

March 17, 2016

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
SRevised enate Bill 534 (Section 112.664, Florida Statutes) Compliance

Dear Ferrell:

Please find enclosed the revised annual disclosures that satisfy the October 1, 2015 financial reporting requirements made under Section 112.664. These disclosures were revised to update only the Pension Expense calculated under GASB 68. Please discard the earlier delivered version.

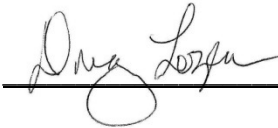
Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made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

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

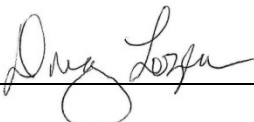
DHL/lke
Enclosures

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: 3/17/2016

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, 2015 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.

	ACTUAL	HYPOTHETICAL		
	6.25% RP-2000 Static 9/30/2015	6.25% RP-2000 Generational 9/30/2015	4.25% RP-2000 Generational 9/30/2015	8.25% RP-2000 Generational 9/30/2015
<u>GASB 67: Schedule of Changes in Net Pension Liability</u>				
<u>Total Pension Liability</u>				
Service Cost	297,756	314,158	488,576	208,054
Interest	751,759	777,059	668,512	841,154
Share Plan Allocation	173,797	173,797	173,797	173,797
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	1,183,190	1,258,388	1,620,790	990,374
Changes of Assumptions	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(698,859)	(698,859)	(698,859)	(698,859)
Net Change in Total Pension Liability	1,707,643	1,824,543	2,252,816	1,514,520
Total Pension Liability - Beginning	12,079,820	12,468,220	15,590,555	10,337,182
Total Pension Liability - Ending (a)	\$ 13,787,463	\$ 14,292,763	\$ 17,843,371	\$ 11,851,702
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	605,302	605,302	605,302	605,302
Contributions - State	173,797	173,797	173,797	173,797
Contributions - Employee	147,518	147,518	147,518	147,518
Net Investment Income	(330,943)	(330,943)	(330,943)	(330,943)
Benefit Payments, Including Refunds of Employee Contributions	(698,859)	(698,859)	(698,859)	(698,859)
Administrative Expenses	(67,620)	(67,620)	(67,620)	(67,620)
Net Change in Plan Fiduciary Net Position	(170,805)	(170,805)	(170,805)	(170,805)
Plan Fiduciary Net Position - Beginning	11,916,459	11,916,459	11,916,459	11,916,459
Plan Fiduciary Net Position - Ending (b)	\$ 11,745,654	\$ 11,745,654	\$ 11,745,654	\$ 11,745,654
Net Pension Liability - Ending (a) - (b)	\$ 2,041,809	\$ 2,547,109	\$ 6,097,717	\$ 106,048

GASB 68: Pension Expense for Fiscal Year Ending September 30, 2015

Pension Expense	\$ 778,805	\$ 831,248	\$ 1,140,835	\$ 559,006
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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

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

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
2015	11,745,654	-	1,987,773	-	671,985	10,429,866
2016	10,429,866	-	731,918	-	628,994	10,326,942
2017	10,326,942	-	760,905	-	621,656	10,187,693
2018	10,187,693	-	774,638	-	612,523	10,025,578
2019	10,025,578	-	780,227	-	602,217	9,847,568
2020	9,847,568	-	807,853	-	590,228	9,629,943
2021	9,629,943	-	826,175	-	576,053	9,379,821
2022	9,379,821	-	855,637	-	559,500	9,083,684
2023	9,083,684	-	872,113	-	540,477	8,752,048
2024	8,752,048	-	897,069	-	518,970	8,373,949
2025	8,373,949	-	888,833	-	495,596	7,980,712
2026	7,980,712	-	893,536	-	470,872	7,558,048
2027	7,558,048	-	886,758	-	444,667	7,115,957
2028	7,115,957	-	882,866	-	417,158	6,650,249
2029	6,650,249	-	886,724	-	387,930	6,151,455
2030	6,151,455	-	879,325	-	356,987	5,629,117
2031	5,629,117	-	871,508	-	324,585	5,082,194
2032	5,082,194	-	859,257	-	290,785	4,513,722
2033	4,513,722	-	847,721	-	255,616	3,921,617
2034	3,921,617	-	832,146	-	219,097	3,308,568
2035	3,308,568	-	819,406	-	181,179	2,670,341
2036	2,670,341	-	799,787	-	141,903	2,012,457
2037	2,012,457	-	779,062	-	101,433	1,334,828
2038	1,334,828	-	757,153	-	59,766	637,441
2039	637,441	-	733,350	-	-	-

