obligations	-	1,221,323	-	1,221,323
Corporate bonds and notes	-	9,435,728	-	9,435,728
Foreign bonds and notes	-	578,684	-	578,684
Total debt securities	<u>2,261,698</u>	<u>27,525,121</u>	<u>-</u>	<u>29,786,819</u>
Common and preferred stock	74,975,426	-	-	74,975,426
Real estate funds	-	-	7,088,186	7,088,186
Foreign stocks	24,457,837	10,377,307	-	34,835,144
Other equities	<u>28,165,204</u>	<u>-</u>	<u>-</u>	<u>28,165,204</u>
Total investments by fair value level	<u>\$ 129,860,165</u>	<u>\$ 37,902,428</u>	<u>\$ 7,088,186</u>	<u>174,850,779</u>
Investments Measured at Net Asset Value (NAV)				
Real estate funds				6,654,946
Total investments measured at NAV				<u>6,654,946</u>
Investments Not Subject to Level Disclosure				
Money market funds				9,429,742
Total investments				<u>\$ 190,935,467</u>

Investment	2024			Fair Value
	Level 1	Level 2	Level 3	
Investments by Fair Value Level				
Debt securities				
U.S. government securities	\$ 2,996,260	\$ 10,465,001	\$ -	\$ 13,461,261
Mortgage backed securities	-	4,834,667	-	4,834,667
Collateralized mortgage obligations	-	776,442	-	776,442
Corporate bonds and notes	-	9,304,909	-	9,304,909
Foreign bonds and notes	-	271,555	-	271,555
Total debt securities	<u>2,996,260</u>	<u>25,652,574</u>	<u>-</u>	<u>28,648,834</u>
Common and preferred stock	86,902,599	-	-	86,902,599
Real estate funds	-	-	7,600,742	7,600,742
Foreign stocks	20,515,542	12,852,854	-	33,368,396
Other equities	<u>9,390,156</u>	<u>-</u>	<u>-</u>	<u>9,390,156</u>
Total investments by fair value level	<u>\$ 119,804,557</u>	<u>\$ 38,505,428</u>	<u>\$ 7,600,742</u>	<u>165,910,727</u>
Investments Measured at Net Asset Value (NAV)				
Real estate funds				7,304,758
Total investments measured at NAV				<u>7,304,758</u>
Investments Not Subject to Level Disclosure				
Money market funds				10,195,684
Total investments				<u>\$ 183,411,169</u>

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 4. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique for similar securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Real estate funds classified in Level 3 are valued using independent appraisers to determine the fair value of the investments in the fund.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following tables:

2025				
Investment	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments Measured at Net Asset Value (NAV)				
Real estate funds ⁽¹⁾	\$ 6,654,946	-	Quarterly	45 days
Total investments measured at NAV	<u>\$ 6,654,946</u>			
2024				
Investment	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments Measured at Net Asset Value (NAV)				
Real estate funds ⁽¹⁾	\$ 7,304,758	-	Quarterly	45 days
Total investments measured at NAV	<u>\$ 7,304,758</u>			

⁽¹⁾*Real estate funds.* This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Capital commitments are accepted by the fund quarterly and are generally called from investors pro rata in the order of the quarter in which they are received. Shares are generally issued quarterly 45 days after quarter-end when that quarter's price per share is published. Redemption requests must be received by the fund 45 days prior to quarter-end, and to the extent the fund has liquid assets, redemption requests will be redeemed after quarter-end when that quarter's per share price is published. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 5. NET PENSION LIABILITY

The net pension liability is measured as the total pension liability, less the amount of the pension Plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the fair value of assets (not the smoother actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

The components of the net pension liability at September 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Total pension liability	\$ 219,310,909	\$ 218,870,489
Plan fiduciary net position	192,591,188	184,668,435
Net pension liability	<u>\$ 26,719,721</u>	<u>\$ 34,202,054</u>
Plan fiduciary net position as a percentage of the total pension liability	87.82%	84.37%

Actuarial Assumptions

The total pension liability, net pension liability and certain sensitivity information are based on an actuarial valuation performed as of September 30, 2024. The total pension liability was rolled forward from the valuation date to the Plan year ending September 30, 2025 using the following actuarial assumptions applied to all measurement periods:

Inflation	2.3%
Salary increases	4.7 to 6.3% depending on age, including inflation
Investment rate of return	6.20%

Retirement age assumptions use an experience-based table of rates that are specific to the type of eligibility condition.

