

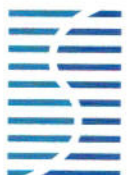
TOWN OF INDIAN RIVER SHORES
GENERAL EMPLOYEES'
DEFINED BENEFIT PLAN

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2014

DETERMINES THE CONTRIBUTION
FOR THE 2014/15 FISCAL YEAR



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February 4, 2015

Introduction

This report presents the October 1, 2014 actuarial valuation of the Town of Indian River Shores General Employees' Defined Benefit Plan. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2014 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2014/15 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, accounting disclosures pursuant to Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27), statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table V-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2014/15 plan year. The minimum required contribution rate is 39.48% of covered payroll, which represents a decrease of 3.34% of payroll from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 0.93% of payroll due to investment gains and decreased by another 2.41% of payroll due to demographic experience. The market value of assets earned 9.32% during the 2013/14 plan year, whereas a 5.90% annual investment return was required to maintain a stable contribution rate.



Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the Town must contribute an amount equal to the annual normal cost of the plan minus the expected employee contributions plus an amortization payment towards the unfunded liability, where the amortization period is no longer than 30 years and where all amounts are adjusted as necessary for administrative expenses and to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the Town's 2014/15 minimum required contribution will be equal to 39.48% multiplied by the total pensionable earnings for the 2014/15 fiscal year for the active employees who are covered by the plan.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$1,342,977 excluding any adjustments for future administrative expenses. As illustrated in Table I-A, current assets are sufficient to cover \$526,361 of this amount, the employer's 2014/15 expected contribution will cover \$99,173 of this amount, and future employee contributions are expected to cover \$165,235 of this amount, leaving \$552,208 to be covered by future employer funding beyond the 2014/15 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Amortization of the Unfunded Liability

This plan uses the entry age normal cost method to develop an unfunded liability each year. The unfunded liability is then amortized or "paid off" over a period of time. The period over which the unfunded liability is amortized is often referred to as the "funding period" of the plan. Although under Chapter 112 the maximum allowable funding period is 30 years, the unfunded liability should be paid off within a period that does not exceed the expected future working life of the active employees who are covered by the plan or, if there are no active employees covered by the plan, the expected future lifetime of the retired participants. Table I-I shows the various components of the unfunded liability and the respective funding period for each component. We have used a closed 10-year funding period beginning October 1, 2013 to amortize all components of the unfunded liability.

Contents of the Report

Tables I-D through I-I provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-C provide information needed by both the plan's and the employer's accountants in order to prepare the relevant financial statements that cover the period October 1, 2013 through September 30, 2014. Tables III-A through III-F provide information concerning the assets of the trust fund. Specifically, Table III-A shows the development of the actuarial value of assets, which is based on the market value. Tables IV-A through IV-G provide statistical information concerning the plan's participant population. In particular, Table IV-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables V-A through VI-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of October 1, 2014, as well as a summary of the changes that have occurred since the previous valuation report was prepared.



Certification

This actuarial valuation was prepared 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

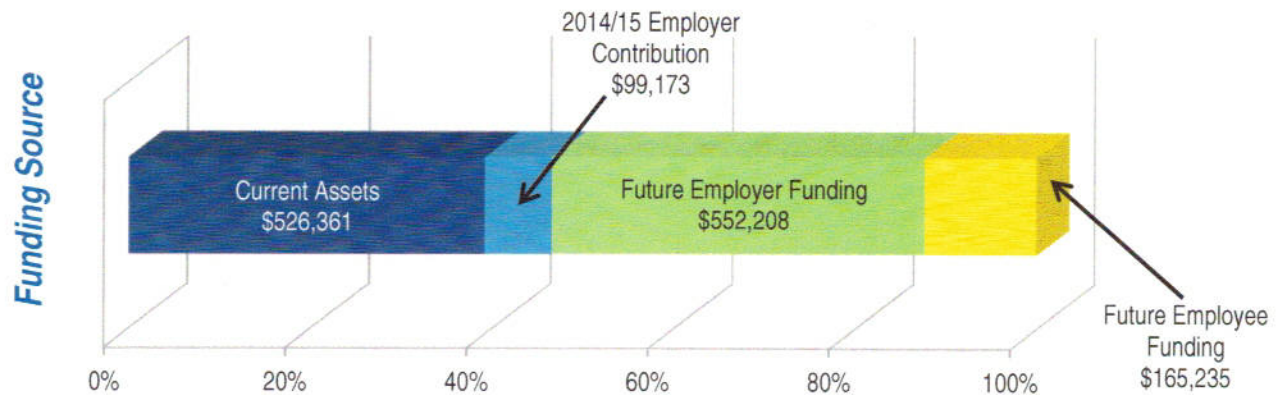
Enrolled Actuary No. 14-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2014/15 Plan Year

Entry Age Normal Cost	\$79,212
Unfunded Liability Amortization Payment	\$36,162
Expense Allowance	\$3,500
Expected Employee Contribution	(\$22,605)
Employer Contribution as of the Beginning of the Plan Year	\$96,269
Adjustment to Reflect Semi-Monthly Employer Contributions	\$2,904
Preliminary Employer Contribution	\$99,173
Expected Payroll	÷ \$251,169

Minimum Required Contribution Rate **39.48%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)