*All Share Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 24.87

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. 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: 6.25% and RP-2000 Generational Mortality

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
2015	11,745,654	-	1,987,723	-	671,987	10,429,918
2016	10,429,918	-	731,868	-	628,999	10,327,049
2017	10,327,049	-	761,189	-	621,653	10,187,513
2018	10,187,513	-	774,903	-	612,504	10,025,114
2019	10,025,114	-	781,820	-	602,138	9,845,432
2020	9,845,432	-	810,019	-	590,026	9,625,439
2021	9,625,439	-	828,922	-	575,686	9,372,203
2022	9,372,203	-	859,950	-	558,889	9,071,142
2023	9,071,142	-	877,439	-	539,526	8,733,229
2024	8,733,229	-	903,485	-	517,593	8,347,337
2025	8,347,337	-	898,509	-	493,630	7,942,458
2026	7,942,458	-	905,360	-	468,111	7,505,209
2027	7,505,209	-	902,085	-	440,885	7,044,009
2028	7,044,009	-	900,868	-	412,098	6,555,239
2029	6,555,239	-	907,597	-	381,340	6,028,982
2030	6,028,982	-	903,582	-	348,574	5,473,974
2031	5,473,974	-	899,450	-	314,016	4,888,540
2032	4,888,540	-	891,544	-	277,673	4,274,669
2033	4,274,669	-	884,520	-	239,526	3,629,675
2034	3,629,675	-	874,000	-	199,542	2,955,217
2035	2,955,217	-	865,978	-	157,639	2,246,878
2036	2,246,878	-	851,474	-	113,821	1,509,225
2037	1,509,225	-	835,900	-	68,205	741,530
2038	741,530	-	819,318	-	-	-

*All Share Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 23.91

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

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
2015	11,745,654	-	1,987,723	-	456,951	10,214,882
2016	10,214,882	-	731,868	-	418,580	9,901,594
2017	9,901,594	-	761,189	-	404,642	9,545,047
2018	9,545,047	-	774,903	-	389,198	9,159,342
2019	9,159,342	-	781,820	-	372,658	8,750,180
2020	8,750,180	-	810,019	-	354,670	8,294,831
2021	8,294,831	-	828,922	-	334,916	7,800,825
2022	7,800,825	-	859,950	-	313,261	7,254,136
2023	7,254,136	-	877,439	-	289,655	6,666,352
2024	6,666,352	-	903,485	-	264,121	6,026,988
2025	6,026,988	-	898,509	-	237,054	5,365,533
2026	5,365,533	-	905,360	-	208,796	4,668,969
2027	4,668,969	-	902,085	-	179,262	3,946,146
2028	3,946,146	-	900,868	-	148,568	3,193,846
2029	3,193,846	-	907,597	-	116,452	2,402,701
2030	2,402,701	-	903,582	-	82,914	1,582,033
2031	1,582,033	-	899,450	-	48,123	730,706
2032	730,706	-	891,544	-	-	-

*All Share Balances paid in 2015.

