



City of Cocoa Beach Police Officers' 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

January 5, 2026

Board of Trustees

City of Cocoa Beach Police Officers' Retirement System

Re: GASB 67/68 Disclosures – City of Cocoa Beach Police Officers' Retirement System

Dear Board,

We are pleased to present this report of the disclosure information required by 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 Cocoa Beach Police Officers' Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Cocoa Beach Police Officers' 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.



Douglas H. Lozen, 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 | 37 | 39 |
| Inactives Not Yet Receiving Benefits | 7 | 7 |
| Active Plan Members | <u>36</u> | <u>34</u> |

| | | |
|-------|----|----|
| Total | 80 | 80 |
|-------|----|----|

| | | |
|-----------------|--------------|--------------|
| Covered Payroll | \$ 3,134,977 | \$ 2,771,278 |
|-----------------|--------------|--------------|

NET PENSION LIABILITY/(ASSET)

| | | |
|-------------------------------|-------------------|-------------------|
| Total Pension Liability | \$ 24,364,036 | \$ 23,971,867 |
| Plan Fiduciary Net Position | <u>20,447,101</u> | <u>18,563,758</u> |
| Net Pension Liability/(Asset) | \$ 3,916,935 | \$ 5,408,109 |

| | | |
|--|--------|--------|
| Plan Fiduciary Net Position As a % of Total Pension Liability | 83.92% | 77.44% |
|--|--------|--------|

| | | |
|--|---------|---------|
| Net Pension Liability/(Asset) As a % of Covered Payroll | 124.94% | 195.15% |
|--|---------|---------|

| | | |
|--------------------------------|--------------|--------------|
| Total Pension Expense/(Income) | \$ 1,236,094 | \$ 1,597,853 |
|--------------------------------|--------------|--------------|

DEVELOPMENT OF SINGLE DISCOUNT RATE

| | | |
|--|-----------|-----------|
| Single Discount Rate | 7.00% | 7.20% |
| Long-Term Expected Rate of Return | 7.00% | 7.20% |
| 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 | 292,561 |
| Total Cash and Equivalents | 292,561 |
| RECEIVABLES: | |
| Additional City Contributions | 59,979 |
| Total Receivables | 59,979 |
| INVESTMENTS: | |
| Mutual Funds: | |
| Fixed Income | 4,039,890 |
| Equity | 14,045,483 |
| Pooled/Common/Commingled Funds: | |
| Real Estate | 2,015,813 |
| Total Investments | 20,101,186 |
| TOTAL ASSETS | 20,453,726 |
| LIABILITIES | |
| Payables: | |
| Investment Expenses | 6,625 |
| Total Liabilities | 6,625 |
| NET ASSETS: | 20,447,101 |

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

| | | Year Ended SEPTEMBER 30, 2025 |
|---|-----------|----------------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Member | 156,749 | |
| City | 920,979 | |
| State | 169,016 | |
| Total Contributions | | 1,246,744 |
| Investment Income: | | |
| Net Increase in Fair Value of Investments | 1,125,721 | |
| Interest & Dividends | 1,097,530 | |
| Less Investment Expense ¹ | (64,469) | |
| Net Investment Income | | 2,158,782 |
| Total Additions | | 3,405,526 |
| DEDUCTIONS | | |
| Distributions to Members: | | |
| Benefit Payments | 1,331,096 | |
| Lump Sum DROP Distributions | 107,785 | |
| Refunds of Member Contributions | 639 | |
| Total Distributions | | 1,439,520 |
| Administrative Expense | | 82,663 |
| Total Deductions | | 1,522,183 |
| Net Increase in Net Position | | 1,883,343 |
| NET POSITION RESTRICTED FOR PENSIONS | | |
| Beginning of the Year | | 18,563,758 |
| End of the Year | | 20,447,101 |

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

GASB EXHIBITS

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 | 419,769 | 383,305 |
| Interest | 1,704,374 | 1,598,800 |
| Changes in Benefit Terms | 0 | 0 |
| Experience (Gains)/Losses | (1,022,023) | 940,849 |
| Changes of Assumptions | 729,569 | 494,114 |
| Benefit Payments | (1,439,520) | (1,334,597) |
| Net Change in Total Pension Liability | 392,169 | 2,082,471 |
| Total Pension Liability – Beginning | 23,971,867 | 21,889,396 |
| Total Pension Liability – Ending (a) | \$ 24,364,036 | \$ 23,971,867 |

