

June 25, 2015

VIA EMAIL

Ms. Ferrell Jenne, Plan Administrator
Town of Indian River Shores
Public Safety Officers and Firefighters' Defined Benefit Plan
Foster & Foster, Inc.
13420 Parker Commons Blvd., Suite 104
Fort Myers, FL 33912

Re: Town of Indian River Shores Public Safety Officers and Firefighters' Defined Benefit Plan
Senate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Ferrell:

Please find enclosed the annual disclosures that satisfy the October 1, 2014 financial reporting requirements made under Section 112.664.


Our office will submit this information electronically to the Department of Management Services by the June 28, 2015 deadline. 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.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778

DHL/lke
Enclosures

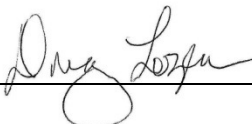
cc via email: Bonni Jensen, Board Attorney

TOWN OF INDIAN RIVER SHORES
PUBLIC SAFETY OFFICERS AND FIREFIGHTERS'
DEFINED BENEFIT PLAN

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., 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.

By:



Date: 6/25/2015

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #14-7778



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, 2014 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 AND RELATED RATIOS

	ACTUAL	HYPOTHETICAL		
	6.25% RP-2000 Static 9/30/2014	6.25% RP-2000 Generational 9/30/2014	4.25% RP-2000 Generational 9/30/2014	8.25% RP-2000 Generational 9/30/2014
<u>Total Pension Liability</u>				
Service Cost	250,814	264,003	395,647	181,390
Interest	743,119	745,895	652,783	799,285
Change in Excess State Money	180,816	180,816	180,816	180,816
Change in Funding Standard Account	-	-	-	-
Share Plan Allocation	-	-	-	-
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	-	-	-	-
Changes of Assumptions	317,720	342,916	527,369	230,442
Contributions - Buy Back	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(553,418)	(553,418)	(553,418)	(553,418)
Net Change in Total Pension Liability	939,051	980,212	1,203,197	838,515
Total Pension Liability - Beginning	11,140,769	11,488,008	14,387,358	9,498,667
Total Pension Liability - Ending (a)	<u>12,079,820</u>	<u>\$ 12,468,220</u>	<u>\$ 15,590,555</u>	<u>\$ 10,337,182</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	730,088	730,088	730,088	730,088
Contributions - State	180,816	180,816	180,816	180,816
Contributions - Employee	106,952	106,952	106,952	106,952
Contributions - Buy Back	-	-	-	-
Net Investment Income	1,233,577	1,233,577	1,233,577	1,233,577
Benefit Payments, Including Refunds of Employee Contributions	(553,418)	(553,418)	(553,418)	(553,418)
Administrative Expense	(62,214)	(62,214)	(62,214)	(62,214)
Other	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,635,801	1,635,801	1,635,801	1,635,801
Plan Fiduciary Net Position - Beginning	10,280,658	10,280,658	10,280,658	10,280,658
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,916,459</u>	<u>\$ 11,916,459</u>	<u>\$ 11,916,459</u>	<u>\$ 11,916,459</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 163,361</u>	<u>\$ 551,761</u>	<u>\$ 3,674,096</u>	<u>\$ (1,579,277)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 6.25% and RP-2000 Static Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	11,916,458	-	1,859,919	-	686,656	10,743,195
2015	10,743,195	-	642,017	-	651,387	10,752,565
2016	10,752,565	-	692,618	-	650,391	10,710,338
2017	10,710,338	-	736,874	-	646,369	10,619,833
2018	10,619,833	-	763,593	-	639,877	10,496,117
2019	10,496,117	-	769,501	-	631,960	10,358,576
2020	10,358,576	-	794,950	-	622,569	10,186,195
2021	10,186,195	-	811,229	-	611,286	9,986,252
2022	9,986,252	-	837,163	-	597,979	9,747,068
2023	9,747,068	-	853,416	-	582,523	9,476,175
2024	9,476,175	-	859,327	-	565,407	9,182,255
2025	9,182,255	-	858,995	-	547,047	8,870,307
2026	8,870,307	-	862,610	-	527,438	8,535,135
2027	8,535,135	-	854,006	-	506,758	8,187,887
2028	8,187,887	-	848,047	-	485,241	7,825,081
2029	7,825,081	-	849,500	-	462,521	7,438,102
2030	7,438,102	-	840,879	-	438,604	7,035,827
2031	7,035,827	-	831,751	-	413,747	6,617,823
2032	6,617,823	-	818,299	-	388,042	6,187,566
2033	6,187,566	-	805,103	-	361,563	5,744,026
2034	5,744,026	-	789,136	-	334,341	5,289,231
2035	5,289,231	-	774,734	-	306,367	4,820,864
2036	4,820,864	-	754,385	-	277,729	4,344,208
2037	4,344,208	-	732,982	-	248,607	3,859,833
2038	3,859,833	-	710,025	-	219,051	3,368,859
2039	3,368,859	-	685,070	-	189,145	2,872,934
2040	2,872,934	-	658,995	-	158,965	2,372,904
2041	2,372,904	-	631,103	-	128,585	1,870,386
2042	1,870,386	-	601,862	-	98,091	1,366,615
2043	1,366,615	-	571,075	-	67,567	863,107
2044	863,107	-	539,029	-	37,100	361,178
2045	361,178	-	505,664	-	-	-

