

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

**SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2023 VALUATION DATE**



February 14, 2024

VIA E-MAIL

Ms. Michelle Rodriguez, Plan Administrator
Town of Indian River Shores
Public Safety Officers and Firefighters'
Defined Benefit Plan
2503 Del Prado Blvd. S., Suite 502
Cape Coral, FL 33904

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

Dear Michelle:

Please find enclosed the annual disclosures that satisfy the October 1, 2023 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.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Enclosures

cc via email: Bonni Jensen, 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, 2023 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, 2023

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Discount Rate:	6.75%	4.75%	8.75%
<u>Total Pension Liability</u>			
Service Cost	230,727	342,302	161,704
Interest	1,157,604	992,379	1,272,868
Share Plan Allocation	239,474	239,474	239,474
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(357,330)	(222,302)	(473,877)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,561,012)	(1,561,012)	(1,561,012)
Net Change in Total Pension Liability	(290,537)	(209,159)	(360,843)
Total Pension Liability - Beginning	17,699,472	21,330,388	15,165,862
Total Pension Liability - Ending (a)	<u>\$ 17,408,935</u>	<u>\$ 21,121,229</u>	<u>\$ 14,805,019</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	351,314	351,314	351,314
Contributions - State	239,474	239,474	239,474
Contributions - Employee	138,115	138,115	138,115
Net Investment Income	1,591,858	1,591,858	1,591,858
Benefit Payments, Including Refunds of Employee Contributions	(1,561,012)	(1,561,012)	(1,561,012)
Administrative Expenses	(62,716)	(62,716)	(62,716)
Net Change in Plan Fiduciary Net Position	697,033	697,033	697,033
Plan Fiduciary Net Position - Beginning	16,139,568	16,139,568	16,139,568
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,836,601</u>	<u>\$ 16,836,601</u>	<u>\$ 16,836,601</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 572,334</u>	<u>\$ 4,284,628</u>	<u>\$ (2,031,582)</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

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
2023	16,834,259	-	3,096,564	-	1,031,803	14,769,498
2024	14,769,498	-	1,156,613	-	957,905	14,570,790
2025	14,570,790	-	1,163,233	-	944,269	14,351,826
2026	14,351,826	-	1,162,199	-	929,524	14,119,151
2027	14,119,151	-	1,154,246	-	914,087	13,878,992
2028	13,878,992	-	1,145,644	-	898,166	13,631,514
2029	13,631,514	-	1,140,026	-	881,651	13,373,139
2030	13,373,139	-	1,132,343	-	864,470	13,105,266
2031	13,105,266	-	1,144,534	-	845,977	12,806,709
2032	12,806,709	-	1,143,450	-	825,861	12,489,120
2033	12,489,120	-	1,139,081	-	804,572	12,154,611
2034	12,154,611	-	1,128,069	-	782,364	11,808,906
2035	11,808,906	-	1,119,210	-	759,328	11,449,024
2036	11,449,024	-	1,118,717	-	735,052	11,065,359
2037	11,065,359	-	1,114,382	-	709,301	10,660,278
2038	10,660,278	-	1,106,808	-	682,214	10,235,684
2039	10,235,684	-	1,092,958	-	654,021	9,796,747
2040	9,796,747	-	1,074,212	-	625,026	9,347,561
2041	9,347,561	-	1,050,216	-	595,516	8,892,861
2042	8,892,861	-	1,024,380	-	565,695	8,434,176
2043	8,434,176	-	995,567	-	535,706	7,974,315
2044	7,974,315	-	965,683	-	505,674	7,514,306
2045	7,514,306	-	933,779	-	475,701	7,056,228
2046	7,056,228	-	899,441	-	445,939	6,602,726
2047	6,602,726	-	863,318	-	416,547	6,155,955
2048	6,155,955	-	825,493	-	387,667	5,718,129
2049	5,718,129	-	786,208	-	359,439	5,291,360
2050	5,291,360	-	745,603	-	332,003	4,877,760
2051	4,877,760	-	703,931	-	305,491	4,479,320
2052	4,479,320	-	661,421	-	280,031	4,097,930
2053	4,097,930	-	618,444	-	255,738	3,735,224
2054	3,735,224	-	575,304	-	232,711	3,392,631
2055	3,392,631	-	532,352	-	211,036	3,071,315
2056	3,071,315	-	489,945	-	190,778	2,772,148
2057	2,772,148	-	448,410	-	171,986	2,495,724
2058	2,495,724	-	408,099	-	154,688	2,242,313
2059	2,242,313	-	369,399	-	138,889	2,011,803
2060	2,011,803	-	332,656	-	124,570	1,803,717
2061	1,803,717	-	298,155	-	111,688	1,617,250
2062	1,617,250	-	266,068	-	100,185	1,451,367
2063	1,451,367	-	236,462	-	89,987	1,304,892
2064	1,304,892	-	209,332	-	81,015	1,176,575
2065	1,176,575	-	184,633	-	73,187	1,065,129
2066	1,065,129	-	162,308	-	66,418	969,239
2067	969,239	-	142,256	-	60,622	887,605
2068	887,605	-	124,354	-	55,716	818,967
2069	818,967	-	108,469	-	51,619	762,117
2070	762,117	-	94,446	-	48,255	715,926
2071	715,926	-	82,127	-	45,553	679,352