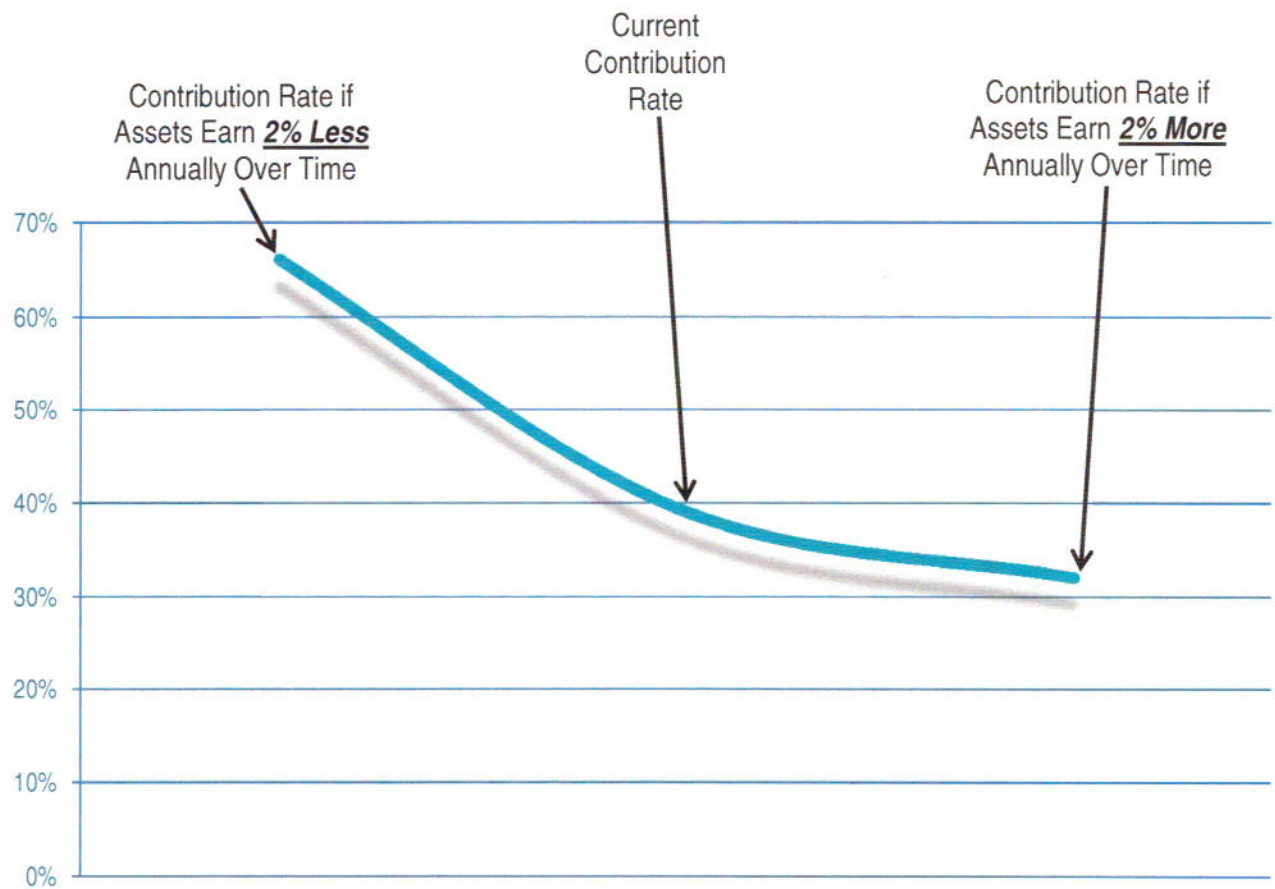
Additional Disclosures

Present Value of Future Compensation	\$1,835,946
Present Value of Future Employer Contributions	\$651,381
Present Value of Future Employee Contributions	\$165,235



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous minimum required contribution rate	42.82%
Increase (decrease) due to investment gains and losses	-0.93%
Increase (decrease) due to demographic experience	-2.41%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.00%
Increase (decrease) due to actuarial method changes	0.00%
Current minimum required contribution rate	<u>39.48%</u>

Source of Change in the Unfunded Liability

Previous unfunded liability	\$316,208
Increase due to employer normal cost for the prior year	\$51,789
Increase due to interest on normal cost and unfunded liability	\$21,712
Decrease due to employer contributions	(\$103,810)
Decrease due to interest on employer contributions	(\$6,125)
Expected unfunded liability	<u>\$279,774</u>
Increase (decrease) due to plan experience	(\$18,157)
Increase (decrease) due to plan amendments	\$0
Increase (decrease) due to actuarial assumption changes	\$0
Increase (decrease) due to actuarial method changes	\$0
Current unfunded liability	<u>\$261,617</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions <u>Old Plan</u>	Old Assumptions <u>New Plan</u>	New Assumptions <u>New Plan</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$856,667	\$856,667	\$856,667
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$856,667	\$856,667	\$856,667
<u>Deferred Vested Participants</u>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$482,810	\$482,810	\$482,810
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$482,810	\$482,810	\$482,810
<u>Grand Total</u>	<u>\$1,339,477</u>	<u>\$1,339,477</u>	<u>\$1,339,477</u>
Present Value of Future Payroll	\$1,835,946	\$1,835,946	\$1,835,946
Present Value of Future Employee Contribs.	\$165,235	\$165,235	\$165,235
Present Value of Future Employer Contribs.	\$651,381	\$651,381	\$651,381



Present Value of Accrued Benefits

Table I-E

	Old Assumptions <u>Old Plan</u>	Old Assumptions <u>New Plan</u>	New Assumptions <u>New Plan</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$181,741	\$181,741	\$181,741
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$181,741	\$181,741	\$181,741
<u>Deferred Vested Participants</u>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$482,810	\$482,810	\$482,810
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$482,810	\$482,810	\$482,810
<u>Grand Total</u>	<u>\$664,551</u>	<u>\$664,551</u>	<u>\$664,551</u>



Present Value of Vested Benefits

Table I-F

	Old Assumptions <u>Old Plan</u>	Old Assumptions <u>New Plan</u>	New Assumptions <u>New Plan</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$131,494	\$131,494	\$131,494
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$131,494	\$131,494	\$131,494
<u>Deferred Vested Participants</u>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$482,810	\$482,810	\$482,810
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$482,810	\$482,810	\$482,810
<u>Grand Total</u>	<u>\$614,304</u>	<u>\$614,304</u>	<u>\$614,304</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions <u>Old Plan</u>	Old Assumptions <u>New Plan</u>	New Assumptions <u>New Plan</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$305,168	\$305,168	\$305,168
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$305,168	\$305,168	\$305,168
<u>Deferred Vested Participants</u>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$482,810	\$482,810	\$482,810
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$482,810	\$482,810	\$482,810
<u>Grand Total</u>	<u>\$787,978</u>	<u>\$787,978</u>	<u>\$787,978</u>
<i>less Actuarial Value of Assets</i>	<i>(\$526,361)</i>	<i>(\$526,361)</i>	<i>(\$526,361)</i>
<u>Unfunded Accrued Liability</u>	<u>\$261,617</u>	<u>\$261,617</u>	<u>\$261,617</u>



Entry Age Normal Cost



Table I-H

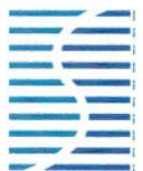
	Old Assumptions <u>Old Plan</u>	Old Assumptions <u>New Plan</u>	New Assumptions <u>New Plan</u>
<u>Actively Employed Participants</u>			
Retirement benefits	\$79,212	\$79,212	\$79,212
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$79,212	\$79,212	\$79,212
<u>Deferred Vested Participants</u>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Due a Refund of Contributions</u>	\$0	\$0	\$0
<u>Deferred Beneficiaries</u>	\$0	\$0	\$0
<u>Retired Participants</u>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<u>Grand Total</u>	<u>\$79,212</u>	<u>\$79,212</u>	<u>\$79,212</u>