*All Share Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 31.71

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 6.25% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	11,916,458	-	1,859,861	-	686,658	10,743,255
2015	10,743,255	-	641,904	-	651,394	10,752,745
2016	10,752,745	-	692,535	-	650,405	10,710,615
2017	10,710,615	-	737,240	-	646,375	10,619,750
2018	10,619,750	-	763,978	-	639,860	10,495,632
2019	10,495,632	-	771,335	-	631,873	10,356,170
2020	10,356,170	-	797,352	-	622,343	10,181,161
2021	10,181,161	-	814,202	-	610,879	9,977,838
2022	9,977,838	-	841,731	-	597,311	9,733,418
2023	9,733,418	-	858,982	-	581,495	9,455,931
2024	9,455,931	-	867,609	-	563,883	9,152,205
2025	9,152,205	-	868,890	-	544,860	8,828,175
2026	8,828,175	-	875,016	-	524,417	8,477,576
2027	8,477,576	-	870,160	-	502,656	8,110,072
2028	8,110,072	-	867,175	-	479,780	7,722,677
2029	7,722,677	-	871,639	-	455,429	7,306,467
2030	7,306,467	-	866,508	-	429,576	6,869,535
2031	6,869,535	-	861,139	-	402,435	6,410,831
2032	6,410,831	-	852,110	-	374,049	5,932,770
2033	5,932,770	-	843,590	-	344,436	5,433,616
2034	5,433,616	-	832,569	-	313,583	4,914,630
2035	4,914,630	-	823,094	-	281,443	4,372,979
2036	4,372,979	-	808,071	-	248,059	3,812,967
2037	3,812,967	-	791,997	-	213,561	3,234,531
2038	3,234,531	-	774,535	-	177,954	2,637,950
2039	2,637,950	-	755,425	-	141,265	2,023,790
2040	2,023,790	-	735,030	-	103,517	1,392,277
2041	1,392,277	-	712,863	-	64,740	744,154
2042	744,154	-	689,194	-	24,972	79,932
2043	79,932	-	663,719	-	-	-

*All Share Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 29.12

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 4.25% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	11,916,458	-	1,859,861	-	466,927	10,523,524
2015	10,523,524	-	641,904	-	433,609	10,315,229
2016	10,315,229	-	692,535	-	423,681	10,046,375
2017	10,046,375	-	737,240	-	411,305	9,720,440
2018	9,720,440	-	763,978	-	396,884	9,353,346
2019	9,353,346	-	771,335	-	381,126	8,963,137
2020	8,963,137	-	797,352	-	363,990	8,529,775
2021	8,529,775	-	814,202	-	345,214	8,060,787
2022	8,060,787	-	841,731	-	324,697	7,543,753
2023	7,543,753	-	858,982	-	302,356	6,987,127
2024	6,987,127	-	867,609	-	278,516	6,398,034
2025	6,398,034	-	868,890	-	253,453	5,782,597
2026	5,782,597	-	875,016	-	227,166	5,134,747
2027	5,134,747	-	870,160	-	199,736	4,464,323
2028	4,464,323	-	867,175	-	171,306	3,768,454
2029	3,768,454	-	871,639	-	141,637	3,038,452
2030	3,038,452	-	866,508	-	110,721	2,282,665
2031	2,282,665	-	861,139	-	78,714	1,500,240
2032	1,500,240	-	852,110	-	45,653	693,783
2033	693,783	-	843,590	-	-	-

*All Share Balances paid in 2014.