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

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
2072	679,352	-	71,345	-	43,448	651,455
2073	651,455	-	61,921	-	41,883	631,417
2074	631,417	-	53,677	-	40,809	618,549
2075	618,549	-	46,451	-	40,184	612,282
2076	612,282	-	40,088	-	39,976	612,170
2077	612,170	-	34,463	-	40,158	617,865
2078	617,865	-	29,487	-	40,711	629,089
2079	629,089	-	25,085	-	41,617	645,621
2080	645,621	-	21,201	-	42,864	667,284
2081	667,284	-	17,790	-	44,441	693,935
2082	693,935	-	14,803	-	46,341	725,473
2083	725,473	-	12,202	-	48,558	761,829
2084	761,829	-	9,946	-	51,088	802,971
2085	802,971	-	8,004	-	53,930	848,897
2086	848,897	-	6,349	-	57,086	899,634
2087	899,634	-	4,957	-	60,558	955,235
2088	955,235	-	3,807	-	64,350	1,015,778
2089	1,015,778	-	2,872	-	68,468	1,081,374
2090	1,081,374	-	2,128	-	72,921	1,152,167
2091	1,152,167	-	1,546	-	77,719	1,228,340
2092	1,228,340	-	1,101	-	82,876	1,310,115
2093	1,310,115	-	768	-	88,407	1,397,754
2094	1,397,754	-	524	-	94,331	1,491,561
2095	1,491,561	-	351	-	100,669	1,591,879
2096	1,591,879	-	230	-	107,444	1,699,093
2097	1,699,093	-	148	-	114,684	1,813,629
2098	1,813,629	-	94	-	122,417	1,935,952
2099	1,935,952	-	59	-	130,675	2,066,568
2100	2,066,568	-	36	-	139,492	2,206,024
2101	2,206,024	-	22	-	148,906	2,354,908
2102	2,354,908	-	13	-	158,956	2,513,851
2103	2,513,851	-	8	-	169,685	2,683,528
2104	2,683,528	-	4	-	181,138	2,864,662
2105	2,864,662	-	2	-	193,365	3,058,025
2106	3,058,025	-	1	-	206,417	3,264,441
2107	3,264,441	-	1	-	220,350	3,484,790
2108	3,484,790	-	-	-	235,223	3,720,013

*All DROP and Share Balances paid in 2023.

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 6.75% 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: Discount Rate = 4.75%

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
2023	16,834,259	-	3,096,564	-	726,084	14,463,779
2024	14,463,779	-	1,156,613	-	659,560	13,966,726
2025	13,966,726	-	1,163,233	-	635,793	13,439,286
2026	13,439,286	-	1,162,199	-	610,764	12,887,851
2027	12,887,851	-	1,154,246	-	584,760	12,318,365
2028	12,318,365	-	1,145,644	-	557,913	11,730,634
2029	11,730,634	-	1,140,026	-	530,129	11,120,737
2030	11,120,737	-	1,132,343	-	501,342	10,489,736
2031	10,489,736	-	1,144,534	-	471,080	9,816,282
2032	9,816,282	-	1,143,450	-	439,116	9,111,948
2033	9,111,948	-	1,139,081	-	405,764	8,378,631
2034	8,378,631	-	1,128,069	-	371,193	7,621,755
2035	7,621,755	-	1,119,210	-	335,452	6,837,997
2036	6,837,997	-	1,118,717	-	298,235	6,017,515
2037	6,017,515	-	1,114,382	-	259,365	5,162,498
2038	5,162,498	-	1,106,808	-	218,932	4,274,622
2039	4,274,622	-	1,092,958	-	177,087	3,358,751
2040	3,358,751	-	1,074,212	-	134,028	2,418,567
2041	2,418,567	-	1,050,216	-	89,939	1,458,290
2042	1,458,290	-	1,024,380	-	44,940	478,850
2043	478,850	-	995,567	-	-	-

