Town of Indian River Shores General Employees' Defined Benefit Plan

Actuarial Valuation
As of October 1, 2023

GASB 67/68 Supplement As of September 30, 2024



This report was issued on January 30, 2025 as a supplement to the October 1, 2023 actuarial valuation report, which report provides important information related to the assumptions, participant data, and assets used to prepare the following disclosures under Governmental Accounting Standards Board Statements Nos. 67 and 68 (GASB 67/68).

NET PENSION LIABILITY AS OF SEPTEMBER 30, 2024

Total pension liability \$1,397,603 *
Less fiduciary net position (1,809,641)

Net pension liability \$(412,038) **

PENSION EXPENSE FOR THE 2023/24 FISCAL YEAR

Service cost \$43,219 Other recognized changes in net pension liability: Expected interest growth (13,766)Investment gain/loss (17,512)Demographic gain/loss 11,607 Employee contributions (18, 356)Administrative expenses 9,082 Changes in benefit terms 0 Assumption changes 8,917 Pension expense \$23,191 *

DEFERRED INFLOW AND OUTFLOW OF RESOURCES

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2023	\$215,882	\$108,600
Change due to: Amortization payments Investment gain/loss Demographic gain/loss Assumption changes Total change	\$(94,497) \$0 \$20,125 \$(74,372)	\$(91,485) \$198,865 \$0 \$0 \$107,380
Balance as of September 30, 2024	\$141,510 *	\$215,980 *

^{*} These amounts are recognized on the employer's balance sheet.

BALANCE EQUATION

Net pension liability as of September 30, 2023	\$(171,201)
Plus pension expense for the 2023/24 fiscal year Minus employer contribution for the 2023/24 fiscal year Plus change in balance of deferred outflows of resources Minus change in balance of deferred inflows of resources	\$23,191 \$(82,276) \$(74,372) \$(107,380)
Net pension liability as of September 30, 2024	\$(412,038)

^{*} This amount has been rolled forward from October 1, 2023.

^{**} This amount is recognized on the employer's balance sheet.

^{*} This amount is recognized on the employer's income statement, along with the employer contribution for the 2023/24 fiscal year.

DEFERRED INFLOW AND OUTFLOW OF RESOURCES (continued)

Amortization schedule for deferred outflows and inflows of resources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2024	\$141,510	\$215,980
Amount recognized in the 2024/25 pension expense: Investment gain/loss Demographic gain/loss Assumption changes Total	\$64,728 \$10,479 \$0 \$75,207	\$83,276 \$0 \$0 \$83,276
Balance as of September 30, 2025	\$66,303	\$132,704
Amount recognized in the 2025/26 pension expense: Investment gain/loss Demographic gain/loss Assumption changes Total	\$64,726 \$1,577 <u>\$0</u> \$66,303	\$46,466 \$0 <u>\$0</u> \$46,466
Balance as of September 30, 2026	\$0	\$86,238
Amount recognized in the 2026/27 pension expense: Investment gain/loss Demographic gain/loss Assumption changes Total	\$0 \$0 <u>\$0</u> \$0	\$46,465 \$0 <u>\$0</u> \$46,465
Balance as of September 30, 2027	\$0	\$39,773
Amount recognized in the 2027/28 pension expense: Investment gain/loss Demographic gain/loss Assumption changes Total	\$0 \$0 \$0 \$0	\$39,773 \$0 <u>\$0</u> \$39,773
Balance as of September 30, 2028	\$0	\$0
Amount recognized in the 2028/29 pension expense: Investment gain/loss Demographic gain/loss Assumption changes Total	\$0 \$0 <u>\$0</u> \$0	\$0 \$0 \$0 \$0 \$0
Balance as of September 30, 2029	\$0	\$0

CHANGES IN THE NET PENSION LIABILITY

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2023	\$1,282,930	\$(1,454,131)	\$(171,201)
Change due to:			
Service cost	\$43,219	\$0	\$43,219
Expected interest growth	\$96,984	\$(110,750)	\$(13,766)
Unexpected investment income	\$0	\$(198,865)	\$(198,865)
Demographic experience	\$20,125	\$0	\$20,125
Employer contributions	\$0	\$(82,276)	\$(82,276)
Employee contributions	\$0	\$(18,356)	\$(18,356)
Benefit payments & refunds	\$(45,655)	\$45,655	\$0
Administrative expenses	\$0	\$9,082	\$9,082
Changes in benefit terms	\$0	\$0	\$0
Assumption changes	\$0	\$0	\$0
Balance as of September 30, 2024	\$1,397,603	\$(1,809,641)	\$(412,038)