Number of Years Expected Benefit Payments Sustained: 19.82

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4
Hypothetical Assumptions: 8.25% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2014	11,916,458	-	1,859,861	-	906,389	10,962,986
2015	10,962,986	-	641,904	-	877,968	11,199,050
2016	11,199,050	-	692,535	-	895,355	11,401,870
2017	11,401,870	-	737,240	-	910,243	11,574,873
2018	11,574,873	-	763,978	-	923,413	11,734,308
2019	11,734,308	-	771,335	-	936,263	11,899,236
2020	11,899,236	-	797,352	-	948,796	12,050,680
2021	12,050,680	-	814,202	-	960,595	12,197,073
2022	12,197,073	-	841,731	-	971,537	12,326,879
2023	12,326,879	-	858,982	-	981,535	12,449,432
2024	12,449,432	-	867,609	-	991,289	12,573,112
2025	12,573,112	-	868,890	-	1,001,440	12,705,662
2026	12,705,662	-	875,016	-	1,012,123	12,842,769
2027	12,842,769	-	870,160	-	1,023,634	12,996,243
2028	12,996,243	-	867,175	-	1,036,419	13,165,487
2029	13,165,487	-	871,639	-	1,050,198	13,344,046
2030	13,344,046	-	866,508	-	1,065,140	13,542,678
2031	13,542,678	-	861,139	-	1,081,749	13,763,288
2032	13,763,288	-	852,110	-	1,100,322	14,011,500
2033	14,011,500	-	843,590	-	1,121,151	14,289,061
2034	14,289,061	-	832,569	-	1,144,504	14,600,996
2035	14,600,996	-	823,094	-	1,170,630	14,948,532
2036	14,948,532	-	808,071	-	1,199,921	15,340,382
2037	15,340,382	-	791,997	-	1,232,912	15,781,297
2038	15,781,297	-	774,535	-	1,270,007	16,276,769
2039	16,276,769	-	755,425	-	1,311,672	16,833,016
2040	16,833,016	-	735,030	-	1,358,404	17,456,390
2041	17,456,390	-	712,863	-	1,410,747	18,154,274
2042	18,154,274	-	689,194	-	1,469,298	18,934,378
2043	18,934,378	-	663,719	-	1,534,708	19,805,367
2044	19,805,367	-	636,498	-	1,607,687	20,776,556
2045	20,776,556	-	607,535	-	1,689,005	21,858,026
2046	21,858,026	-	576,931	-	1,779,489	23,060,584
2047	23,060,584	-	544,688	-	1,880,030	24,395,926
2048	24,395,926	-	511,077	-	1,991,582	25,876,431
2049	25,876,431	-	476,201	-	2,115,162	27,515,392
2050	27,515,392	-	440,455	-	2,251,851	29,326,788
2051	29,326,788	-	404,354	-	2,402,780	31,325,214
2052	31,325,214	-	368,205	-	2,569,142	33,526,151
2053	33,526,151	-	332,516	-	2,752,191	35,945,826
2054	35,945,826	-	297,701	-	2,953,250	38,601,375
2055	38,601,375	-	264,245	-	3,173,713	41,510,843
2056	41,510,843	-	232,499	-	3,415,054	44,693,398
2057	44,693,398	-	202,665	-	3,678,845	48,169,578
2058	48,169,578	-	175,193	-	3,966,763	51,961,148
2059	51,961,148	-	150,153	-	4,280,601	56,091,596
2060	56,091,596	-	127,520	-	4,622,296	60,586,372
2061	60,586,372	-	107,343	-	4,993,948	65,472,977
2062	65,472,977	-	89,684	-	5,397,821	70,781,114
2063	70,781,114	-	74,314	-	5,836,376	76,543,176
2064	76,543,176	-	61,017	-	6,312,295	82,794,454
2065	82,794,454	-	49,719	-	6,828,492	89,573,227
2066	89,573,227	-	40,249	-	7,388,131	96,921,109
2067	96,921,109	-	32,341	-	7,994,657	104,883,425

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 4
Hypothetical Assumptions: 8.25% and RP-2000 Generational Mortality

