

# Town of Manalapan General Employees' and Police Officers' Retirement Fund

Actuarial Valuation Report as of October 1, 2024

Annual Employer Contribution for the Fiscal Year  
Ending September 30, 2026







September 30, 2025

Board of Trustees  
Manalapan General Employees' and Police Officers' Retirement Fund  
Manalapan, Florida

**Re: Town of Manalapan General Employees' and Police Officers' Retirement Fund  
Actuarial Valuation as of October 1, 2024**

Dear Board Members:

The results of the October 1, 2024 Annual Actuarial Valuation of the Town of Manalapan General Employees' and Police Officers' Retirement Fund are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement Fund and those designated or approved by the Board. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Fund's funding progress, to determine the employer contribution for the fiscal year ending September 30, 2026, and to determine the actuarial information for GASB Statement No. 67 for the fiscal year ending September 30, 2024. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics in Section A but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through October 1, 2024. The valuation was based upon information furnished by the Plan Administrator concerning Retirement Fund benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report was prepared using certain assumptions approved by the Board as authorized under Florida Statutes and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Method. The investment return assumption was prescribed by the Board, and the assumed mortality rates detailed in the Actuarial Assumptions and Cost Method section were prescribed by Chapter 112.63, Florida Statutes. All actuarial assumptions used in this report are reasonable for purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e. not significantly optimistic or pessimistic).

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Town of Manalapan General Employees' and Police Officers' Retirement Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

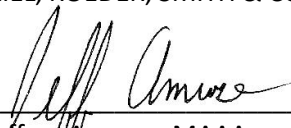
Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

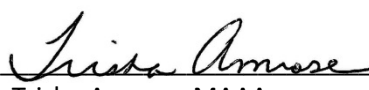
The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. 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 increase in plan costs or required contribution rates have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and Report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,  
GABRIEL, ROEDER, SMITH & COMPANY

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## SECTION A

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### DISCUSSION OF VALUATION RESULTS

## DISCUSSION OF VALUATION RESULTS

### Comparison of Required Employer Contributions

The required employer contribution this year compared with the preceding year is as follows:

|   | For FYE 9/30/2026<br>Based on<br>10/1/2024<br>Valuation | For FYE 9/30/2025<br>Based on<br>10/1/2023<br>Valuation | Increase<br>(Decrease) |
|---|---|---|------------------------|
| Required Employer Contribution *<br>As % of Covered Payroll | \$ 505,280<br>17.71 %                                   | \$ 339,250<br>17.87 %                                   | \$ 166,030<br>(0.16) % |

*\* This amount may be offset by the \$194,004 prepaid Town contribution as of September 30, 2024*

The Required Employer Contribution determined for fiscal year ending September 30, 2026 is assumed to be paid in four equal installments at the end of each quarter. If the employer pays the required contribution for the fiscal year ending September 30, 2026 in full on October 1, 2025, the required amount is \$486,005.

The actual Employer Contribution during the year ending September 30, 2024 was \$318,188. The required contribution was \$318,188.

### Revisions in Benefits

There were no revisions in benefits since the previous valuation.

### Revisions in Actuarial Assumptions and Methods

This report reflects a change in the salary scale assumption. The rates of salary increase were updated for the first year only to include an individualized increase rate effective on October 1, 2025 varying by member from 4% to 36.4%. Salary increases are assumed to be 4% going forward after the first year. Also, the covered payroll in the contribution year (for the fiscal year ending September 30, 2026) was changed to the amount provided by the Town incorporating salary rates effective on October 1, 2025, rather than using a projected 3% increase in covered payroll from the current year's payroll. These changes caused the Required Employer Contribution to increase by approximately 0.03% of covered payroll, or \$121,308.

### Actuarial Experience

There was a net actuarial loss of \$104,998 for the year, which means that actual experience was less favorable than expected. The loss was primarily due to higher salary increases than expected (13.1% actual versus 4.0% expected). However, the loss was partially offset by a recognized investment return of 8.6% on an actuarial value basis, as compared to the assumed rate of 6.5%. The return on the Market Value of Assets was 26.3%. The experience loss caused the Required Employer Contribution to increase by approximately 0.54% of covered payroll.