*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 20.48

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.75% 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: Discount Rate = 8.75%

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
2023	16,834,259	-	3,096,564	-	1,337,523	15,075,218
2024	15,075,218	-	1,156,613	-	1,268,480	15,187,085
2025	15,187,085	-	1,163,233	-	1,277,978	15,301,830
2026	15,301,830	-	1,162,199	-	1,288,064	15,427,695
2027	15,427,695	-	1,154,246	-	1,299,425	15,572,874
2028	15,572,874	-	1,145,644	-	1,312,505	15,739,735
2029	15,739,735	-	1,140,026	-	1,327,351	15,927,060
2030	15,927,060	-	1,132,343	-	1,344,078	16,138,795
2031	16,138,795	-	1,144,534	-	1,362,071	16,356,332
2032	16,356,332	-	1,143,450	-	1,381,153	16,594,035
2033	16,594,035	-	1,139,081	-	1,402,143	16,857,097
2034	16,857,097	-	1,128,069	-	1,425,643	17,154,671
2035	17,154,671	-	1,119,210	-	1,452,068	17,487,529
2036	17,487,529	-	1,118,717	-	1,481,215	17,850,027
2037	17,850,027	-	1,114,382	-	1,513,123	18,248,768
2038	18,248,768	-	1,106,808	-	1,548,344	18,690,304
2039	18,690,304	-	1,092,958	-	1,587,585	19,184,931
2040	19,184,931	-	1,074,212	-	1,631,685	19,742,404
2041	19,742,404	-	1,050,216	-	1,681,513	20,373,701
2042	20,373,701	-	1,024,380	-	1,737,882	21,087,203
2043	21,087,203	-	995,567	-	1,801,574	21,893,210
2044	21,893,210	-	965,683	-	1,873,407	22,800,934
2045	22,800,934	-	933,779	-	1,954,229	23,821,384
2046	23,821,384	-	899,441	-	2,045,021	24,966,964
2047	24,966,964	-	863,318	-	2,146,839	26,250,485
2048	26,250,485	-	825,493	-	2,260,802	27,685,794
2049	27,685,794	-	786,208	-	2,388,110	29,287,696
2050	29,287,696	-	745,603	-	2,530,053	31,072,146
2051	31,072,146	-	703,931	-	2,688,016	33,056,231
2052	33,056,231	-	661,421	-	2,863,483	35,258,293
2053	35,258,293	-	618,444	-	3,058,044	37,697,893
2054	37,697,893	-	575,304	-	3,273,396	40,395,985
2055	40,395,985	-	532,352	-	3,511,358	43,374,991
2056	43,374,991	-	489,945	-	3,773,877	46,658,923
2057	46,658,923	-	448,410	-	4,063,038	50,273,551
2058	50,273,551	-	408,099	-	4,381,081	54,246,533
2059	54,246,533	-	369,399	-	4,730,410	58,607,544
2060	58,607,544	-	332,656	-	5,113,606	63,388,494
2061	63,388,494	-	298,155	-	5,533,449	68,623,788
2062	68,623,788	-	266,068	-	5,992,941	74,350,661
2063	74,350,661	-	236,462	-	6,495,338	80,609,537
2064	80,609,537	-	209,332	-	7,044,176	87,444,381
2065	87,444,381	-	184,633	-	7,643,306	94,903,054
2066	94,903,054	-	162,308	-	8,296,916	103,037,662
2067	103,037,662	-	142,256	-	9,009,572	111,904,978
2068	111,904,978	-	124,354	-	9,786,245	121,566,869
2069	121,566,869	-	108,469	-	10,632,356	132,090,756
2070	132,090,756	-	94,446	-	11,553,809	143,550,119
2071	143,550,119	-	82,127	-	12,557,042	156,025,034