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2068	104,883,425	-	25,832	-	8,651,817	113,509,410
2069	113,509,410	-	20,455	-	9,363,683	122,852,638
2070	122,852,638	-	16,050	-	10,134,681	132,971,269
2071	132,971,269	-	12,527	-	10,969,613	143,928,355
2072	143,928,355	-	9,709	-	11,873,689	155,792,335
2073	155,792,335	-	7,448	-	12,852,560	168,637,447
2074	168,637,447	-	5,677	-	13,912,355	182,544,125
2075	182,544,125	-	4,279	-	15,059,714	197,599,560
2076	197,599,560	-	3,182	-	16,301,832	213,898,210
2077	213,898,210	-	2,349	-	17,646,505	231,542,366
2078	231,542,366	-	1,710	-	19,102,175	250,642,831
2079	250,642,831	-	1,224	-	20,677,983	271,319,590
2080	271,319,590	-	867	-	22,383,830	293,702,553
2081	293,702,553	-	603	-	24,230,436	317,932,386
2082	317,932,386	-	411	-	26,229,405	344,161,380
2083	344,161,380	-	276	-	28,393,302	372,554,406
2084	372,554,406	-	183	-	30,735,731	403,289,954
2085	403,289,954	-	120	-	33,271,416	436,561,250
2086	436,561,250	-	77	-	36,016,300	472,577,473
2087	472,577,473	-	48	-	38,987,640	511,565,065
2088	511,565,065	-	30	-	42,204,117	553,769,152
2089	553,769,152	-	19	-	45,685,954	599,455,087
2090	599,455,087	-	12	-	49,455,044	648,910,119
2091	648,910,119	-	7	-	53,535,085	702,445,197
2092	702,445,197	-	4	-	57,951,729	760,396,922
2093	760,396,922	-	3	-	62,732,746	823,129,665
2094	823,129,665	-	2	-	67,908,197	891,037,860
2095	891,037,860	-	1	-	73,510,623	964,548,482
2096	964,548,482	-	1	-	79,575,250	1,044,123,731
2097	1,044,123,731	-	-	-	86,140,208	1,130,263,939

*All Share Balances paid in 2014.

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 8.25% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2015

Valuation Date: 10/1/2014

	ACTUAL		HYPOTHETICAL	
	6.25% RP-2000 Static	6.25% RP-2000 Generational	4.25% RP-2000 Generational	8.25% RP-2000 Generational
Total Required Contribution	\$710,136	\$760,574	\$1,123,584	\$461,083
Expected Member Contribution	142,009	142,009	142,817	141,201
Expected Sponsor Contribution (Fixed \$)	\$568,127	\$618,565	\$980,767	\$319,882
Expected Sponsor Contribution (% of Payroll)	42.20%	45.95%	72.86%	23.76%

ASSETS

Actuarial Value ¹	11,916,458	11,916,458	11,916,458	11,916,458
Market Value ¹	11,916,458	11,916,458	11,916,458	11,916,458

LIABILITIES

Present Value of Benefits

Active Members

Retirement Benefits	6,498,475	6,876,350	10,231,107	4,880,080
Disability Benefits	318,047	337,650	490,953	243,979
Death Benefits	89,599	62,716	95,919	43,446
Vested Benefits	291,427	311,965	524,152	195,736
Refund of Contributions	7,096	7,099	7,315	6,894
Service Retirees	6,744,553	6,946,050	8,762,649	5,706,344
Beneficiaries	127,636	127,636	131,127	124,333
Terminated Vested	698,998	734,350	964,090	576,988
Disability Retirees	0	0	0	0
Share Plan Balances ¹	1,230,186	1,230,186	1,230,186	1,230,186
Total:	16,006,017	16,634,002	22,437,498	13,007,986

Present Value of Future Salaries	13,108,574	13,133,614	15,023,885	11,650,048
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Present Value of Future Member Contributions	1,382,955	1,385,596	1,594,034	1,222,090
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Total Normal Cost (Entry Age Normal)	300,407	316,920	493,506	209,799
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Present Value of Future Normal Costs (Entry Age Normal)	2,772,898	2,939,487	5,222,031	1,729,424
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Total Actuarial Accrued Liability ¹	13,233,119	13,694,515	17,215,467	11,278,562
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Unfunded Actuarial Accrued Liability (Entry Age Normal)	1,316,661	1,778,057	5,299,009	(637,896)
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ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2015

Valuation Date: 10/1/2014

	ACTUAL	HYPOTHETICAL		
	6.25% RP-2000 Static	6.25% RP-2000 Generational	4.25% RP-2000 Generational	8.25% RP-2000 Generational
<u>PENSION COST</u>				
Normal Cost (with interest)	309,795	326,824	503,993	218,453
Administrative Expenses (with interest)	13,882	13,882	13,747	14,016
Payment Required To Amortize UAAL (with interest)	386,459	419,868	605,844	228,614
Total Required Contribution	\$710,136	\$760,574	\$1,123,584	\$461,083

¹ The asset values and liabilities for include accumulated Share Plan Balances as of 9/30/2014.