As of September 30, 2025, mortality tables, as required by Florida Statutes Chapter 112.63(1)(f) were the same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2023 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes mandate the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 5. NET PENSION LIABILITY (CONTINUED)

The long-term expected rate of return on Plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension Plan's target asset allocation as of September 30, 2025 (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	1.47%
Domestic equity	6.84%
International equity	5.49%
Real estate	5.06%
Other (Infrastructure)	3.57%

Discount Rate

A single discount rate of 6.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.20%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate.

Based on those assumptions, the 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 Plan investments (6.20%) was applied to all periods of projected benefit payments to determine the total pension liability. The single discount rate was developed as follows:

Single discount rate	6.20%
Long-term expected rate of return	6.20%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Plan's net pension liability, calculated using a single discount rate of 6.20%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher:

	<u>1% Decrease 5.20%</u>	<u>Current Discount Rate 6.20%</u>	<u>1% Increase 7.20%</u>
Net pension liability	\$ 49,790,022	\$ 26,719,721	\$ 7,154,165

City of Sarasota General Employees' Defined Benefit Pension Plan

Notes To Financial Statements

NOTE 6. RISK AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, credit, and foreign currency risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of Plan net position.

Plan contributions and the actuarial present value of accumulated benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would be material to the financial statements.

NOTE 7. SUBSEQUENT EVENTS

The Plan has evaluated all events subsequent to the statements of Plan net position date of September 30, 2025 through January 30, 2026, the date these financial statements were available for issuance, and have determined that there are no subsequent events that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

City of Sarasota General Employees' Defined Benefit Pension Plan

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability											
Service cost	\$ 1,462,673	\$ 1,619,711.00	\$ 1,609,372.00	\$ 1,600,391.00	\$ 1,852,970.00	\$ 1,935,748.00	\$ 1,891,835.00	\$ 1,982,553.00	\$ 1,969,896.00	\$ 2,064,530.00	\$ 2,119,194.00
Interest	13,177,747	13,371,039	13,265,834	13,658,674	14,119,645	14,065,492	14,033,221	13,825,709	13,083,008	12,828,501	12,562,816
Benefit changes	-	-	-	(604,885)	-	-	-	-	-	-	-
Difference between actual and expected experience	(106,957)	(3,612,763)	(367,885)	(2,539,596)	(352,785)	(71,561)	(1,575,160)	961,138	(1,091,459)	269,488	101,089
Assumption changes	-	-	1,159,851	7,593,649	228,662	2,167,268	300,936	2,163,282	8,307,176	-	-
Benefit payments	(14,083,191)	(14,743,493)	(13,207,320)	(15,347,907)	(14,326,524)	(14,198,169)	(14,211,262)	(11,825,587)	(11,504,081)	(11,456,287)	(10,452,370)
Refunds	(9,852)	-	-	-	-	-	-	-	-	-	(12,822)
Net change in total pension liability	440,420	(3,365,506)	2,459,852	4,360,326	1,521,968	3,898,778	439,570	7,107,095	10,764,540	3,706,232	4,317,907
Total pension liability, beginning	218,870,489	222,235,995	219,776,143	215,415,817	213,893,849	209,995,071	209,555,501	202,448,406	191,683,866	187,977,634	183,659,727
Total pension liability, ending (a)	<u>\$ 219,310,909</u>	<u>\$ 218,870,489.00</u>	<u>\$ 222,235,995.00</u>	<u>\$ 219,776,143.00</u>	<u>\$ 215,415,817.00</u>	<u>\$ 213,893,849.00</u>	<u>\$ 209,995,071.00</u>	<u>\$ 209,555,501.00</u>	<u>\$ 202,448,406.00</u>	<u>\$ 191,683,866.00</u>	<u>\$ 187,977,634.00</u>
Plan fiduciary net position											
Contributions, employer	\$ 7,303,501	\$ 7,293,229.00	\$ 6,826,608.00	\$ 6,978,144.00	\$ 7,053,657	\$ 6,794,635	\$ 6,844,845.00	\$ 6,726,147.00	\$ 6,387,239.00	\$ 6,422,747.00	\$ 6,249,607.00
Contributions, member	409,366	444,476	465,108	462,478	526,151	601,108	640,783	691,469	717,631	748,107	767,707
Net investment income	14,601,859	30,759,983	16,340,057	(24,579,340)	34,434,727	8,773,181	(837,189)	13,334,308	18,226,619	10,327,046	(3,099,197)
Benefit payments	(14,083,191)	(14,743,493)	(13,207,320)	(15,347,907)	(14,326,524)	(14,198,169)	(14,211,262)	(11,825,587)	(11,504,081)	(11,193,972)	(10,452,370)
Refunds	(9,852)	-	-	-	-	-	-	-	-	(50,634)	(12,822)
Administrative expenses	(298,930)	(277,511)	(257,326)	(251,771)	(260,718)	(217,407)	(240,566)	(226,911)	(191,836)	(183,110)	(157,689)
Other	-	-	-	-	-	-	-	17,629	-	9,429	3,488
Net change in plan fiduciary net position	7,922,753	23,476,684	10,167,127	(32,738,396)	27,427,293	1,753,348	(7,803,389)	8,717,055	13,635,572	6,079,613	(6,701,276)
Plan fiduciary net position, beginning	184,668,435	161,191,751	151,024,624	183,763,020	156,335,727	154,582,379	162,385,768	153,668,713	140,033,141	133,953,528	140,654,804
Plan fiduciary net position, ending (b)	<u>\$ 192,591,188</u>	<u>\$ 184,668,435.00</u>	<u>\$ 161,191,751.00</u>	<u>\$ 151,024,624.00</u>	<u>\$ 183,763,020.00</u>	<u>\$ 156,335,727.00</u>	<u>\$ 154,582,379.00</u>	<u>\$ 162,385,768.00</u>	<u>\$ 153,668,713.00</u>	<u>\$ 140,033,141.00</u>	<u>\$ 133,953,528.00</u>
Net pension liability, ending (a) - (b)	<u>\$ 26,719,721</u>	<u>\$ 34,202,054.00</u>	<u>\$ 61,044,244.00</u>	<u>\$ 68,751,519.00</u>	<u>\$ 31,652,797.00</u>	<u>\$ 57,558,122.00</u>	<u>\$ 55,412,692.00</u>	<u>\$ 47,169,733.00</u>	<u>\$ 48,779,693.00</u>	<u>\$ 51,650,725.00</u>	<u>\$ 54,024,106.00</u>
Plan fiduciary net position as a percentage of the total pension liability	87.82%	84.37%	72.53%	68.72%	85.31%	73.09%	73.61%	77.49%	75.91%	73.05%	71.26%
Covered payroll	\$ 6,836,840	\$ 7,376,756.00	\$ 7,780,322.00	\$ 7,955,225.00	\$ 8,826,557.00	\$ 10,001,259.00	\$ 10,663,586.00	\$ 11,504,110.00	\$ 11,960,517.00	\$ 12,206,056.00	\$ 12,528,532.00
Net pension liability as a percentage of covered payroll	390.82%	463.65%	784.60%	864.23%	358.61%	575.51%	519.64%	410.03%	407.84%	423.16%	431.21%