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: Discount Rate = 8.75%

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
2072	156,025,034	-	71,345	-	13,649,069	169,602,758
2073	169,602,758	-	61,921	-	14,837,532	184,378,369
2074	184,378,369	-	53,677	-	16,130,759	200,455,451
2075	200,455,451	-	46,451	-	17,537,820	217,946,820
2076	217,946,820	-	40,088	-	19,068,593	236,975,325
2077	236,975,325	-	34,463	-	20,733,833	257,674,695
2078	257,674,695	-	29,487	-	22,545,246	280,190,454
2079	280,190,454	-	25,085	-	24,515,567	304,680,936
2080	304,680,936	-	21,201	-	26,658,654	331,318,389
2081	331,318,389	-	17,790	-	28,989,581	360,290,180
2082	360,290,180	-	14,803	-	31,524,743	391,800,120
2083	391,800,120	-	12,202	-	34,281,977	426,069,895
2084	426,069,895	-	9,946	-	37,280,681	463,340,630
2085	463,340,630	-	8,004	-	40,541,955	503,874,581
2086	503,874,581	-	6,349	-	44,088,748	547,956,980
2087	547,956,980	-	4,957	-	47,946,019	595,898,042
2088	595,898,042	-	3,807	-	52,140,912	648,035,147
2089	648,035,147	-	2,872	-	56,702,950	704,735,225
2090	704,735,225	-	2,128	-	61,664,239	766,397,336
2091	766,397,336	-	1,546	-	67,059,699	833,455,489
2092	833,455,489	-	1,101	-	72,927,307	906,381,695
2093	906,381,695	-	768	-	79,308,365	985,689,292
2094	985,689,292	-	524	-	86,247,790	1,071,936,558
2095	1,071,936,558	-	351	-	93,794,433	1,165,730,640
2096	1,165,730,640	-	230	-	102,001,421	1,267,731,831
2097	1,267,731,831	-	148	-	110,926,529	1,378,658,212
2098	1,378,658,212	-	94	-	120,632,589	1,499,290,707
2099	1,499,290,707	-	59	-	131,187,934	1,630,478,582
2100	1,630,478,582	-	36	-	142,666,874	1,773,145,420
2101	1,773,145,420	-	22	-	155,150,223	1,928,295,621
2102	1,928,295,621	-	13	-	168,725,866	2,097,021,474
2103	2,097,021,474	-	8	-	183,489,379	2,280,510,845
2104	2,280,510,845	-	4	-	199,544,699	2,480,055,540
2105	2,480,055,540	-	2	-	217,004,860	2,697,060,398
2106	2,697,060,398	-	1	-	235,992,785	2,933,053,182
2107	2,933,053,182	-	1	-	256,642,153	3,189,695,334
2108	3,189,695,334	-	-	-	279,098,342	3,468,793,676

*All DROP and Share Balances paid in 2023.

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 8.75% 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, 2025

Valuation Date: 10/1/2023

	ACTUAL	HYPOTHETICAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%	8.75%
Minimum Required Contribution (Fixed \$)	\$376,270	\$721,121	\$246,982
Minimum Required Contribution (% of Payroll)	25.88%	49.61%	16.99%
Expected Member Contribution	72,687	72,687	72,687
Expected Sponsor Contribution (Fixed \$)	\$303,583	\$648,434	\$174,295
Expected Sponsor Contribution (% of Payroll)	17.79%	44.61%	11.99%

ASSETS

Actuarial Value ¹	16,834,259	16,834,259	16,834,259
Market Value ¹	16,834,259	16,834,259	16,834,259

LIABILITIES

Present Value of Benefits			
Actives			
Retirement Benefits	3,719,925	5,573,512	2,618,293
Disability Benefits	201,785	276,108	153,599
Death Benefits	34,469	54,697	23,007
Vested Benefits	466,412	748,948	304,233
Refund of Contributions	8,899	9,089	8,718
Service Retirees	11,251,830	13,703,297	9,492,539
DROP Retirees ¹	1,170,144	1,436,229	987,643
Beneficiaries	0	0	0
Disability Retirees	413,805	501,868	350,658
Terminated Vested	388,296	509,437	308,857
Share Plan Balances ¹	1,815,357	1,815,357	1,815,357
Total:	19,470,922	24,628,542	16,062,904
Present Value of Future Salaries	12,219,392	13,696,687	11,017,992
Present Value of Future Member Contributions	610,970	684,834	550,900
Total Normal Cost	248,388	368,997	174,039
Present Value of Future Normal Costs (Entry Age Normal)	1,916,500	3,273,421	1,178,908
Total Actuarial Accrued Liability (EAN) ¹	17,554,422	21,355,121	14,883,996
Unfunded Actuarial Accrued Liability (UAAL)	720,163	4,520,862	(1,950,263)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.75%	4.75%	8.75%
<u>PENSION COST</u>			
Normal Cost (with interest)	256,771	377,761	181,653
Administrative Expenses (with interest)	64,703	64,078	65,329
Payment Required To Amortize UAAL (with interest)	<u>54,796</u>	<u>279,282</u>	<u>(189,821)</u>
Minimum Required Contribution ²	\$376,270	\$721,121	\$246,982

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2023.

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