COMPARISON OF NET PENSION LIABILITY USING ALTERNATIVE DISCOUNT RATES

	Discount Rate Minus 1.00%	7.50% Discount Rate	Discount Rate Plus 1.00%
Total pension liability	\$1,540,754	\$1,397,603	\$1,274,328
Less fiduciary net position	(1,809,641)	(1,809,641)	(1,809,641)
Net pension liability	\$(268,887)	\$(412,038)	\$(535,313)

HISTORICAL TREND INFORMATION

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
September 30, 2024	\$1,397,603	\$1,809,641	\$(412,038)	129.48%	\$199,477	Not applicable
September 30, 2023	\$1,282,930	\$1,454,131	\$(171,201)	113.34%	\$171,769	Not applicable
September 30, 2022	\$1,216,014	\$1,298,082	\$(82,068)	106.75%	\$159,855	Not applicable
September 30, 2021	\$1,164,027	\$1,530,370	\$(366,343)	131.47%	\$154,205	Not applicable
September 30, 2020	\$1,101,522	\$1,251,548	\$(150,026)	113.62%	\$137,478	Not applicable
September 30, 2019	\$1,122,524	\$1,167,852	\$(45,328)	104.04%	\$281,080	Not applicable
September 30, 2018	\$1,021,897	\$1,082,203	\$(60,306)	105.90%	\$273,554	Not applicable
September 30, 2017	\$931,585	\$925,141	\$6,444	99.31%	\$275,802	2.34%
September 30, 2016	\$815,281	\$723,443	\$91,838	88.74%	\$258,006	35.60%
September 30, 2015	\$609,331	\$590,990	\$18,341	96.99%	\$251,169	7.30%

HISTORICAL TREND INFORMATION (continued)

Changes in the net pension liability by source

Fiscal Year	Service Cost	Expected Interest Growth	Unexpected Investment Income	Demographic Experience	Employer Contributions	Employee Contributions	Benefit Payments & Refunds	Administrative Expenses	Changes In Benefit Terms	Assumption Changes
2023/24	\$43,219	\$(13,766)	\$(198,865)	\$20,125	\$(82,276)	\$(18,356)	\$0	\$9,082	\$0	\$0
2022/23	\$36,091	\$(6,828)	\$(33,464)	\$8,507	\$(85,015)	\$(17,098)	\$0	\$8,674	\$0	\$0
2021/22	\$33,947	\$(26,589)	\$323,638	\$(211)	\$(40,668)	\$(14,723)	\$0	\$8,881	\$0	\$0
2020/21	\$33,566	\$(11,264)	\$(184,042)	\$19,207	\$(62,921)	\$(13,702)	\$0	\$6,636	\$0	\$(3,797)
2019/20	\$29,630	\$(3,721)	\$5,166	\$(65,439)	\$(63,224)	\$(13,218)	\$0	\$6,108	\$0	\$0
2018/19	\$68,894	\$(1,997)	\$20,785	\$12,143	\$(72,813)	\$(18,326)	\$0	\$6,292	\$0	\$0
2017/18	\$68,840	\$1,297	\$(14,359)	\$(3,419)	\$(100,841)	\$(24,092)	\$0	\$5,824	\$0	\$0
2016/17	\$70,056	\$7,405	\$(63,313)	\$10,699	\$(111,558)	\$(23,447)	\$0	\$5,471	\$0	\$19,293
2015/16	\$63,621	\$1,507	\$(6,851)	\$(276)	\$(108,876)	\$(23,640)	\$0	\$5,730	\$0	\$142,282
2014/15	\$46,763	\$9,045	\$54,113	\$(12,452)	\$(97,010)	\$(22,115)	\$721	\$5,521	\$0	\$(68,948)

Note: The amortization period for demographic experience and assumption changes was 10.00 years for the 2014/15 fiscal year, 9.00 years for the 2015/16 fiscal year, 4.00 years for the 2016/17 fiscal year, 3.50 years for the 2017/18 fiscal year, 3.17 years for the 2018/19 fiscal year, 2.83 years for the 2019/20 fiscal year, 2.67 years for the 2020/21 fiscal year, 2.50 years for the 2021/22 fiscal year, 2.33 years for the 2022/23 fiscal year, and 2.17 years for the 2023/24 fiscal year.