City of Sarasota General Employees' Defined Benefit Pension Plan

SCHEDULE OF CONTRIBUTIONS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 7,303,501	\$ 7,293,229	\$ 6,826,608	\$ 6,978,144	\$ 7,053,657	\$ 6,766,262	\$ 6,813,954	\$ 6,726,147	\$ 6,387,239	\$ 6,422,747	\$ 6,249,607	\$ 6,011,590
Actual contribution	7,303,501	7,293,229	6,826,608	6,978,144	7,053,657	6,794,635	6,844,845	6,726,147	6,387,239	6,422,747	6,249,607	6,011,590
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (28,373)	\$ (30,891)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,836,840	\$ 7,376,756	\$ 7,780,322	\$ 7,955,225	\$ 8,826,557	\$ 10,001,259	\$ 10,663,586	\$ 11,504,110	\$ 11,960,517	\$ 12,206,056	\$ 12,528,532	\$ 13,183,483
Actual contribution as a percent of covered payroll	106.83%	98.87%	87.74%	87.72%	79.91%	67.94%	64.19%	58.47%	53.40%	52.62%	49.88%	45.60%

Valuation date: September 30, 2023

Notes: Actuarially determined contribution rates are calculated as of the September 30 which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal.
Amortization method	Level dollar, closed.
Remaining amortization period	13 years (single equivalent period).
Asset valuation method	Five-year smoothed market.
Inflation	2.3%
Salary increases	4.7% to 6.3% depending on age, including inflation.
Investment rate of return	6.20%
Retirement age	Experience based table of rates are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2022 actuarial valuation (with mortality improvements projected to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other information:

Notes: See Discussion of Valuation Results in the September 30, 2023, Actuarial Valuation Report.

City of Sarasota General Employees' Defined Benefit Pension Plan

SCHEDULE OF INVESTMENT RETURNS

Year Ended September 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2025	8.74%
2024	20.20%
2023	11.62%
2022	-13.37%
2021	22.97%
2020	5.90%
2019	-0.50%
2018	8.90%
2017	13.41%
2016	7.89%
2015	2.33%

OTHER AUDITOR'S REPORT



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees City of Sarasota General Employees' Defined Benefit Pension Plan Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Sarasota General Employees' Defined Benefit Pension Plan (the "Plan") as of and for the year ended September 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bradenton, Florida
January 30, 2026