## Funded Ratio

This year's funded ratio is 93.3% compared to 95.2% last year. The funded ratio was 94.2% before the change in the salary increase assumption. The ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

## Analysis of Change in Employer Contributions

The components of change in the required contribution as a percentage of payroll are as follows:

|                                  |             |
|----------------------------------|-------------|
| Contribution Rate Last Year      | 17.87 %     |
| Change in Plan Provisions        | 0.00        |
| Change in Assumptions/Methods    | 0.03        |
| Change in Normal Cost Rate       | (0.54)      |
| Amortization Payment on UAL      | (0.20)      |
| Experience Gain/Loss             | 0.55        |
| Change in Administrative Expense | <u>0.00</u> |
| Contribution Rate This Year      | 17.71 %     |

## Variability of Future Contribution Rates

The Actuarial Cost Method used to determine the required contribution is intended to produce contribution rates which are generally level as a percent of payroll. Even so, when experience differs from the assumptions, as it often does, the employer's contribution rate can vary significantly from year-to-year. Over time, if the year-to-year gains and losses offset each other, the contribution rate would be expected to return to the current level, but this does not always happen.

The Market Value of Assets exceeds the Actuarial Value of Assets by \$499,390 as of the valuation date (see Section C). This difference will be gradually recognized in the absence of offsetting gains and losses. In turn, the computed employer contribution rate will decrease by about 2.1% of covered payroll.

## Relationship to Market Value

If Market Value had been the basis for the valuation, the Town contribution rate would have been 15.61% assuming quarterly payments and the funded ratio would have been 103.1%. In the absence of other gains and losses, the Town contribution rate should decrease to that level over the next several years.

## Conclusion

The remainder of this Report includes detailed actuarial valuation results, pension fund information, financial accounting information, miscellaneous information and statistics, and a summary of plan provisions.



## **RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION**

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 1 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.



## PLAN MATURITY MEASURES

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

|  | <u>10/1/2024</u> | <u>10/1/2023</u> |
|--|------------------|------------------|
| Ratio of the market value of assets to payroll   | 2.5              | 2.1              |
| Ratio of actuarial accrued liability to payroll  | 2.4              | 2.3              |
| Ratio of actives to retirees and beneficiaries   | 7.7              | 23.0             |
| Ratio of net cash flow to market value of assets | 8.0%             | 9.0%             |

### RATIO OF MARKET VALUE OF ASSETS TO PAYROLL

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

### RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

### RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

### RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

## ADDITIONAL RISK ASSESSMENT

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.



## LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). The low-default-risk obligation measure (LDROM) is to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

The following information has been prepared in compliance with this requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: \$7,257,906

B. Discount rate used to calculate the LDROM: 3.81% based on Bond Buyer “20-Bond GO Index” as of September 26, 2024

C. Other significant assumptions that differ from those used for the funding valuation: none

D. Actuarial cost method used to calculate the LDROM: Individual Entry-Age Actuarial Cost Method

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: none

F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

**The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.**



## SECTION B

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### VALUATION RESULTS

| PARTICIPANT DATA                    |                 |                 |
|-------------------------------------|-----------------|-----------------|
|                                     | October 1, 2024 | October 1, 2023 |
| <b>ACTIVE MEMBERS</b>               |                 |                 |
| Number                              | 23              | 23              |
| Covered Annual Payroll              | \$ 2,108,756    | \$ 1,843,278    |
| Average Annual Payroll              | \$ 91,685       | \$ 80,143       |
| Average Age                         | 41.2            | 42.2            |
| Average Past Service                | 4.5             | 4.8             |
| Average Age at Hire                 | 36.7            | 37.4            |
| <b>RETIREES &amp; BENEFICIARIES</b> |                 |                 |
| Number                              | 3               | 2               |
| Annual Benefits                     | \$ 162,282      | \$ 66,189       |
| Average Annual Benefit              | \$ 54,094       | \$ 33,095       |
| Average Age                         | 66.2            | 63.2            |
| <b>DISABILITY RETIREES</b>          |                 |                 |
| Number                              | 0               | 0               |
| Annual Benefits                     | \$ 0            | \$ 0            |
| Average Annual Benefit              | \$ 0            | \$ 0            |
| Average Age                         | N/A             | N/A             |
| <b>TERMINATED VESTED MEMBERS</b>    |                 |                 |
| Number                              | 1               | 1               |
| Annual Benefits                     | \$ 23,724       | \$ 23,724       |
| Average Annual Benefit              | \$ 23,724       | \$ 23,724       |
| Average Age                         | 48.6            | 47.6            |

