

CITY OF FORT WALTON BEACH
GENERAL EMPLOYEES' RETIREMENT FUND

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



January 12, 2026

Ms. Carol Godmin, Budget and Grants Analyst
City of Fort Walton Beach
General Retirement Fund
107 Miracle Strip Parkway, SW
Fort Walton Beach, FL 32548

Re: City of Fort Walton Beach General Employees' Retirement Fund
Section 112.664, Florida Statutes Compliance

Dear Carol:

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.



Joseph L. Griffin, ASA, EA, MAAA
Enrolled Actuary #23-6938

Enclosures

cc via email: Sean Sendra, Board Attorney

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

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
Discount Rate:		
<u>Total Pension Liability</u>		
Service Cost	196,678	321,954
Interest	3,642,868	3,195,851
Changes of Benefit Terms	-	-
Experience Gains/Losses	(1,268,757)	(1,497,009)
Changes of Assumptions	454,031	513,866
Benefit Payments	(3,688,611)	(3,688,611)
Net Change in Total Pension Liability	(663,791)	(1,153,949)
Total Pension Liability - Beginning	53,688,594	65,439,365
Total Pension Liability - Ending (a)	<u>\$ 53,024,803</u>	<u>\$ 64,285,416</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	228,642	228,642
Contributions - Employee	71,535	71,535
Net Investment Income	7,014,025	7,014,025
Benefit Payments	(3,688,611)	(3,688,611)
Administrative Expense	(49,087)	(49,087)
Net Change in Plan Fiduciary Net Position	3,576,504	3,576,504
Plan Fiduciary Net Position - Beginning	56,558,896	56,558,896
Plan Fiduciary Net Position - Ending (b)	<u>\$ 60,135,400</u>	<u>\$ 60,135,400</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (7,110,597)</u>	<u>\$ 4,150,016</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.00%

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	60,135,400	-	4,054,617	-	4,067,566	60,148,349
2026	60,148,349	-	4,220,863	-	4,062,654	59,990,140
2027	59,990,140	-	4,285,519	-	4,049,317	59,753,938
2028	59,753,938	-	4,331,192	-	4,031,184	59,453,930
2029	59,453,930	-	4,377,810	-	4,008,552	59,084,672
2030	59,084,672	-	4,370,544	-	3,982,958	58,697,086
2031	58,697,086	-	4,353,360	-	3,956,428	58,300,154
2032	58,300,154	-	4,336,561	-	3,929,231	57,892,824
2033	57,892,824	-	4,299,621	-	3,902,011	57,495,214
2034	57,495,214	-	4,294,600	-	3,874,354	57,074,968
2035	57,074,968	-	4,234,858	-	3,847,028	56,687,138
2036	56,687,138	-	4,178,280	-	3,821,860	56,330,718
2037	56,330,718	-	4,133,488	-	3,798,478	55,995,708
2038	55,995,708	-	4,076,389	-	3,777,026	55,696,345
2039	55,696,345	-	3,969,917	-	3,759,797	55,486,225
2040	55,486,225	-	3,895,911	-	3,747,679	55,337,993
2041	55,337,993	-	3,762,773	-	3,741,962	55,317,182
2042	55,317,182	-	3,642,117	-	3,744,729	55,419,794
2043	55,419,794	-	3,491,696	-	3,757,176	55,685,274
2044	55,685,274	-	3,333,415	-	3,781,300	56,133,159
2045	56,133,159	-	3,167,904	-	3,818,444	56,783,699
2046	56,783,699	-	3,005,062	-	3,869,682	57,648,319
2047	57,648,319	-	2,838,556	-	3,936,033	58,745,796
2048	58,745,796	-	2,679,018	-	4,018,440	60,085,218
2049	60,085,218	-	2,502,019	-	4,118,395	61,701,594
2050	61,701,594	-	2,325,655	-	4,237,714	63,613,653
2051	63,613,653	-	2,150,793	-	4,377,678	65,840,538
2052	65,840,538	-	1,979,209	-	4,539,565	68,400,894
2053	68,400,894	-	1,811,605	-	4,724,656	71,313,945
2054	71,313,945	-	1,649,025	-	4,934,260	74,599,180
2055	74,599,180	-	1,492,508	-	5,169,705	78,276,377
2056	78,276,377	-	1,343,035	-	5,432,340	82,365,682
2057	82,365,682	-	1,201,479	-	5,723,546	86,887,749
2058	86,887,749	-	1,068,591	-	6,044,742	91,863,900
2059	91,863,900	-	944,946	-	6,397,400	97,316,354
2060	97,316,354	-	830,912	-	6,783,063	103,268,505
2061	103,268,505	-	726,666	-	7,203,362	109,745,201
2062	109,745,201	-	632,146	-	7,660,039	116,773,094
2063	116,773,094	-	547,121	-	8,154,967	124,380,940
2064	124,380,940	-	471,225	-	8,690,173	132,599,888
2065	132,599,888	-	403,958	-	9,267,854	141,463,784
2066	141,463,784	-	344,748	-	9,890,399	151,009,435
2067	151,009,435	-	292,963	-	10,560,407	161,276,879
2068	161,276,879	-	247,929	-	11,280,704	172,309,654
2069	172,309,654	-	208,968	-	12,054,362	184,155,048
2070	184,155,048	-	175,398	-	12,884,714	196,864,364
2071	196,864,364	-	146,564	-	13,775,376	210,493,176
2072	210,493,176	-	121,884	-	14,730,256	225,101,548
2073	225,101,548	-	100,831	-	15,753,579	240,754,296

