

TOWN OF INDIALANTIC  
POLICE OFFICERS' AND FIREFIGHTERS' RETIREMENT SYSTEM

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



April 15, 2024

VIA E-MAIL

Ms. Mollie Carr  
Town of Indialantic  
216 5th Avenue  
Indialantic, FL 32903

Re: Town of Indialantic Police Officers' and Firefighters' Retirement System  
Section 112.664, Florida Statutes Compliance

Dear Mollie:

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 by the 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.

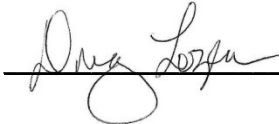
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should contact its Investment Consultant for this information.

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.

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 #23-7778

Enclosures

cc via email: Bonni Jensen, Board Attorney  
cc via email: Jennifer Small, Finance Director

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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.90%	4.90%
<u>Total Pension Liability</u>		
Service Cost	245,286	365,959
Interest	701,693	627,254
Share Plan Allocation	1,565	1,565
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	52,995	97,584
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(553,937)	(553,937)
Net Change in Total Pension Liability	447,602	538,425
Total Pension Liability - Beginning	10,202,461	12,713,427
Total Pension Liability - Ending (a)	<u>\$ 10,650,063</u>	<u>\$ 13,251,852</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	167,000	167,000
Contributions - State	109,056	109,056
Contributions - Employee	57,129	57,129
Net Investment Income	1,034,549	1,034,549
Benefit Payments, Including Refunds of Employee Contributions	(553,937)	(553,937)
Administrative Expenses	(26,339)	(26,339)
Net Change in Plan Fiduciary Net Position	787,458	787,458
Plan Fiduciary Net Position - Beginning	9,086,270	9,086,270
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,873,728</u>	<u>\$ 9,873,728</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 776,335</u>	<u>\$ 3,378,124</u>

## PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1  
Plan Assumptions: Discount Rate = 6.90%

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	9,522,903	-	733,089	-	631,789	9,421,603
2024	9,421,603	-	780,453	-	623,165	9,264,315
2025	9,264,315	-	774,726	-	612,510	9,102,099
2026	9,102,099	-	768,185	-	601,542	8,935,456
2027	8,935,456	-	759,849	-	590,332	8,765,939
2028	8,765,939	-	753,024	-	578,870	8,591,785
2029	8,591,785	-	745,671	-	567,108	8,413,222
2030	8,413,222	-	737,703	-	555,062	8,230,581
2031	8,230,581	-	778,600	-	541,048	7,993,029
2032	7,993,029	-	768,982	-	524,989	7,749,036
2033	7,749,036	-	760,598	-	508,443	7,496,881
2034	7,496,881	-	729,209	-	492,127	7,259,799
2035	7,259,799	-	714,870	-	476,263	7,021,192
2036	7,021,192	-	699,842	-	460,318	6,781,668
2037	6,781,668	-	711,576	-	443,386	6,513,478
2038	6,513,478	-	737,201	-	423,997	6,200,274
2039	6,200,274	-	719,402	-	403,000	5,883,872
2040	5,883,872	-	701,239	-	381,794	5,564,427
2041	5,564,427	-	682,564	-	360,397	5,242,260
2042	5,242,260	-	661,795	-	338,884	4,919,349
2043	4,919,349	-	639,854	-	317,360	4,596,855
2044	4,596,855	-	629,406	-	295,468	4,262,917
2045	4,262,917	-	605,723	-	273,244	3,930,438
2046	3,930,438	-	581,194	-	251,149	3,600,393
2047	3,600,393	-	558,196	-	229,169	3,271,366
2048	3,271,366	-	529,611	-	207,453	2,949,208
2049	2,949,208	-	502,612	-	186,155	2,632,751
2050	2,632,751	-	475,182	-	165,266	2,322,835
2051	2,322,835	-	447,293	-	144,844	2,020,386
2052	2,020,386	-	419,623	-	124,930	1,725,693
2053	1,725,693	-	392,181	-	105,543	1,439,055
2054	1,439,055	-	364,548	-	86,718	1,161,225
2055	1,161,225	-	338,150	-	68,458	891,533
2056	891,533	-	312,584	-	50,732	629,681
2057	629,681	-	287,712	-	33,522	375,491
2058	375,491	-	264,116	-	16,797	128,172
2059	128,172	-	241,693	-	-	-

