

TOWN OF MELBOURNE BEACH
POLICE OFFICERS' RETIREMENT TRUST FUND

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2025 VALUATION DATE



April 10, 2026

Ms. Jennifer Kerr, Finance Director
Town of Melbourne Beach
507 Ocean Avenue
Melbourne Beach, FL 32951

Re: Town of Melbourne Beach Police Officers' Retirement Trust Fund
Section 112.664, Florida Statutes Compliance

Dear Jenna:

Please find enclosed the annual disclosures that satisfy the October 1, 2025 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), Florida Statutes, the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

Respectfully submitted,

Foster & Foster, Inc.



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

Enclosures

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2025 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2025

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.50%	4.50%
<u>Total Pension Liability</u>		
Service Cost	214,517	320,266
Interest	332,899	296,432
Share Plan Allocation	1,563	1,563
Changes of Benefit Terms	-	-
Experience Gains/Losses	89,493	106,689
Changes of Assumptions	193,018	278,524
Benefit Payments	(338,638)	(338,638)
Net Change in Total Pension Liability	492,852	664,836
Total Pension Liability - Beginning	5,076,326	6,436,426
Total Pension Liability - Ending (a)	<u>\$ 5,569,178</u>	<u>\$ 7,101,262</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	173,905	173,905
Contributions - State	57,172	57,172
Contributions - Employee	40,512	40,512
Net Investment Income	489,730	489,730
Benefit Payments	(338,638)	(338,638)
Administrative Expense	(25,253)	(25,253)
Net Change in Plan Fiduciary Net Position	397,428	397,428
Plan Fiduciary Net Position - Beginning	5,335,151	5,335,151
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,732,579</u>	<u>\$ 5,732,579</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (163,401)</u>	<u>\$ 1,368,683</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 6.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	5,732,579	-	342,559	-	361,484	5,751,504
2026	5,751,504	-	326,906	-	363,223	5,787,821
2027	5,787,821	-	323,449	-	365,696	5,830,068
2028	5,830,068	-	371,765	-	366,872	5,825,175
2029	5,825,175	-	368,537	-	366,659	5,823,297
2030	5,823,297	-	362,666	-	366,728	5,827,359
2031	5,827,359	-	357,394	-	367,163	5,837,128
2032	5,837,128	-	352,402	-	367,960	5,852,686
2033	5,852,686	-	346,859	-	369,152	5,874,979
2034	5,874,979	-	376,401	-	369,641	5,868,219
2035	5,868,219	-	369,708	-	369,419	5,867,930
2036	5,867,930	-	362,854	-	369,623	5,874,699
2037	5,874,699	-	356,132	-	370,281	5,888,848
2038	5,888,848	-	368,470	-	370,800	5,891,178
2039	5,891,178	-	377,596	-	370,655	5,884,237
2040	5,884,237	-	371,736	-	370,394	5,882,895
2041	5,882,895	-	363,112	-	370,587	5,890,370
2042	5,890,370	-	354,781	-	371,344	5,906,933
2043	5,906,933	-	349,006	-	372,608	5,930,535
2044	5,930,535	-	339,637	-	374,447	5,965,345
2045	5,965,345	-	331,814	-	376,963	6,010,494
2046	6,010,494	-	322,701	-	380,194	6,067,987
2047	6,067,987	-	317,250	-	384,109	6,134,846
2048	6,134,846	-	307,188	-	388,781	6,216,439
2049	6,216,439	-	297,856	-	394,388	6,312,971
2050	6,312,971	-	289,486	-	400,935	6,424,420
2051	6,424,420	-	279,832	-	408,493	6,553,081
2052	6,553,081	-	270,001	-	417,175	6,700,255
2053	6,700,255	-	259,947	-	427,068	6,867,376
2054	6,867,376	-	249,831	-	438,260	7,055,805
2055	7,055,805	-	239,493	-	450,844	7,267,156
2056	7,267,156	-	229,000	-	464,923	7,503,079
2057	7,503,079	-	218,231	-	480,608	7,765,456
2058	7,765,456	-	207,323	-	498,017	8,056,150
2059	8,056,150	-	196,357	-	517,268	8,377,061
2060	8,377,061	-	185,350	-	538,485	8,730,196
2061	8,730,196	-	174,409	-	561,794	9,117,581
2062	9,117,581	-	163,594	-	587,326	9,541,313
2063	9,541,313	-	152,943	-	615,215	10,003,585
2064	10,003,585	-	142,491	-	645,602	10,506,696
2065	10,506,696	-	132,258	-	678,637	11,053,075
2066	11,053,075	-	122,270	-	714,476	11,645,281
2067	11,645,281	-	112,579	-	753,284	12,285,986
2068	12,285,986	-	103,231	-	795,234	12,977,989
2069	12,977,989	-	94,246	-	840,506	13,724,249
2070	13,724,249	-	85,646	-	889,293	14,527,896
2071	14,527,896	-	77,433	-	941,797	15,392,260
2072	15,392,260	-	69,608	-	998,235	16,320,887
2073	16,320,887	-	62,192	-	1,058,836	17,317,531