Unfunded Liability Bases

Table I-I

<u>Description</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Amortization Payment</u>	<u>Years Rem.</u>
Total		\$261,617	\$36,162	
				
10/1/2013 Fresh Start	\$316,208	\$279,774	\$38,672	9
2013/14 Experience Gain	(\$18,157)	(\$18,157)	(\$2,510)	9



GASB 25/27 Results

Table II-A

Development of the Net Pension Obligation (Asset)

Net Pension Obligation (Asset) as of October 1, 2013	(\$16,345)
Annual Pension Cost for the 2013/14 Plan Year	\$96,069
Employer Contributions for the 2013/14 Plan Year	(\$103,810)
Net Increase (Decrease) in NPO	(\$7,741)
Net Pension Obligation (Asset) as of October 1, 2014	(\$24,086)



GASB 25/27 Disclosures

Table II-B

Schedule of Employer Contributions

Year Ended <u>September 30</u>	Annual Required <u>Contribution</u>	% <u>Contrib.</u>	Annual Pension <u>Cost</u>	% <u>Contrib.</u>
2009	\$23,836	51%	\$23,663	51%
2010	\$34,289	124%	\$34,128	125%
2011	\$34,778	101%	\$34,877	100%
2012	\$47,347	101%	\$47,612	101%
2013	\$63,366	121%	\$63,736	120%
2014	\$94,946	109%	\$96,069	108%

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2) – (1)	Funded Ratio (1) ÷ (2)	Covered Payroll	UAAL as % of Covered Payroll (3) ÷ (5)
October 1, 2009	\$285,177	\$506,002	\$220,825	56.36%	\$81,471	271.05%
Not Applicable	N/A	N/A	N/A	N/A	N/A	N/A
October 1, 2011	\$274,505	\$569,864	\$295,359	48.17%	\$87,214	338.66%
October 1, 2012	\$286,905	\$659,936	\$373,031	43.47%	\$92,719	402.32%
October 1, 2013	\$422,700	\$738,908	\$316,208	57.21%	\$221,719	142.62%
October 1, 2014	\$526,361	\$787,978	\$261,617	66.80%	\$251,169	104.16%

Additional InformationValuation Date **October 1, 2014**Actuarial Cost Method **Entry age normal**Amortization Method **Level percentage, closed**Remaining Amortization Period **9 years**Asset Valuation Method **Market value**Discount Rate **5.90%**Salary Increase Rate **5.00%**

SFAS 35 Disclosures

Table II-C

Actuarial Present Value of Accrued Benefits

	<u>As of October 1, 2013</u>	<u>As of October 1, 2014</u>
<u>Vested Benefits</u>		
Participants currently receiving benefits	\$508,379	\$482,810
Other participants	\$90,221	\$131,494
Sub-total	<u>\$598,600</u>	<u>\$614,304</u>
<u>Non-Vested Benefits</u>	\$24,257	\$50,247
<u>Total Benefits</u>	<u><u>\$622,857</u></u>	<u><u>\$664,551</u></u>
<u>Funded Percentage</u>	67.86%	79.21%
(based on the market value of assets)		

Statement of Change in Actuarial Present Value of Accrued Benefits

<u>Actuarial Present Value as of October 1, 2013</u>	<u>\$622,857</u>
<u>Increase (Decrease) Due To:</u>	
Interest	\$36,749
Benefits accumulated	\$53,340
Benefits paid	(\$48,395)
Plan amendments	\$0
Changes in actuarial methods and assumptions	\$0
Net increase (decrease)	<u>\$41,694</u>
<u>Actuarial Present Value as of October 1, 2014</u>	<u><u>\$664,551</u></u>



Actuarial Value of Assets

Table III-A

Market Value of Assets as of October 1, 2013	\$526,361
Minus DROP account balances	\$0
Minus advance employer contributions	\$0

Actuarial Value of Assets as of October 1, 2014 **\$526,361**

Historical Actuarial Value of Assets

October 1, 2005	N/A
October 1, 2006	N/A
October 1, 2007	\$365,780
October 1, 2008	\$286,072
October 1, 2009	\$285,177
October 1, 2010	\$283,068
October 1, 2011	\$274,505
October 1, 2012	\$286,905
October 1, 2013	\$422,700
October 1, 2014	\$526,361

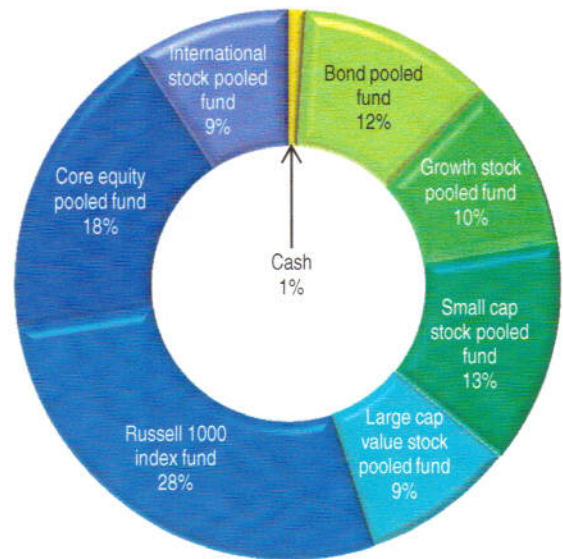


Market Value of Assets

Table III-B

As of October 1, 2014

Market Value of Assets	<u>\$526,361</u>
Cash	\$5,264
Bond pooled fund	\$61,584
Growth stock pooled fund	\$51,583
Small cap stock pooled fund	\$70,006
Large cap value stock pooled fund	\$47,899
Russell 1000 index fund	\$145,276
Core equity pooled fund	\$96,324
International stock pooled fund	\$48,425