\*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 36.53

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.90% 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 = 4.90%

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	9,522,903	-	733,089	-	448,662	9,238,476
2024	9,238,476	-	780,453	-	433,564	8,891,587
2025	8,891,587	-	774,726	-	416,707	8,533,568
2026	8,533,568	-	768,185	-	399,324	8,164,707
2027	8,164,707	-	759,849	-	381,454	7,786,312
2028	7,786,312	-	753,024	-	363,080	7,396,368
2029	7,396,368	-	745,671	-	344,153	6,994,850
2030	6,994,850	-	737,703	-	324,674	6,581,821
2031	6,581,821	-	778,600	-	303,434	6,106,655
2032	6,106,655	-	768,982	-	280,386	5,618,059
2033	5,618,059	-	760,598	-	256,650	5,114,111
2034	5,114,111	-	729,209	-	232,726	4,617,628
2035	4,617,628	-	714,870	-	208,749	4,111,507
2036	4,111,507	-	699,842	-	184,318	3,595,983
2037	3,595,983	-	711,576	-	158,770	3,043,177
2038	3,043,177	-	737,201	-	131,054	2,437,030
2039	2,437,030	-	719,402	-	101,789	1,819,417
2040	1,819,417	-	701,239	-	71,971	1,190,149
2041	1,190,149	-	682,564	-	41,594	549,179
2042	549,179	-	661,795	-	-	-

\*All DROP and Share Balances paid in 2023.

Number of Years Expected Benefit Payments Sustained: 19.83

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.90% 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

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.90%	4.90%
Minimum Required Contribution (Fixed \$)	\$295,862	\$578,251
Minimum Required Contribution (% of Payroll)	26.37%	51.54%
Expected Member Contribution	56,095	56,095
Expected State Money	107,491	107,491
Expected Sponsor Contribution (Fixed \$)	\$132,276	\$414,665
Expected Sponsor Contribution (% of Payroll)	11.79%	36.96%

**ASSETS**

Actuarial Value <sup>1</sup>	10,559,785	10,559,785
Market Value <sup>1</sup>	9,522,903	9,522,903

**LIABILITIES**

Present Value of Benefits		
Actives		
Retirement Benefits	5,143,416	7,314,630
Disability Benefits	168,041	223,567
Death Benefits	28,648	46,130
Vested Benefits	41,853	76,284
Refund of Contributions	15,595	16,432
Service Retirees	4,438,599	5,347,030
DROP Retirees <sup>1</sup>	482,230	544,764
Beneficiaries	304,732	368,059
Disability Retirees	1,274,672	1,529,446
Terminated Vested	314	314
Share Plan Balances <sup>1</sup>	1,949	1,949
Excess State Monies Reserve	1,311	1,311
Total:	<u>11,901,360</u>	<u>15,469,916</u>
Present Value of Future Salaries	6,126,022	6,819,290
Present Value of Future Member Contributions	306,301	340,965
Total Normal Cost	246,686	364,692
Present Value of Future Normal Costs (Entry Age Normal)	1,162,846	2,079,978
Total Actuarial Accrued Liability (EAN) <sup>1</sup>	10,738,514	13,389,938
Unfunded Actuarial Accrued Liability (UAAL)	178,729	2,830,153

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

Valuation Date: 10/1/2023

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	6.90%	4.90%
<b><u>PENSION COST</u></b>		
Normal Cost (with interest)	255,197	373,627
Administrative Expenses (with interest)	26,412	26,157
Payment Required To Amortize UAAL (with interest)	<u>14,253</u>	<u>178,467</u>
Minimum Required Contribution	\$295,862	\$578,251

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