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 6.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2074	17,317,531	-	55,206	-	1,123,845	18,386,170
2075	18,386,170	-	48,671	-	1,193,519	19,531,018
2076	19,531,018	-	42,606	-	1,268,131	20,756,543
2077	20,756,543	-	37,028	-	1,347,972	22,067,487
2078	22,067,487	-	31,951	-	1,433,348	23,468,884
2079	23,468,884	-	27,383	-	1,524,588	24,966,089
2080	24,966,089	-	23,311	-	1,622,038	26,564,816
2081	26,564,816	-	19,716	-	1,726,072	28,271,172
2082	28,271,172	-	16,569	-	1,837,088	30,091,691
2083	30,091,691	-	13,841	-	1,955,510	32,033,360
2084	32,033,360	-	11,500	-	2,081,795	34,103,655
2085	34,103,655	-	9,502	-	2,216,429	36,310,582
2086	36,310,582	-	7,810	-	2,359,934	38,662,706
2087	38,662,706	-	6,383	-	2,512,868	41,169,191
2088	41,169,191	-	5,186	-	2,675,829	43,839,834
2089	43,839,834	-	4,186	-	2,849,453	46,685,101
2090	46,685,101	-	3,355	-	3,034,423	49,716,169
2091	49,716,169	-	2,667	-	3,231,464	52,944,966
2092	52,944,966	-	2,102	-	3,441,354	56,384,218
2093	56,384,218	-	1,639	-	3,664,921	60,047,500
2094	60,047,500	-	1,263	-	3,903,046	63,949,283
2095	63,949,283	-	959	-	4,156,672	68,104,996
2096	68,104,996	-	717	-	4,426,801	72,531,080
2097	72,531,080	-	527	-	4,714,503	77,245,056
2098	77,245,056	-	379	-	5,020,916	82,265,593
2099	82,265,593	-	267	-	5,347,255	87,612,581
2100	87,612,581	-	184	-	5,694,812	93,307,209
2101	93,307,209	-	123	-	6,064,965	99,372,051
2102	99,372,051	-	81	-	6,459,181	105,831,151
2103	105,831,151	-	51	-	6,879,023	112,710,123
2104	112,710,123	-	32	-	7,326,157	120,036,248
2105	120,036,248	-	19	-	7,802,356	127,838,585
2106	127,838,585	-	11	-	8,309,508	136,148,082
2107	136,148,082	-	6	-	8,849,625	144,997,701
2108	144,997,701	-	3	-	9,424,850	154,422,548
2109	154,422,548	-	2	-	10,037,466	164,460,012
2110	164,460,012	-	1	-	10,689,901	175,149,912
2111	175,149,912	-	1	-	11,384,744	186,534,655
2112	186,534,655	-	-	-	12,124,753	198,659,408