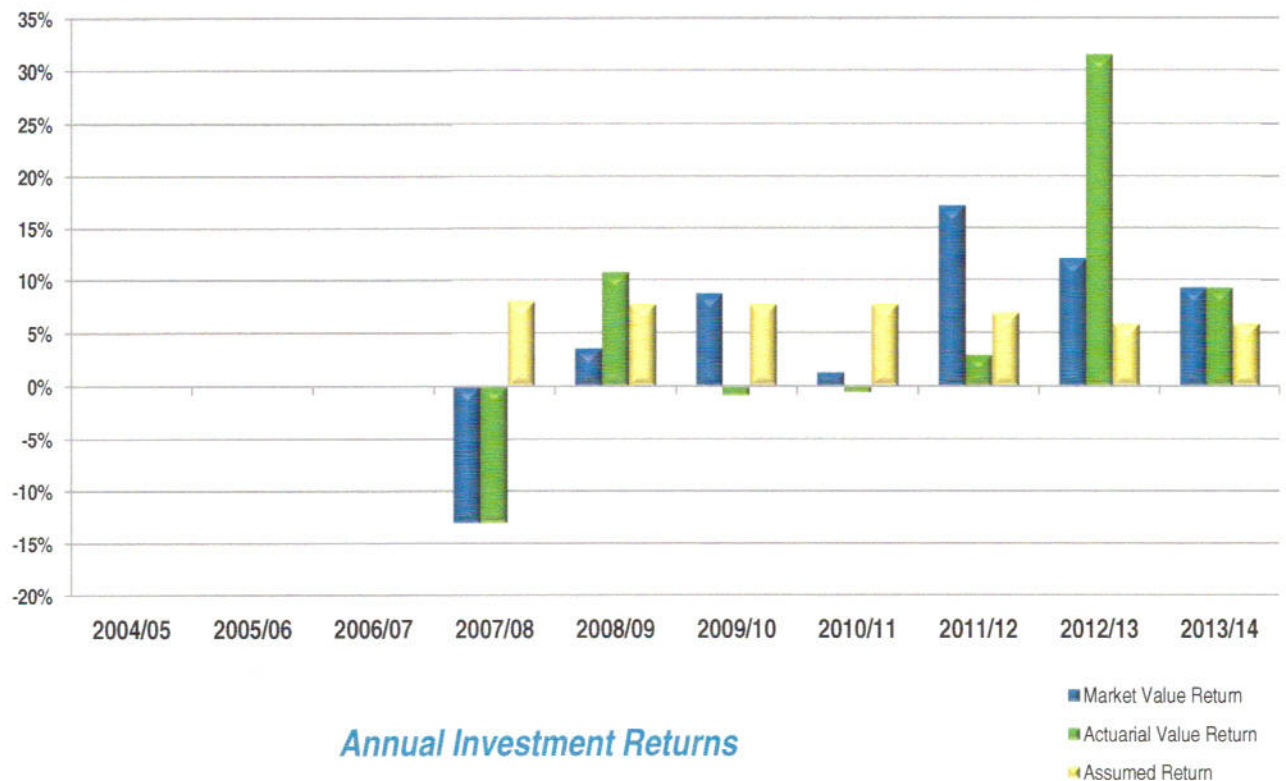
Historical Market Value of Assets

October 1, 2005	N/A
October 1, 2006	N/A
October 1, 2007	\$365,780
October 1, 2008	\$286,072
October 1, 2009	\$265,658
October 1, 2010	\$289,307
October 1, 2011	\$286,201
October 1, 2012	\$339,952
October 1, 2013	\$422,700
October 1, 2014	\$526,361



Investment Return

Table III-C

*Annual Investment Returns*

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2004/05	N/A	N/A	N/A
2005/06	N/A	N/A	N/A
2006/07	N/A	N/A	N/A
2007/08	-13.03%	-13.03%	8.00%
2008/09	3.57%	10.77%	7.75%
2009/10	8.75%	-0.88%	7.75%
2010/11	1.29%	-0.63%	7.75%
2011/12	17.16%	2.94%	6.90%
2012/13	12.08%	31.47%	5.90%
2013/14	9.32%	9.32%	5.90%
7yr. Avg.	5.18%	4.97%	7.13%



Asset Reconciliation

Table III-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of October 1, 2013	\$422,700	\$422,700
<i>Increases Due To:</i>		
Employer Contributions	\$103,810	\$103,810
Chapter 175/185 Contributions	\$0	\$0
Employee Contributions	\$21,529	\$21,529
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$125,339</u>	<u>\$125,339</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	<u>\$42,265</u>	
Total Investment Income	\$42,265	\$42,265
Other Income	\$0	
Total Income	<u>\$167,604</u>	<u>\$167,604</u>
<i>Decreases Due To:</i>		
Monthly Benefit Payments	(\$48,395)	(\$48,395)
Refund of Employee Contributions	\$0	\$0
DROP Credits		\$0
Total Benefit Payments	<u>(\$48,395)</u>	<u>(\$48,395)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$15,548)	(\$15,548)
Advance Employer Contribution		\$0
Total Expenses	<u>(\$63,943)</u>	<u>(\$63,943)</u>
As of October 1, 2014	<u>\$526,361</u>	<u>\$526,361</u>



Historical Trust Fund Detail

Table III-E

Income

<u>Plan</u>	<u>Employer</u>	<u>Employee</u>	<u>Service</u>	<u>Interest /</u>	<u>Realized</u>	<u>Unrealized</u>	<u>Other</u>
<u>Year</u>	<u>Contribs.</u>	<u>Contribs.</u>	<u>Purchase</u>	<u>Dividends</u>	<u>Gains /</u>	<u>Gains /</u>	<u>Income</u>
			<u>Contribs.</u>		<u>Losses</u>	<u>Losses</u>	
2004/05	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2005/06	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2006/07	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2007/08	\$17,233	\$4,933	\$0	\$0	\$0	-\$45,415	\$0
2008/09	\$12,177	\$6,983	\$0	\$0	\$0	\$9,663	\$0
2009/10	\$42,621	\$7,259	\$0	\$0	\$0	\$23,259	\$0
2010/11	\$34,961	\$7,475	\$0	\$0	\$0	\$3,699	\$0
2011/12	\$47,940	\$7,947	\$0	\$0	\$0	\$49,489	\$0
2012/13	\$76,706	\$12,716	\$0	\$0	\$0	\$43,434	\$0
2013/14	\$103,810	\$21,529	\$0	\$0	\$0	\$42,265	\$0

Expenses

<u>Plan</u>	<u>Monthly</u>	<u>Contrib.</u>	<u>Admin.</u>	<u>Invest.</u>	<u>Other Actuarial Adjustments</u>	
<u>Year</u>	<u>Benefit</u>	<u>Refunds</u>	<u>Expenses</u>	<u>Expenses</u>	<u>DROP</u>	<u>Employer</u>
	<u>Payments</u>				<u>Credits</u>	<u>Contribs.</u>
2004/05	N/A	N/A	N/A	N/A	N/A	N/A
2005/06	N/A	N/A	N/A	N/A	N/A	N/A
2006/07	N/A	N/A	N/A	N/A	N/A	N/A
2007/08	\$48,395	\$6,594	\$1,470	\$0	\$0	\$0
2008/09	\$48,395	\$0	\$842	\$0	\$0	\$0
2009/10	\$48,395	\$0	\$1,095	\$0	\$0	\$0
2010/11	\$48,395	\$0	\$846	\$0	\$0	\$0
2011/12	\$48,395	\$0	\$3,230	\$0	\$0	\$0
2012/13	\$48,395	\$0	\$1,713	\$0	\$0	\$0
2013/14	\$48,395	\$0	\$15,548	\$0	\$0	\$0

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.