HISTORICAL TREND INFORMATION (continued)

Fiscal Year End	(1) Actuarially Determined Contribution	(2) Contributions Recognized By the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Column (2) as a % of Covered Payroll
September 30, 2024	\$82,276	\$82,276	\$0	\$199,477	41.25%
September 30, 2023	\$85,015	\$85,015	\$0	\$171,769	49.49%
September 30, 2022	\$40,668	\$40,668	\$0	\$159,855	25.44%
September 30, 2021	\$62,921	\$62,921	\$0	\$154,205	40.80%
September 30, 2020	\$63,224	\$63,224	\$0	\$137,478	45.99%
September 30, 2019	\$72,813	\$72,813	\$0	\$281,080	25.90%
September 30, 2018	\$100,841	\$100,841	\$0	\$273,554	36.86%
September 30, 2017	\$111,558	\$111,558	\$0	\$275,802	40.45%
September 30, 2016	\$108,876	\$108,876	\$0	\$258,006	42.20%
September 30, 2015	\$97,010	\$97,010	\$0	\$251,169	38.62%

INFORMATION USED TO DETERMINE THE NET PENSION LIABILITY

Employer's reporting date:

Measurement date: Actuarial valuation date: September 30, 2024 September 30, 2024

October 1, 2023

Actuarial assumptions

Discount rate:

7.50% per annum (2.76% per annum is attributable to long-term inflation); this rate was used to discount

all future benefit payments.

Salary increases:

5.00% per annum None assumed

Cost-of-living increases: Mortality basis:

Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in

mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-

2018 and with male ages set back one year.

Retirement:

Retirement is assumed to occur at the later of normal retirement age or one year after the valuation date.

Other decrements: Non-investment expenses: None assumed

\$6,000 per year

Future contributions:

Contributions from the employer and employees are assumed to be made as legally required.

Changes: No assumptions were changed since the prior measurement date.

DETERMINATION OF THE LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS

Investment Category	Target Allocation	Expected Long-Term Real Return
Core bonds	10.00%	1.60% per annum
Core plus	10.00%	2.10% per annum
U.S. large cap equity	30.00%	4.60% per annum
U.S. small cap equity	16.00%	5.50% per annum
Non-U.S. equity	24.00%	6.70% per annum
Core real estate	10.00%	5.00% per annum
Total or weighted arithmetic average	100.00%	4.74% per annum

PENSION PLAN DESCRIPTION

Town of Indian River Shores General Employees' Defined Benefit Plan Name of the pension plan:

Board of Trustees of the Town of Indian River Shores General Employees' Defined Benefit Plan Legal plan administrator:

Single-employer defined benefit pension plan Plan type:

Six (four inactive employee or beneficiary currently receiving benefits; no inactive employees entitled to Number of covered individuals:

but not yet receiving benefits; two active employees)

Contribution requirement: Employer contributions are actuarially determined; employees must contribute between 5.00% and 9.00%

of pensionable earnings; employee contribution requirement may be amended by Town ordinance, but

employer contribution requirement is subject to State minimums.

The plan issues a stand-alone financial report each year, which contains information about the plan's Pension plan reporting:

fiduciary net position. The plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of assets calculated under the accrual basis of accounting. This report is available to the public at the plan's administrative office: Retirement Department, Florida

League of Cities, Inc., P. O. Box 1757, Tallahassee, FL 32302, (800) 342-8112.

Description of the benefit terms

Employees covered: Full-time general employees of the Town of Indian River Shores hired prior to May 1, 2013

Types of benefits offered: Retirement, disability, and pre-retirement death benefits

Basic pension formula: 2.75% of average earnings x service

Early retirement adjustment: Early retirement pension is reduced by 2% for each year by which the early retirement date precedes the

normal retirement date.

Larger of basic pension formula or 42% of average earnings (for service-connected disabilities) Disability pension:

Larger of basic pension formula or 25% of average earnings (for non-service-connected disabilities if the

participant has earned at least 10 years of service)

Disability benefits are offset as necessary to preclude the total of the disability benefit, worker's

compensation, and other City-provided disability compensation from exceeding average earnings.