PLAN FIDUCIARY NET POSITION

| | | |
|---|---------------|---------------|
| Contributions – Employer | 920,979 | 719,763 |
| Contributions – State | 169,016 | 153,252 |
| Contributions – Employee | 156,749 | 138,564 |
| Net Investment Income | 2,158,782 | 2,641,954 |
| Benefit Payments | (1,439,520) | (1,334,597) |
| Administrative Expense | (82,663) | (34,138) |
| Other | 0 | 0 |
| Net Change in Plan Fiduciary Net Position | 1,883,343 | 2,284,798 |
| Plan Fiduciary Net Position – Beginning | 18,563,758 | 16,278,960 |
| Adjustment to beginning of year | 0 | 0 |
| Plan Fiduciary Net Position – Ending (b) | \$ 20,447,101 | \$ 18,563,758 |

| | | |
|--|--------------|--------------|
| Net Pension Liability – Ending (a) – (b) | \$ 3,916,935 | \$ 5,408,109 |
|--|--------------|--------------|

Plan Fiduciary Net Position

| | | |
|---------------------------------|--------|--------|
| As % of Total Pension Liability | 83.92% | 77.44% |
|---------------------------------|--------|--------|

| | | |
|-----------------|--------------|--------------|
| Covered Payroll | \$ 3,134,977 | \$ 2,771,278 |
|-----------------|--------------|--------------|

Net Pension Liability

| | | |
|-------------------------|---------|---------|
| As % of Covered Payroll | 124.94% | 195.15% |
|-------------------------|---------|---------|

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 | 7.00% | 7.20% |
| + 1% Discount Rate | 8.00% | 8.20% |
| - 1% Discount Rate | 6.00% | 6.20% |
| Net Pension Liability | | |
| Current Discount Rate | \$ 3,916,935 | \$ 5,408,109 |
| 1% Increase in Discount Rate | 1,504,284 | 3,104,037 |
| 1% Decrease in Discount Rate | 6,823,278 | 8,171,113 |

PENSION EXPENSE YEAR-END SEPTEMBER 30, 2025

For the year ended September 30, 2025, the Sponsor will recognize a Pension Expense/(Income) of \$1,236,094. 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 | \$ 419,769 |
| Interest on Total Pension Liability | 1,704,374 |
| Changes in Benefit Terms | 0 |
| Contributions – Employee | (156,749) |
| Projected Earnings on Investments | (1,326,675) |
| Administrative Expenses | 82,663 |
| Recognition of Deferred Outflows/(Inflows) | |
| Experience (Gains)/Losses | 68,682 |
| Assumption Changes | 347,098 |
| Investment Returns | 96,932 |
| Total Pension Expense | \$ 1,236,094 |

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 | 313,616 | 766,518 |
| Changes of Assumptions | 711,881 | 0 |
| Net Difference Between Projected and Actual Earnings on pension Plan Investments | 0 | 528,505 |
| Total | \$ 1,025,497 | \$ 1,295,023 |

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 | \$ 942,090 |
| 2027 | (515,555) |
| 2028 | (529,640) |
| 2029 | (166,421) |
| 2030 | 0 |
| Thereafter | 0 |

Payable to the Pension Plan

On September 30, 2025, the Sponsor reported a payable of \$59,979 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2025.

SUPPLEMENTARY GASB 68 EXPENSE DETAIL

AMORTIZATION SCHEDULE – EXPERIENCE

| Year | Initial Base | Recognition Period | 2025 | 2026 | 2027 | 2028 | 2029 | Thereafter |
|--|----------------|--------------------|--------------|--------------|--------------|--------------|------|------------|
| 2025 | \$ (1,022,023) | 4 | \$ (255,505) | \$ (255,506) | \$ (255,506) | \$ (255,506) | \$ 0 | 0 |
| 2024 | 940,849 | 3 | 313,616 | 313,616 | 0 | 0 | 0 | 0 |
| 2023 | 31,712 | 3 | 10,571 | 0 | 0 | 0 | 0 | 0 |
| Net Increase/(Decrease) in Pension Expense | | | \$ 68,682 | \$ 58,110 | \$ (255,506) | \$ (255,506) | \$ 0 | 0 |