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.00%

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	240,754,296	-	82,947	-	16,849,898	257,521,247
2075	257,521,247	-	67,832	-	18,024,113	275,477,528
2076	275,477,528	-	55,121	-	19,281,498	294,703,905
2077	294,703,905	-	44,498	-	20,627,716	315,287,123
2078	315,287,123	-	35,667	-	22,068,850	337,320,306
2079	337,320,306	-	28,364	-	23,611,429	360,903,371
2080	360,903,371	-	22,364	-	25,262,453	386,143,460
2081	386,143,460	-	17,472	-	27,029,431	413,155,419
2082	413,155,419	-	13,513	-	28,920,406	442,062,312
2083	442,062,312	-	10,342	-	30,944,000	472,995,970
2084	472,995,970	-	7,824	-	33,109,444	506,097,590
2085	506,097,590	-	5,842	-	35,426,627	541,518,375
2086	541,518,375	-	4,299	-	37,906,136	579,420,212
2087	579,420,212	-	3,113	-	40,559,306	619,976,405
2088	619,976,405	-	2,214	-	43,398,271	663,372,462
2089	663,372,462	-	1,544	-	46,436,018	709,806,936
2090	709,806,936	-	1,054	-	49,686,449	759,492,331
2091	759,492,331	-	703	-	53,164,439	812,656,067
2092	812,656,067	-	458	-	56,885,909	869,541,518
2093	869,541,518	-	291	-	60,867,896	930,409,123
2094	930,409,123	-	180	-	65,128,632	995,537,575
2095	995,537,575	-	108	-	69,687,626	1,065,225,093
2096	1,065,225,093	-	63	-	74,565,754	1,139,790,784
2097	1,139,790,784	-	36	-	79,785,354	1,219,576,102
2098	1,219,576,102	-	20	-	85,370,326	1,304,946,408
2099	1,304,946,408	-	11	-	91,346,248	1,396,292,645
2100	1,396,292,645	-	6	-	97,740,485	1,494,033,124
2101	1,494,033,124	-	3	-	104,582,319	1,598,615,440
2102	1,598,615,440	-	2	-	111,903,081	1,710,518,519
2103	1,710,518,519	-	1	-	119,736,296	1,830,254,814
2104	1,830,254,814	-	-	-	128,117,837	1,958,372,651

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 7.00% 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 = 5.00%