Number of Years Expected Benefit Payments Sustained: 17.82

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

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
2015	11,745,654	-	1,987,723	-	887,023	10,644,954
2016	10,644,954	-	731,868	-	848,019	10,761,105
2017	10,761,105	-	761,189	-	856,392	10,856,308
2018	10,856,308	-	774,903	-	863,681	10,945,086
2019	10,945,086	-	781,820	-	870,720	11,033,986
2020	11,033,986	-	810,019	-	876,891	11,100,858
2021	11,100,858	-	828,922	-	881,628	11,153,564
2022	11,153,564	-	859,950	-	884,696	11,178,310
2023	11,178,310	-	877,439	-	886,016	11,186,887
2024	11,186,887	-	903,485	-	885,649	11,169,051
2025	11,169,051	-	898,509	-	884,383	11,154,925
2026	11,154,925	-	905,360	-	882,935	11,132,500
2027	11,132,500	-	902,085	-	881,220	11,111,635
2028	11,111,635	-	900,868	-	879,549	11,090,316
2029	11,090,316	-	907,597	-	877,513	11,060,232
2030	11,060,232	-	903,582	-	875,196	11,031,846
2031	11,031,846	-	899,450	-	873,025	11,005,421
2032	11,005,421	-	891,544	-	871,171	10,985,048
2033	10,985,048	-	884,520	-	869,780	10,970,308
2034	10,970,308	-	874,000	-	868,998	10,965,306
2035	10,965,306	-	865,978	-	868,916	10,968,244
2036	10,968,244	-	851,474	-	869,757	10,986,527
2037	10,986,527	-	835,900	-	871,908	11,022,535
2038	11,022,535	-	819,318	-	875,562	11,078,779
2039	11,078,779	-	801,250	-	880,948	11,158,477
2040	11,158,477	-	781,915	-	888,320	11,264,882
2041	11,264,882	-	760,609	-	897,978	11,402,251
2042	11,402,251	-	737,640	-	910,258	11,574,869
2043	11,574,869	-	712,613	-	925,531	11,787,787
2044	11,787,787	-	685,657	-	944,209	12,046,339
2045	12,046,339	-	657,088	-	966,718	12,355,969
2046	12,355,969	-	626,660	-	993,518	12,722,827
2047	12,722,827	-	594,517	-	1,025,109	13,153,419
2048	13,153,419	-	560,883	-	1,062,021	13,654,557
2049	13,654,557	-	525,835	-	1,104,810	14,233,532
2050	14,233,532	-	489,692	-	1,154,067	14,897,907
2051	14,897,907	-	452,966	-	1,210,392	15,655,333
2052	15,655,333	-	415,925	-	1,274,408	16,513,816
2053	16,513,816	-	378,976	-	1,346,757	17,481,597
2054	17,481,597	-	342,531	-	1,428,102	18,567,168
2055	18,567,168	-	307,038	-	1,519,126	19,779,256
2056	19,779,256	-	272,837	-	1,620,534	21,126,953
2057	21,126,953	-	240,272	-	1,733,062	22,619,743
2058	22,619,743	-	209,838	-	1,857,473	24,267,378
2059	24,267,378	-	181,651	-	1,994,566	26,080,293
2060	26,080,293	-	155,801	-	2,145,197	28,069,689
2061	28,069,689	-	132,499	-	2,310,284	30,247,474
2062	30,247,474	-	111,891	-	2,490,801	32,626,384
2063	32,626,384	-	93,750	-	2,687,809	35,220,443
2064	35,220,443	-	77,895	-	2,902,473	38,045,021
2065	38,045,021	-	64,349	-	3,136,060	41,116,732
2066	41,116,732	-	52,920	-	3,389,947	44,453,759

