

TOWN OF INDIALANTIC
GENERAL EMPLOYEES' PENSION 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: 2/15/2016

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



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

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	
	7.00% RP-2000 Static 9/30/2015	7.00% RP-2000 Generational 9/30/2015	5.00% RP-2000 Generational 9/30/2015

GASB 67: Schedule of Changes in Net Pension LiabilityTotal Pension Liability

Service Cost	43,196	44,566	70,414
Interest	119,143	122,226	112,042
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(12,576)	(15,002)	(12,768)
Changes of Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(73,230)	(73,230)	(73,230)
Net Change in Total Pension Liability	76,533	78,560	96,458
Total Pension Liability - Beginning	1,695,462	1,738,137	2,207,049
Total Pension Liability - Ending (a)	\$ 1,771,995	\$ 1,816,697	\$ 2,303,507

Plan Fiduciary Net Position

Contributions - Employer	57,449	57,449	57,449
Contributions - Employee	25,271	25,271	25,271
Net Investment Income	(58,756)	(58,756)	(58,756)
Benefit Payments, Including Refunds of Employee Contributions	(73,230)	(73,230)	(73,230)
Administrative Expenses	(14,152)	(14,152)	(14,152)
Net Change in Plan Fiduciary Net Position	(63,418)	(63,418)	(63,418)
Plan Fiduciary Net Position - Beginning	1,232,017	1,232,017	1,232,017
Plan Fiduciary Net Position - Ending (b)	\$ 1,168,599	\$ 1,168,599	\$ 1,168,599
Net Pension Liability - Ending (a) - (b)	\$ 603,396	\$ 648,098	\$ 1,134,908

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

Pension Expense	\$ 60,168	\$ 64,276	\$ 104,515
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PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% 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	1,168,599	-	93,577	-	78,527	1,153,549
2016	1,153,549	-	95,640	-	77,401	1,135,310
2017	1,135,310	-	97,277	-	76,067	1,114,100
2018	1,114,100	-	132,817	-	73,338	1,054,621
2019	1,054,621	-	130,248	-	69,265	993,638
2020	993,638	-	128,154	-	65,069	930,553
2021	930,553	-	126,002	-	60,729	865,280
2022	865,280	-	123,632	-	56,242	797,890
2023	797,890	-	123,809	-	51,519	725,600
2024	725,600	-	133,495	-	46,120	638,225
2025	638,225	-	137,101	-	39,877	541,001
2026	541,001	-	137,700	-	33,051	436,352
2027	436,352	-	134,294	-	25,844	327,902
2028	327,902	-	130,681	-	18,379	215,600
2029	215,600	-	130,512	-	10,524	95,612
2030	95,612	-	129,499	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.74

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: 7.00% 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	1,168,599	-	93,577	-	78,527	1,153,549
2016	1,153,549	-	95,644	-	77,401	1,135,306
2017	1,135,306	-	97,298	-	76,066	1,114,074
2018	1,114,074	-	132,881	-	73,334	1,054,527
2019	1,054,527	-	130,382	-	69,254	993,399
2020	993,399	-	128,380	-	65,045	930,064
2021	930,064	-	126,347	-	60,682	864,399
2022	864,399	-	124,128	-	56,163	796,434
2023	796,434	-	124,502	-	51,393	723,325
2024	723,325	-	134,424	-	45,928	634,829
2025	634,829	-	138,306	-	39,597	536,120
2026	536,120	-	139,228	-	32,655	429,547
2027	429,547	-	136,181	-	25,302	318,668
2028	318,668	-	132,955	-	17,653	203,366
2029	203,366	-	133,227	-	9,573	79,712
2030	79,712	-	132,667	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.60

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 3
Hypothetical Assumptions: 5.00% 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	1,168,599	-	93,577	-	56,091	1,131,113
2016	1,131,113	-	95,644	-	54,165	1,089,634
2017	1,089,634	-	97,298	-	52,049	1,044,385
2018	1,044,385	-	132,881	-	48,897	960,401
2019	960,401	-	130,382	-	44,761	874,780
2020	874,780	-	128,380	-	40,530	786,930
2021	786,930	-	126,347	-	36,188	696,771
2022	696,771	-	124,128	-	31,735	604,378
2023	604,378	-	124,502	-	27,106	506,982
2024	506,982	-	134,424	-	21,989	394,547
2025	394,547	-	138,306	-	16,270	272,511
2026	272,511	-	139,228	-	10,145	143,428
2027	143,428	-	136,181	-	3,767	11,014
2028	11,014	-	132,955	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.08

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, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL	
	7.00% RP-2000 Static	7.00% RP-2000 Generational	5.00% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$100,368	\$105,064	\$148,861
Total Required Contribution (% of Payroll)	17.06%	17.86%	25.31%
Expected Member Contribution	26,475	26,475	26,475
Expected Sponsor Contribution (Fixed \$)	\$73,893	\$78,589	\$122,386
Expected Sponsor Contribution (% of Payroll)	12.56%	13.36%	20.81%

ASSETS

Actuarial Value	1,240,147	1,240,147	1,240,147
Market Value	1,168,599	1,168,599	1,168,599

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	871,500	899,184	1,242,448
Disability Benefits	0	0	0
Death Benefits	15,129	13,923	17,627
Vested Benefits	173,262	180,724	305,958
Refund of Contributions	14,187	14,188	14,675
Service Retirees	758,895	771,704	896,038
Beneficiaries	0	0	0
Disability Retirees	0	0	0
Terminated Vested	181,462	186,371	265,366
Total:	2,014,435	2,066,094	2,742,112
Present Value of Future Salaries	3,835,632	3,838,269	4,258,077
Present Value of Future Member Contributions	172,603	172,722	191,613
Total Normal Cost	39,724	41,313	62,854
Present Value of Future Normal Costs (Entry Age Normal)	215,765	226,307	411,689
Total Actuarial Accrued Liability	1,755,455	1,796,571	2,287,207
Unfunded Actuarial Accrued Liability (UAAL)	515,308	556,424	1,047,060

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2017

Valuation Date: 10/1/2015

	ACTUAL	HYPOTHETICAL	
	7.00% RP-2000 Static	7.00% RP-2000 Generational	5.00% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	41,114	42,759	64,425
Administrative Expenses (with interest)	14,648	14,648	14,507
Payment Required To Amortize UAAL (with interest)	44,606	47,657	69,929
Total Required Contribution	\$100,368	\$105,064	\$148,861