*All Share Balances paid in 2025.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Investment Rate of Return = 4.50%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	5,732,579	-	342,559	-	250,258	5,640,278
2026	5,640,278	-	326,906	-	246,457	5,559,829
2027	5,559,829	-	323,449	-	242,915	5,479,295
2028	5,479,295	-	371,765	-	238,204	5,345,734
2029	5,345,734	-	368,537	-	232,266	5,209,463
2030	5,209,463	-	362,666	-	226,266	5,073,063
2031	5,073,063	-	357,394	-	220,246	4,935,915
2032	4,935,915	-	352,402	-	214,187	4,797,700
2033	4,797,700	-	346,859	-	208,092	4,658,933
2034	4,658,933	-	376,401	-	201,183	4,483,715
2035	4,483,715	-	369,708	-	193,449	4,307,456
2036	4,307,456	-	362,854	-	185,671	4,130,273
2037	4,130,273	-	356,132	-	177,849	3,951,990
2038	3,951,990	-	368,470	-	169,549	3,753,069
2039	3,753,069	-	377,596	-	160,392	3,535,865
2040	3,535,865	-	371,736	-	150,750	3,314,879
2041	3,314,879	-	363,112	-	141,000	3,092,767
2042	3,092,767	-	354,781	-	131,192	2,869,178
2043	2,869,178	-	349,006	-	121,260	2,641,432
2044	2,641,432	-	339,637	-	111,223	2,413,018
2045	2,413,018	-	331,814	-	101,120	2,182,324
2046	2,182,324	-	322,701	-	90,944	1,950,567
2047	1,950,567	-	317,250	-	80,637	1,713,954
2048	1,713,954	-	307,188	-	70,216	1,476,982
2049	1,476,982	-	297,856	-	59,762	1,238,888
2050	1,238,888	-	289,486	-	49,237	998,639
2051	998,639	-	279,832	-	38,643	757,450
2052	757,450	-	270,001	-	28,010	515,459
2053	515,459	-	259,947	-	17,347	272,859
2054	272,859	-	249,831	-	6,657	29,685
2055	29,685	-	239,493	-	-	-

*All Share Balances paid in 2025.

Number of Years Expected Benefit Payments Sustained: 30.12

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.50% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2027

Valuation Date: 10/1/2025

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
Minimum Required Contribution (Fixed \$)	\$295,562	\$513,927
Minimum Required Contribution (% of Payroll)	34.76%	60.45%
Expected Member Contribution	42,505	42,505
Expected State Money	55,609	55,609
Expected Sponsor Contribution (Fixed \$)	\$197,448	\$415,813
Expected Sponsor Contribution (% of Payroll)	23.22%	48.91%

ASSETS

Actuarial Value ¹	5,339,851	5,339,851
Market Value ¹	5,732,579	5,732,579

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	3,336,595	5,308,642
Disability Benefits	308,458	436,824
Death Benefits	21,366	34,549
Vested Benefits	0	0
Refund of Contributions	50,994	52,856
Service Retirees	3,154,913	3,748,689
Beneficiaries	3,658	3,690
Disability Retirees	183,349	221,875
Terminated Vested	156,796	246,449
Share Plan Balances ¹	1,564	1,564
Total:	7,217,693	10,055,138
Present Value of Future Salaries	5,863,095	6,578,723
Present Value of Future Member Contributions	293,155	328,936
Total Normal Cost	224,945	350,144
Present Value of Future Normal Costs (Entry Age Normal)	1,514,689	2,734,272
Total Actuarial Accrued Liability (EAN) ¹	5,703,004	7,320,866
Unfunded Actuarial Accrued Liability (UAAL)	363,153	1,981,015

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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2027

Valuation Date: 10/1/2025

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.50%	4.50%
<u>PENSION COST</u>		
Normal Cost (with interest)	232,256	358,022
Administrative Expenses (with interest)	25,283	25,038
Payment Required To Amortize UAAL (with interest)	38,023	130,867
Minimum Required Contribution	\$295,562	\$513,927

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2025.