Pre-retirement death benefit: Basic pension formula payable for 10 years or one-half of the 50% joint and contingent annuity payable for

life at early or normal retirement age (payable to the spouse of a vested married participant)

Basic pension formula payable for 10 years at early or normal retirement age (payable to the beneficiary

of a vested unmarried participant)

Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant)

Age 55 with at least five years of service (Town Manager) Normal retirement age:

Early retirement age: Age 55 with at least seven years of service

Vesting requirement: 20% vesting for each year of service in excess of two years of service; 100% vesting at seven years of

service

Form of payment: Single life annuity

Actuarially equivalent 10-year certain and life annuity

Actuarially equivalent 50%, 663/4%, 75%, or 100% joint and contingent annuity Any other actuarially equivalent form of payment approved by the Board of Trustees

Average earnings:

Average of the last five years of pensionable earnings Cost-of-living adjustment:

Legal authority:

No automatic cost-of-living adjustment is provided.

The plan was established effective May 1, 1999 pursuant to Town ordinance and has been amended

several times since that date.

The benefit terms did not change from the prior measurement date. Changes:

PROJECTION OF THE FIDUCIARY NET POSITION

October 1, 2023 \$1,454,131 \$100,632 \$45,655 \$9,082 \$309,615 \$1,8809,641 October 1, 2024 \$1,809,641 \$0 \$107,421 \$9,445 \$131,420 \$1,8809,615 October 1, 2025 \$1,824,195 \$0 \$104,985 \$9,823 \$132,587 \$1,8809,615 October 1, 2026 \$1,841,974 \$0 \$102,364 \$10,216 \$134,003 \$1,8809,615 October 1, 2027 \$1,863,397 \$0 \$99,554 \$10,625 \$135,698 \$1,8809,615 October 1, 2028 \$1,888,916 \$0 \$96,557 \$11,050 \$137,706 \$1,99	9alance 09,641 24,195 41,974 63,397 88,916
October 1, 2024 \$1,809,641 \$0 \$107,421 \$9,445 \$131,420 \$1,8 October 1, 2025 \$1,824,195 \$0 \$104,985 \$9,823 \$132,587 \$1,8 October 1, 2026 \$1,841,974 \$0 \$102,364 \$10,216 \$134,003 \$1,8 October 1, 2027 \$1,863,397 \$0 \$99,554 \$10,625 \$135,698 \$1,8 October 1, 2028 \$1,888,916 \$0 \$96,557 \$11,050 \$137,706 \$1,9	24,195 41,974 63,397 88,916
October 1, 2025 \$1,824,195 \$0 \$104,985 \$9,823 \$132,587 \$1,8 October 1, 2026 \$1,841,974 \$0 \$102,364 \$10,216 \$134,003 \$1,8 October 1, 2027 \$1,863,397 \$0 \$99,554 \$10,625 \$135,698 \$1,8 October 1, 2028 \$1,888,916 \$0 \$96,557 \$11,050 \$137,706 \$1,9	41,974 63,397 88,916
October 1, 2025 \$1,824,195 \$0 \$104,985 \$9,823 \$132,587 \$1,8 October 1, 2026 \$1,841,974 \$0 \$102,364 \$10,216 \$134,003 \$1,8 October 1, 2027 \$1,863,397 \$0 \$99,554 \$10,625 \$135,698 \$1,8 October 1, 2028 \$1,888,916 \$0 \$96,557 \$11,050 \$137,706 \$1,9	63,397 88,916
October 1, 2026 \$1,841,974 \$0 \$102,364 \$10,216 \$134,003 \$1,8 October 1, 2027 \$1,863,397 \$0 \$99,554 \$10,625 \$135,698 \$1,8 October 1, 2028 \$1,888,916 \$0 \$96,557 \$11,050 \$137,706 \$1,9	88,916
October 1, 2027 \$1,863,397 \$0 \$99,554 \$10,625 \$135,698 \$1,8 October 1, 2028 \$1,888,916 \$0 \$96,557 \$11,050 \$137,706 \$1,9	
October 1, 2028 \$1,888,916 \$0 \$96,557 \$11,050 \$137,706 \$1,9	40 045
	19,015
	54,219
	95,082
	42,183
	96,116
	57,479
	26,874
	77,417
	28,159
October 1, 2037 \$2,128,159 \$0 \$185,588 \$15,728 \$152,199 \$2,0	79,042
October 1, 2038 \$2,079,042 \$0 \$181,341 \$16,357 \$148,649 \$2,0	29,993
October 1, 2039 \$2,029,993 \$0 \$177,154 \$17,011 \$145,100 \$1,9	80,928
October 1, 2040 \$1,980,928 \$0 \$173,026 \$17,691 \$141,547 \$1,9	31,758
October 1, 2041 \$1,931,758 \$0 \$168,954 \$18,399 \$137,983 \$1,8	82,388
	32,735
	82,711
	32,245
	81,278
	29,775
	77,708
	25,064
	71,840
	18,050
	65,576
	14,776
	65,898
	19,157
	74,832
	33,240
	94,709
	59,593
The state of the s	28,266
	01,183
The state of the s	78,839
	61,800
	50,605
The state of the s	45,839
A STATE OF THE STA	48,044
The state of the s	57,707
	75,365
	01,365 36,022
	36,022 79,549
	32,153
20.000	94,018
	65,228
	45,877
	36,021