Other Reconciliations

Table III-F

DROP Account Reconciliation

DROP Balance as of October 1, 2013	\$0
DROP Benefit Credits	\$0
DROP Investment Credits	\$0
DROP Benefits Paid Out	\$0
Net DROP Credit	\$0
DROP Balance as of October 1, 2014	\$0

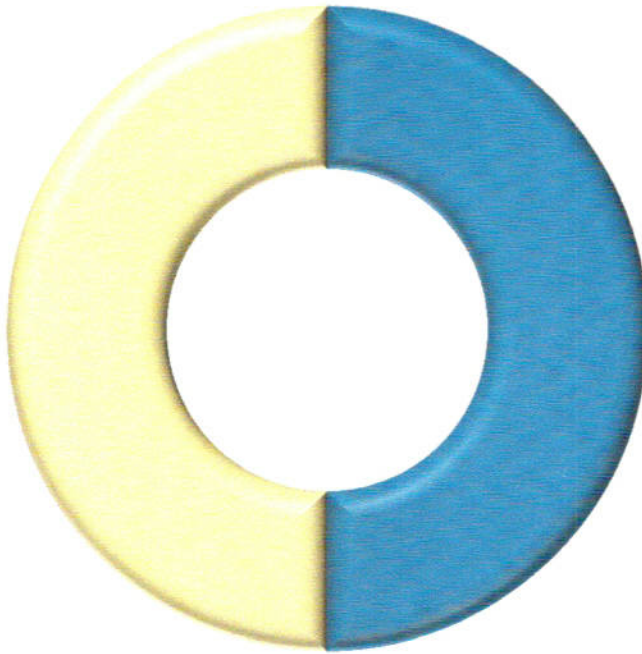
Advance Employer Contribution

Advance Employer Contribution as of October 1, 2013	\$0
Additional Employer Contribution	\$103,810
Minimum Required Contribution	(\$103,810)
Net Increase in Advance Employer Contribution	\$0
Advance Employer Contribution as of October 1, 2014	\$0



Summary of Participant Data

Table IV-A

As of October 1, 2014**Participant Distribution by Status**Actively Employed Participants

◆ Active Participants	3
◆ DROP Participants	0

Inactive Participants

◆ Deferred Vested Participants	0
◆ Due a Refund of Contributions	0
◆ Deferred Beneficiaries	0

Participants Receiving a Benefit

◆ Service Retirements	3
◆ Disability Retirements	0
◆ Beneficiaries Receiving	0

Total Participants 6Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2005	N/A	N/A	N/A	N/A	N/A
October 1, 2006	N/A	N/A	N/A	N/A	N/A
October 1, 2007	1	0	0	3	4
October 1, 2008	2	0	0	3	5
October 1, 2009	2	0	0	3	5
October 1, 2010	2	0	0	3	5
October 1, 2011	2	0	0	3	5
October 1, 2012	2	0	0	3	5
October 1, 2013	3	0	0	3	6
October 1, 2014	3	0	0	3	6



Data Reconciliation

Table IV-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2013</u>	3	0	0	0	0	3	0	0	6
<u>Change in Status</u>									
Re-employed									
Terminated									
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired									
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2014</u>	3	0	0	0	0	3	0	0	6

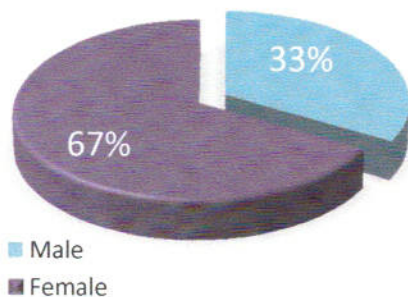


Active Participant Data

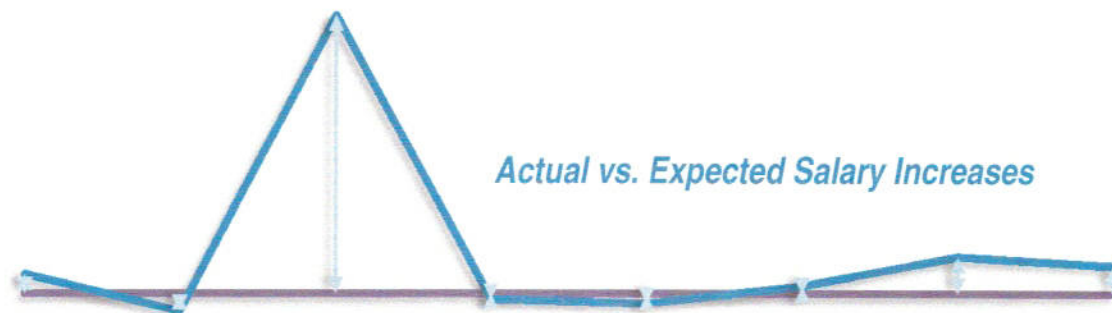
Table IV-C

As of October 1, 2014

Gender Mix



Average Age	50.0 years
Average Service	6.0 years
Total Annualized Compensation for the Prior Year	\$239,209
Total Expected Compensation for the Current Year	\$251,169
Average Increase in Compensation for the Prior Year	10.72%
Expected Increase in Compensation for the Current Year	5.00%