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

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

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
2067	44,453,759	-	43,285	-	3,665,650	48,076,124
2068	48,076,124	-	35,264	-	3,964,826	52,005,686
2069	52,005,686	-	28,586	-	4,289,290	56,266,390
2070	56,266,390	-	23,052	-	4,641,026	60,884,364
2071	60,884,364	-	18,555	-	5,022,195	65,888,004
2072	65,888,004	-	14,888	-	5,435,146	71,308,262
2073	71,308,262	-	11,887	-	5,882,441	77,178,816
2074	77,178,816	-	9,471	-	6,366,862	83,536,207
2075	83,536,207	-	7,503	-	6,891,428	90,420,132
2076	90,420,132	-	5,901	-	7,459,417	97,873,648
2077	97,873,648	-	4,626	-	8,074,385	105,943,407
2078	105,943,407	-	3,594	-	8,740,183	114,679,996
2079	114,679,996	-	2,762	-	9,460,986	124,138,220
2080	124,138,220	-	2,105	-	10,241,316	134,377,431
2081	134,377,431	-	1,584	-	11,086,073	145,461,920
2082	145,461,920	-	1,175	-	12,000,560	157,461,305
2083	157,461,305	-	860	-	12,990,522	170,450,967
2084	170,450,967	-	622	-	14,062,179	184,512,524
2085	184,512,524	-	443	-	15,222,265	199,734,346
2086	199,734,346	-	309	-	16,478,071	216,212,108
2087	216,212,108	-	212	-	17,837,490	234,049,386
2088	234,049,386	-	143	-	19,309,068	253,358,311
2089	253,358,311	-	95	-	20,902,057	274,260,273
2090	274,260,273	-	62	-	22,626,470	296,886,681
2091	296,886,681	-	40	-	24,493,150	321,379,791
2092	321,379,791	-	25	-	26,513,832	347,893,598
2093	347,893,598	-	16	-	28,701,221	376,594,803
2094	376,594,803	-	10	-	31,069,071	407,663,864
2095	407,663,864	-	6	-	33,632,269	441,296,127
2096	441,296,127	-	4	-	36,406,930	477,703,053
2097	477,703,053	-	2	-	39,410,502	517,113,553
2098	517,113,553	-	1	-	42,661,868	559,775,420
2099	559,775,420	-	1	-	46,181,472	605,956,891
2100	605,956,891	-	1	-	49,991,443	655,948,333
2101	655,948,333	-	-	-	54,115,737	710,064,070

*All Share Balances paid in 2015.

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. 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, 2016

Valuation Date: 10/1/2015

	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 (Fixed \$)	\$826,332	\$878,030	\$1,230,540	\$585,771
Total Required Contribution (% of Payroll)	63.29%	67.24%	94.24%	44.86%
Expected Member Contribution	135,182	135,182	135,182	135,182
Expected Sponsor Contribution (Fixed \$)	\$691,150	\$742,848	\$1,095,358	\$450,589
Expected Sponsor Contribution (% of Payroll)	52.94%	56.89%	83.89%	34.51%

ASSETS

Actuarial Value ¹	11,745,654	11,745,654	11,745,654	11,745,654
Market Value ¹	11,745,654	11,745,654	11,745,654	11,745,654

LIABILITIES

Present Value of Benefits				
Active Members				
Retirement Benefits	5,989,740	6,354,538	9,597,222	4,460,929
Disability Benefits	305,364	324,649	478,408	232,105
Death Benefits	84,509	57,827	89,985	39,490
Vested Benefits	293,960	315,693	544,292	193,796
Refund of Contributions	11,173	11,175	11,366	10,993
Service Retirees	7,645,823	7,876,960	9,941,814	6,468,406
Beneficiaries	87,642	87,642	89,224	86,127
Disability Retirees	0	0	0	0
Terminated Vested	856,056	900,237	1,181,243	709,211
Share Plan Balances	1,279,005	1,279,005	1,279,005	1,279,005
Total:	16,553,272	17,207,726	23,212,559	13,480,062
Present Value of Future Salaries	13,364,140	13,390,097	15,460,700	11,785,970
Present Value of Future Member Contributions	1,383,566	1,386,253	1,600,619	1,220,181
Total Normal Cost	285,336	301,484	468,217	200,313
Present Value of Future Normal Costs (Entry Age Normal)	2,733,251	2,903,705	5,243,933	1,685,361
Total Actuarial Accrued Liability ¹	13,820,021	14,304,021	17,968,626	11,794,701
Unfunded Actuarial Accrued Liability (UAAL)	2,074,367	2,558,367	6,222,972	49,047

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2016

Valuation Date: 10/1/2015

	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)	294,253	310,905	478,167	208,576
Administrative Expenses (with interest)	13,449	13,449	13,319	13,580
Payment Required To Amortize UAAL (with interest)	518,630	553,676	739,054	363,615
Total Required Contribution	\$826,332	\$878,030	\$1,230,540	\$585,771

¹ The asset values and liabilities include accumulated Share Plan Balances as of 9/30/2015.