PROJECTION OF THE FIDUCIARY NET POSITION (continued)

			Benefit	Administrative	Investment	
Date	BOY Balance	Contributions	Payments	Expenses	Earnings	EOY Balance
October 1, 2076	\$1,436,021	\$0	\$6,402	\$1,274	\$107,419	\$1,535,764
October 1, 2077	\$1,535,764	\$0	\$4,581	\$911	\$114,980	\$1,645,252
October 1, 2078	\$1,645,252	\$0	\$3,176	\$632	\$123,254	\$1,764,698
October 1, 2079	\$1,764,698	\$0	\$2,129	\$424	\$132,258	\$1,894,403
October 1, 2080	\$1,894,403	\$0	\$1,377	\$274	\$142,019	\$2,034,771
October 1, 2081	\$2,034,771	\$0	\$862	\$171	\$152,570	\$2,186,308
October 1, 2082	\$2,186,308	\$0	\$518	\$103	\$163,950	\$2,349,637
October 1, 2083	\$2,349,637	\$0	\$0	\$0	\$176,223	\$2,525,860

AMORTIZATION BASES ATTRIBUTABLE TO UNEXPECTED INVESTMENT INCOME

	YEAR DURING WHICH THE GAIN OR LOSS AROSE							
	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL		
Payment Year								
2023/24	\$1,034	-\$36,808	\$64,728	-\$6,693	-\$39,773	-\$17,512		
2024/25		-\$36,810	\$64,728	-\$6,693	-\$39,773	-\$18,548		
2025/26			\$64,726	-\$6,693	-\$39,773	\$18,260		
2026/27				-\$6,692	-\$39,773	-\$46,465		
2027/28					-\$39,773	-\$39,773		
Remaining Balance	\$1,034	-\$73,618	\$194,182	-\$26,771	-\$198,865	-\$104,038		

AMORTIZATION BASES ATTRIBUTABLE TO DEMOGRAPHIC EXPERIENCE

	YEAR DURING WHICH THE GAIN OR LOSS AROSE							
1	2014/15	2015/16		2021/22	2022/23	2023/24	TOTAL	
Payment Year 2023/24 2024/25 2025/26	-\$1,247	-\$28		-\$43	\$3,651 \$1,205	\$9,274 \$9,274 \$1,577	\$11,607 \$10,479 \$1,577	
Remaining Balance	-\$1,247	-\$28		-\$43	\$4,856	\$20,125	\$23,663	

AMORTIZATION BASES ATTRIBUTABLE TO ASSUMPTION CHANGES

	YEAR DURING WHICH THE GAIN OR LOSS AROSE				
	2014/15	2015/16	TOTAL		
Payment Year 2023/24	-\$6,893	\$15,810	\$8,917		
Remaining Balance	-\$6,893	\$15,810	\$8,917		

SUMMARY OF DEFERRED OUTFLO	WS AND INFLOWS AS OF SEF	PTEMBER 30, 2024
	Deferred Outflows	Deferred Inflows
Unexpected investment income Demographic experience Assumption changes	\$129,454 \$12,056 \$0	\$215,980 \$0 \$0
Total	\$141,510	\$215,980