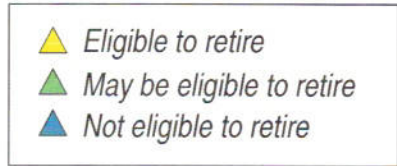
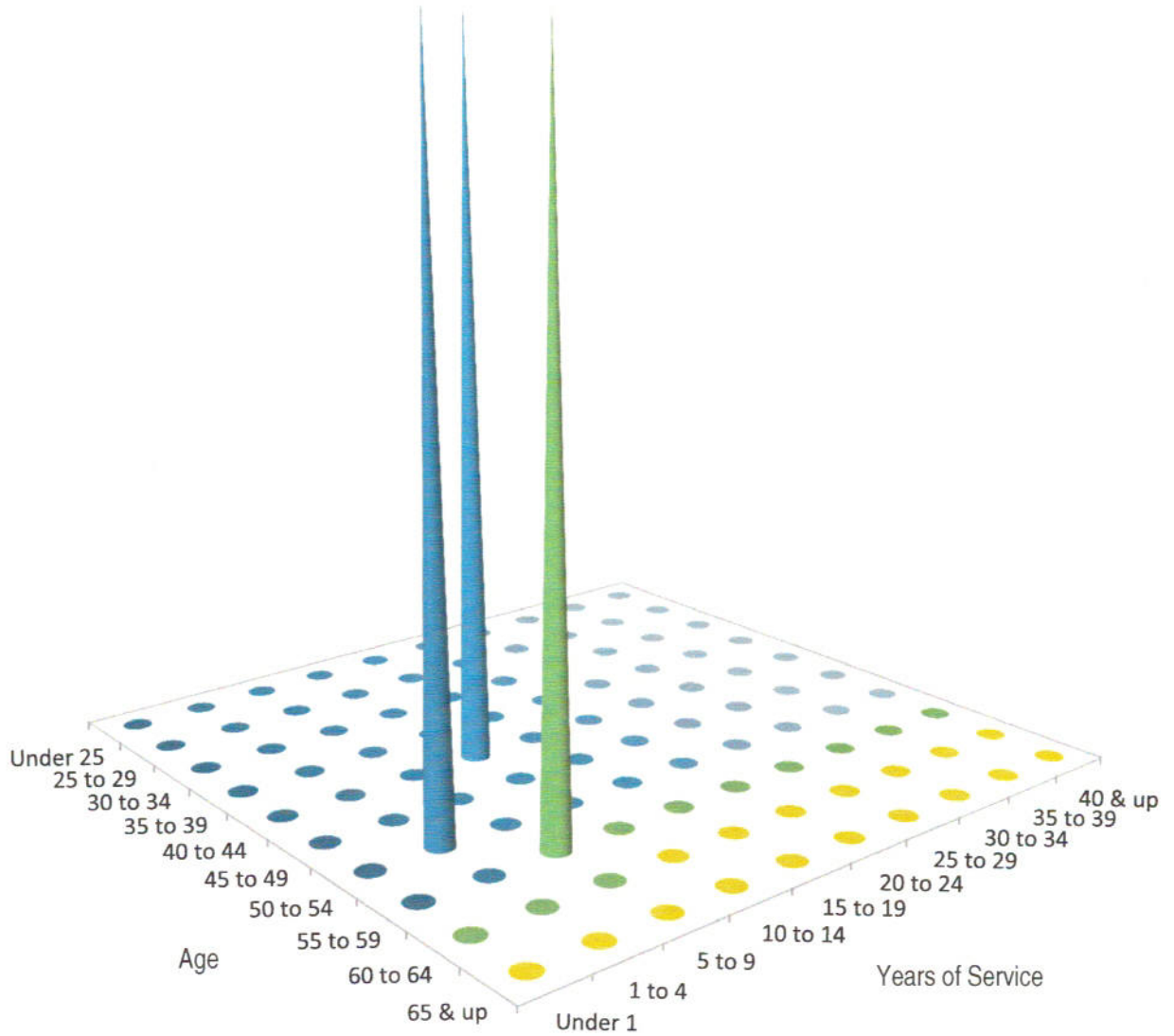
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2005	N/A	N/A	N/A	N/A	N/A
October 1, 2006	N/A	N/A	N/A	N/A	N/A
October 1, 2007	34.1	3.4	\$37,752	5.00%	8.95%
October 1, 2008	43.0	2.5	\$27,403	5.00%	1.40%
October 1, 2009	44.0	3.5	\$38,796	5.00%	62.67%
October 1, 2010	45.0	4.5	\$40,325	5.00%	3.87%
October 1, 2011	46.0	5.5	\$41,531	5.00%	2.99%
October 1, 2012	47.0	6.5	\$44,152	5.00%	6.55%
October 1, 2013	48.7	5.0	\$47,097	5.00%	12.59%
October 1, 2014	50.0	6.0	\$79,736	5.00%	10.72%