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	60,135,400	-	4,054,617	-	2,905,405	58,986,188
2026	58,986,188	-	4,220,863	-	2,843,788	57,609,113
2027	57,609,113	-	4,285,519	-	2,773,318	56,096,912
2028	56,096,912	-	4,331,192	-	2,696,566	54,462,286
2029	54,462,286	-	4,377,810	-	2,613,669	52,698,145
2030	52,698,145	-	4,370,544	-	2,525,644	50,853,245
2031	50,853,245	-	4,353,360	-	2,433,828	48,933,713
2032	48,933,713	-	4,336,561	-	2,338,272	46,935,424
2033	46,935,424	-	4,299,621	-	2,239,281	44,875,084
2034	44,875,084	-	4,294,600	-	2,136,389	42,716,873
2035	42,716,873	-	4,234,858	-	2,029,972	40,511,987
2036	40,511,987	-	4,178,280	-	1,921,142	38,254,849
2037	38,254,849	-	4,133,488	-	1,809,405	35,930,766
2038	35,930,766	-	4,076,389	-	1,694,629	33,549,006
2039	33,549,006	-	3,969,917	-	1,578,202	31,157,291
2040	31,157,291	-	3,895,911	-	1,460,467	28,721,847
2041	28,721,847	-	3,762,773	-	1,342,023	26,301,097
2042	26,301,097	-	3,642,117	-	1,224,002	23,882,982
2043	23,882,982	-	3,491,696	-	1,106,857	21,498,143
2044	21,498,143	-	3,333,415	-	991,572	19,156,300
2045	19,156,300	-	3,167,904	-	878,617	16,867,013
2046	16,867,013	-	3,005,062	-	768,224	14,630,175
2047	14,630,175	-	2,838,556	-	660,545	12,452,164
2048	12,452,164	-	2,679,018	-	555,633	10,328,779
2049	10,328,779	-	2,502,019	-	453,888	8,280,648
2050	8,280,648	-	2,325,655	-	355,891	6,310,884
2051	6,310,884	-	2,150,793	-	261,774	4,421,865
2052	4,421,865	-	1,979,209	-	171,613	2,614,269
2053	2,614,269	-	1,811,605	-	85,423	888,087
2054	888,087	-	1,649,025	-	-	-

Number of Years Expected Benefit Payments Sustained: 29.54

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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, 2026

Valuation Date: 10/1/2025

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$192,378	\$705,547
Minimum Required Contribution (% of Payroll)	21.2%	77.6%
Expected Member Contribution	45,457	48,908
Expected Sponsor Contribution (Fixed \$)	\$146,921	\$656,639
Expected Sponsor Contribution (% of Payroll)	16.2%	72.6%

ASSETS

Actuarial Value	55,597,991	55,597,991
Market Value	60,135,400	60,135,400

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	10,110,070	13,256,271
Disability Benefits	243,209	313,402
Death Benefits	56,414	81,070
Vested Benefits	122,907	209,826
Refund of Contributions	0	0
Service Retirees	36,164,308	42,955,107
Beneficiaries	4,268,077	5,027,642
Disability Retirees	192,020	210,319
Terminated Vested	1,800,217	2,529,284
Total:	52,957,222	64,582,921
Present Value of Future Salaries	4,070,720	4,417,429
Present Value of Future Member Contributions	203,536	220,871
Total Normal Cost	121,619	203,438
Present Value of Future Normal Costs (Entry Age Normal)	455,328	853,827
Total Actuarial Accrued Liability (EAN)	52,501,894	63,729,094
Unfunded Actuarial Accrued Liability (UAAL)	(3,096,097)	8,131,103

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026

	Valuation Date: 10/1/2025	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost ¹	134,389	218,885
Administrative Expenses ¹	57,989	56,464
Payment Required To Amortize UAAL ¹	(363,375)	430,198
Minimum Required Contribution ²	\$192,378	\$705,547

¹ Contributions developed as of 10/1/2025 displayed above have been adjusted to account for assumed salary increase and interest components.

² Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.