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

| Year | Initial Base | Recognition Period | 2025 | 2026 | 2027 | 2028 | 2029 | Thereafter |
|--|--------------|--------------------|------------|------------|------------|------------|------|------------|
| 2025 | \$ 729,569 | 4 | \$ 182,393 | \$ 182,392 | \$ 182,392 | \$ 182,392 | \$ 0 | \$ 0 |
| 2024 | 494,114 | 3 | 164,705 | 164,705 | 0 | 0 | 0 | 0 |
| Net Increase/(Decrease) in Pension Expense | | | \$ 347,098 | \$ 347,097 | \$ 182,392 | \$ 182,392 | \$ 0 | \$ 0 |

AMORTIZATION SCHEDULE – INVESTMENTS

| Year | Initial Base | Recognition Period | 2025 | 2026 | 2027 | 2028 | 2029 | Thereafter |
|--|--------------|--------------------|--------------|--------------|--------------|--------------|--------------|------------|
| 2025 | \$ (832,107) | 5 | \$ (166,423) | \$ (166,421) | \$ (166,421) | \$ (166,421) | \$ (166,421) | 0 |
| 2024 | (1,450,526) | 5 | (290,105) | (290,105) | (290,105) | (290,105) | 0 | 0 |
| 2023 | 70,425 | 5 | 14,085 | 14,085 | 14,085 | 0 | 0 | 0 |
| 2022 | 4,896,619 | 5 | 979,324 | 979,324 | 0 | 0 | 0 | 0 |
| 2021 | (2,199,743) | 5 | (439,949) | 0 | 0 | 0 | 0 | 0 |
| Net Increase/(Decrease) in Pension Expense | | | \$ 96,932 | \$ 536,883 | \$ (442,441) | \$ (456,526) | \$ (166,421) | 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 | \$ 1,044,261 | \$ 1,044,261 | \$ 0 | \$ 3,134,977 | 33.31% |
| 09/30/2024 | \$ 863,530 | \$ 843,046 | \$ 20,484 | \$ 2,771,278 | 30.42% |

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 | 7.40% |
| 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 Cocoa Beach Police Officers' 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 11.60 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 | 11.60% |
| 09/30/2024 | 16.33% |

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 arithmetic 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 Mariner, are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------|-------------------|--|
| Domestic Equity | 50% | 7.50% |
| International Equity | 15% | 8.50% |
| Broad Market Fixed Income | 15% | 2.50% |
| Global Fixed Income | 5% | 3.50% |
| Real Estate | 15% | 4.50% |
| Total | 100% | |

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 | 7.00% |
| Long-Term Rate of Return | 7.00% |
| Cost Method | Entry Age Normal |
| Latest Experience Study Date | July 29, 2021 |
| Mortality | |
| Healthy Active Lives: | Female: PubS-2010 for Employees Male: PubS-2010 for Employees, set forward 1 year |
| <i>Healthy Retiree Lives:</i> | Female: PubS-2010 for Healthy Retirees Male: PubS-2010 for Healthy Retirees, set forward 1 year |
| <i>Beneficiary Lives:</i> | Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back 1 year |
| <i>Disabled Lives:</i> | 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. |
| 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 Cocoa Beach Police Officers' 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:

- The discount rate was updated from 7.20% to 7.00%.
- 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 (7.00 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 7.00 percent.

SUMMARY OF CURRENT PLAN

PLAN DESCRIPTION

Each person employed by the City Police Department as a full-time Police Officer becomes a member of the Plan as a condition of his employment. All Police Officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Two City Commission appointees who are City residents,
- b. Two elected Members of the System,
- c. Fifth Member elected by other four and appointed by Commission (as a ministerial duty).

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 Cocoa Beach Police Officers' 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. |
| Participation: | Not more than 60 months. |
| Rate of return: | Actual net rate of investment return (total return net of brokerage commissions, transaction costs, and management fees). |
| DROP balance: | The DROP balance as of September 30, 2025 is \$256,899. |