Active Age-Service Distribution

Table IV-D



Active Age-Service-Salary Table

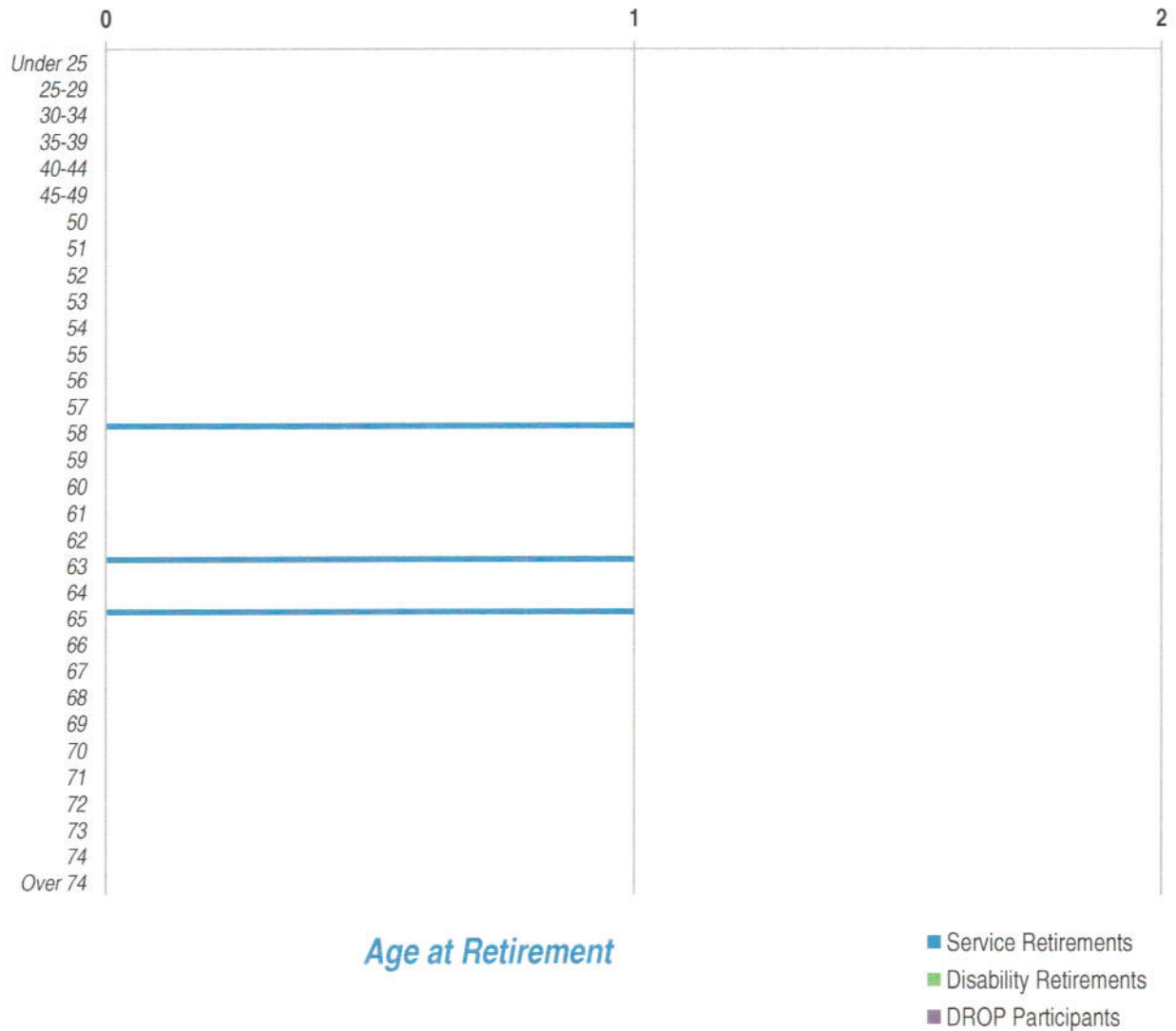
Table IV-E

Attained Age	Completed Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	1	0	0	0	0	0	0	1
Avg. Pay	0	0	0	52,165	0	0	0	0	0	0	52,165
45 to 49	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	1	0	0	0	0	0	0	0	0	1
Avg. Pay	0	129,731	0	0	0	0	0	0	0	0	129,731
55 to 59	0	0	1	0	0	0	0	0	0	0	1
Avg. Pay	0	0	57,313	0	0	0	0	0	0	0	57,313
60 to 64	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
65 & up	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	1	1	0	0	0	0	0	0	3
Avg. Pay	0	129,731	57,313	52,165	0	0	0	0	0	0	79,736



Inactive Participant Data

Table IV-F

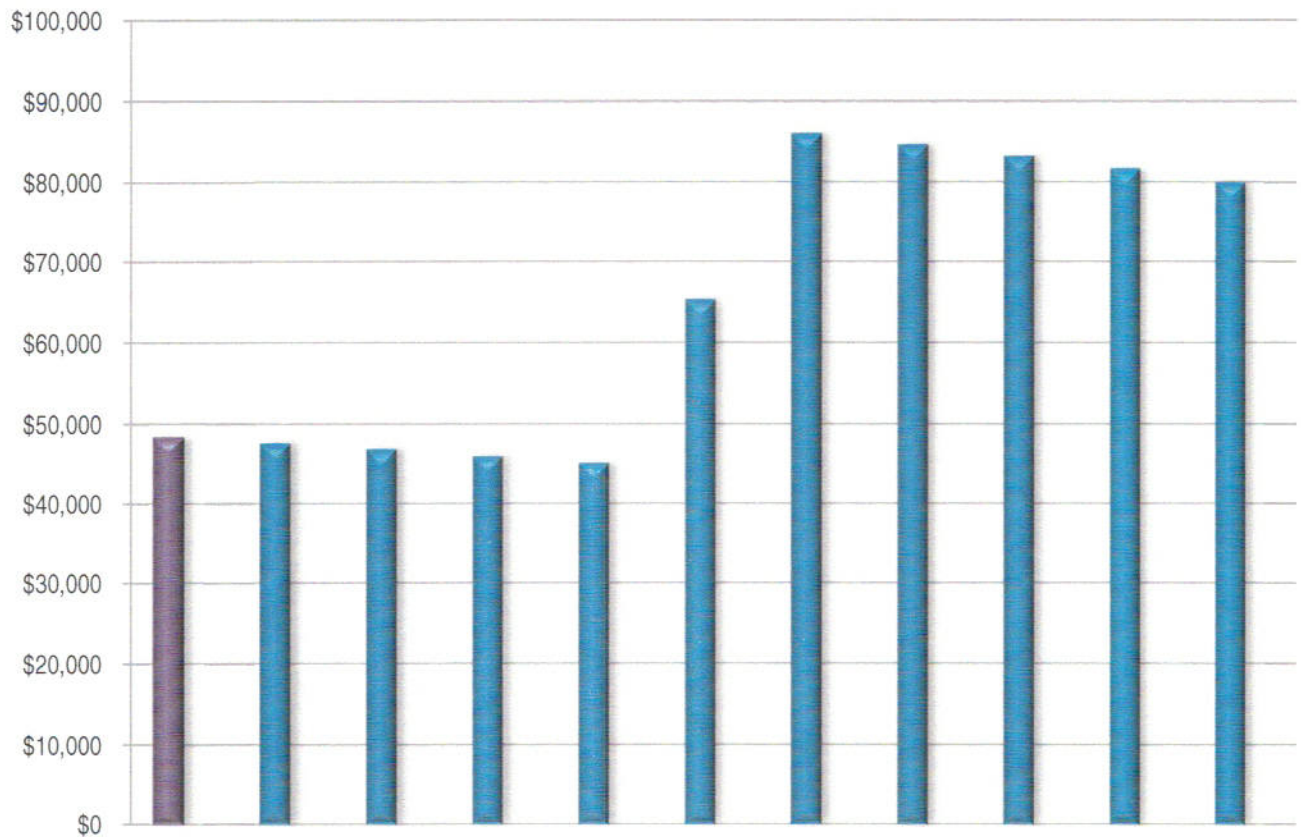
Average Monthly Benefit

Service Retirements	\$1,344.30
Disability Retirements	Not applicable
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	Not applicable
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table IV-G

Actual

For the period October 1, 2013 through September 30, 2014

\$48,395

Projected

For the period October 1, 2014 through September 30, 2015

\$47,674

For the period October 1, 2015 through September 30, 2016

\$46,896

For the period October 1, 2016 through September 30, 2017

\$46,057

For the period October 1, 2017 through September 30, 2018

\$45,153

For the period October 1, 2018 through September 30, 2019

\$65,307

For the period October 1, 2019 through September 30, 2020

\$86,068

For the period October 1, 2020 through September 30, 2021

\$84,725

For the period October 1, 2021 through September 30, 2022

\$83,277

For the period October 1, 2022 through September 30, 2023

\$81,704

For the period October 1, 2023 through September 30, 2024

\$80,018



Summary of Actuarial Methods and Assumptions

Table V-A

1. Actuarial Cost Method

Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ending when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

2. Amortization Method

The unfunded actuarial accrued liability is amortized as a level dollar amount over a closed period of 10 years from October 1, 2013.

3. Asset Method

The actuarial value of assets is equal to the market value of assets.

4. Interest (or Discount) Rate

5.90% per annum

5. Salary Increases

Plan compensation is assumed to increase at the rate of 5.00% per annum, unless actual plan compensation is known for a prior plan year.

6. Decrements

- Pre-retirement mortality: None is assumed.
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA and set back two years, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.
- Disability: None is assumed.
- Termination: None is assumed.



Summary of Actuarial Methods and Assumptions

Table V-A

(continued)

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

7. Form of Payment

Future retirees have been assumed to select the single life annuity.

8. Expenses

Administrative expenses are assumed to be \$3,500 per year. In addition, the interest rate set forth in item 4. above is assumed to be net of investment expenses and commissions.

9. Benefits Payable from the Town of Indian River Shores Pension Plan

For purposes of determining any applicable benefit offsets under this plan, no employer-paid benefits are assumed to be payable from the Town of Indian River Shores Pension Plan.



Changes in Actuarial Methods and Assumptions

Table V-B

No assumptions or methods have been changed since the previous valuation was prepared.



Summary of Plan Provisions

Table VI-A

1. Benefit Formula

2.75% of Average Monthly Earnings multiplied by Credited Service, reduced by the monthly benefit that can be provided by the participant's employer-paid defined contribution account for those individuals who are eligible to receive a benefit from the Town of Indian River Shores Pension Plan

2. Service Retirement

Normal retirement: Age 55 with at least five years of credited service (Town Manager), or
Age 62 (all other participants)

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

Note: In the case of early retirement, the participant's benefit is reduced by 2% for each year by which the participant's early retirement age precedes his normal retirement age. In the case of retirement after normal retirement age (a "late" retirement), the participant receives the greater of his monthly accrued benefit calculated at his late retirement age or his monthly accrued benefit calculated at his normal retirement age but multiplied by a late retirement adjustment factor as shown in the following table (the factor is pro-rated for non-integer years):

<u>Number of Years Between The Normal Retirement Date And the Late Retirement Date</u>	<u>Late Retirement Adjustment Factor</u>
One	1.06
Two	1.12
Three	1.19
Four	1.26
Five	1.34
Six	1.42
Seven	1.50
Eight	1.59
Nine	1.69
10	1.79



Summary of Plan Provisions

Table VI-A

(continued)

3. Disability Retirement

Service-based disability: Participant must be disabled during the course of his employment with the Town.

Non-service disability: Participant must have earned at least 10 years of credited service.

The disability benefit is a monthly 10-year certain and life annuity equal to the larger of the monthly accrued benefit or either 42% of average monthly earnings (for service-based disability) or 25% of average monthly earnings (for non-service disability), but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other Town-provided disability compensation from exceeding his average monthly earnings.

(A participant is disabled if he is found to have a mental or physical condition resulting from bodily injury, disease, or a mental disorder that renders him incapable of employment.)

4. Deferred Vested Retirement

A vested participant who terminates employment before becoming eligible for retirement receives a deferred vested retirement benefit payable at the participant's early or normal retirement age. If the benefit is payable prior to normal retirement age, then the benefit is reduced by 2% for each year by which the participant's early retirement age precedes his normal retirement age.

A non-vested participant who terminates employment receives his accumulated contributions.

5. Vesting

A participant becomes 100% vested upon the attainment of seven years of credited service. Alternatively, a participant becomes partially vested upon the attainment of three years of credited service in accordance with the following table:

<u>Years of Credited Service</u>	<u>Vested Percentage</u>
Less than three	0%
At least three, but less than four	20%
At least four, but less than five	40%
At least five, but less than six	60%
At least six, but less than seven	80%
At least seven	100%



Summary of Plan Provisions

Table VI-A

(continued)

6. Pre-Retirement Death Benefit

If a vested, married participant dies prior to retirement, the participant's surviving spouse may choose to receive either one-half of the participant's 50% joint and contingent annuity or a 10-year certain and life annuity equal to the participant's monthly accrued benefit, payable in either case beginning at the participant's early or normal retirement age.

If a vested, unmarried participant dies prior to retirement, the participant's beneficiary receives a 10-year certain and life annuity equal to the participant's monthly accrued benefit, payable beginning at the participant's early or normal retirement age.

If a non-vested participant dies prior to retirement, the participant's beneficiary receives the participant's accumulated contributions.

7. Form of Payment

Single life annuity (*normal form of payment*);

Actuarially reduced 10-year certain and life annuity (*optional*);

Actuarially reduced 50% joint and contingent annuity (*optional*);

Actuarially reduced 66 $\frac{2}{3}$ % joint and contingent annuity (*optional*);

Actuarially reduced 75% joint and contingent annuity (*optional*);

Actuarially reduced 100% joint and contingent annuity (*optional*); or

Actuarially equivalent single lump sum distribution (*automatic and only available if the single sum value of the participant's benefit is less than or equal to \$5,000 or the monthly annuity is less than \$100*)

(Note: All forms of payment guarantee at least the return of the participant's accumulated contributions. Furthermore, a participant may change his joint annuitant up to two times after retirement subject to an actuarially equivalent adjustment.)



Summary of Plan Provisions

Table VI-A

(continued)

8. Average Monthly Earnings

Average monthly earnings during the last five years of compensation immediately preceding the determination or career average earnings if higher. Earnings include total cash remuneration for services rendered, but exclude overtime pay. Earnings cannot exceed the maximum amount allowed under Internal Revenue Code (IRC) section 401(a)(17).

9. Credited Service

The elapsed time from the participant's date of hire until his date of termination, retirement, or death. For purposes of calculating the amount of a participant's benefit, credited service excludes periods during which the participant does not make the required employee contribution.

10. Employee Contribution

Employees must contribute a variable contribution rate that is based in part on the funding cost of the plan. The basic employee contribution rate is 5.00% of earnings. The basic employee contribution rate is adjusted to reflect 31.25% of the total minimum required contribution below 14.50% of payroll or above 16.00% of payroll. The employee contribution rate is capped at 9.00% of earnings. Employee contributions are accumulated with interest at the rate of 5.00% per annum and interest is credited from the end of the plan year during which the contribution is made until the first day of the month before the determination.

11. Town Contribution

The Town is required to make periodic contributions at least on a quarterly basis as determined under Chapter 112, Florida Statutes.

12. Participant Requirement

All full-time general employees of the Town of Indian River Shores who were hired prior to May 1, 2013 may optionally become a participant in the plan as of the April 1 or October 1 following a 12-month period during which the employee earns at least 1,000 hours of service; in addition, the Town Manager may participate in the plan.



Summary of Plan Provisions

Table VI-A

(continued)

13. Actuarial Equivalence

Based on 5.90% interest per annum and the unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of determining lump sum distributions pursuant to Internal Revenue Code (IRC) section 417(e)(3)

14. Plan Effective Date

The plan was originally effective on May 1, 1999.



Summary of Plan Amendments

Table VI-B

No significant plan changes were adopted since the completion of the previous valuation.