| ACTUARIALLY DETERMINED CONTRIBUTION (ADC)                                    |   |  |                 |
|--|---|--|-----------------|
| A. Valuation Date  | October 1, 2024<br><i>After Changes</i> | October 1, 2024<br><i>Before Changes</i> | October 1, 2023 |
| B. ADC to Be Paid During<br>Fiscal Year Ending                               | 9/30/2026                               | 9/30/2026                                | 9/30/2025       |
| C. Assumed Dates of Employer<br>Contributions                                | Quarterly                               | Quarterly                                | Quarterly       |
| D. Annual Payment to Amortize<br>Unfunded Actuarial Liability                | \$ 42,652                               | \$ 38,026                                | \$ 27,477       |
| E. Employer Normal Cost  | 316,480                                 | 308,758                                  | 278,916         |
| F. ADC if Paid on the Valuation<br>Date: D+E                                 | 359,132                                 | 346,784                                  | 306,393         |
| G. ADC Adjusted for Frequency of Payments                                    | 373,375                                 | 383,972                                  | 339,250         |
| H. ADC as % of Covered Payroll   | 17.71 %                                 | 17.68 %                                  | 17.87 %         |
| I. Assumed Rate of Increase in Covered<br>Payroll to Contribution Year       | N/A                                     | 3.00 %                                   | 3.00 %          |
| J. Covered Payroll for Contribution Year                                     | 2,853,076                               | 2,172,019                                | 1,898,576       |
| K. ADC in Contribution Year  | 505,280                                 | 383,972                                  | 339,250         |
| L. ADC as % of Covered Payroll in<br>Contribution Year: K ÷ J                | 17.71 %                                 | 17.68 %                                  | 17.87 %         |
| M. ADC if paid on First Day of Next Fiscal Year                              | 486,005                                 | 369,325                                  | 326,309         |
| N. ADC as a % of Covered Payroll if Paid on<br>First Day of Next Fiscal Year | 17.03 %                                 | 17.00 %                                  | 17.19 %         |

| ACTUARIAL VALUE OF BENEFITS AND ASSETS                               |   |  |                 |
|--|---|--|-----------------|
| A. Valuation Date  | October 1, 2024<br><i>After Changes</i> | October 1, 2024<br><i>Before Changes</i> | October 1, 2023 |
| B. Actuarial Present Value of All Projected Benefits for             |   |  |                 |
| 1. Active Members  |   |  |                 |
| a. Service Retirement Benefits                                       | \$ 6,035,632                            | \$ 5,741,620                             | \$ 5,474,358    |
| b. Vesting Benefits  | 354,925                                 | 340,260                                  | 269,405         |
| c. Disability Benefits   | 291,003                                 | 274,705                                  | 219,682         |
| d. Preretirement Death Benefits                                      | 38,585                                  | 36,643                                   | 32,469          |
| e. Return of Member Contributions                                    | <u>145,479</u>                          | <u>142,883</u>                           | <u>112,916</u>  |
| f. Total   | 6,865,624                               | 6,536,111                                | 6,108,830       |
| 2. Inactive Members  |   |  |                 |
| a. Service Retirees & Beneficiaries                                  | 1,858,193                               | 1,858,193                                | 825,610         |
| b. Disability Retirees   | -                                       | -  | -               |
| c. Terminated Vested Members   | <u>207,140</u>                          | <u>207,140</u>                           | <u>194,318</u>  |
| d. Total   | 2,065,333                               | 2,065,333                                | 1,019,928       |
| 3. Total for All Members   | 8,930,957                               | 8,601,444                                | 7,128,758       |
| C. Actuarial Accrued (Past Service) Liability under Entry Age Normal | 5,111,502                               | 5,065,181                                | 4,247,734       |
| D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35      | 4,421,548                               | 4,421,548                                | 3,796,379       |
| E. Plan Assets   |   |  |                 |
| 1. Market Value  | 5,270,419                               | 5,270,419                                | 3,844,923       |
| 2. Actuarial Value   | 4,771,029                               | 4,771,029                                | 4,043,065       |
| F. Unfunded Actuarial Accrued Liability                              | 340,473                                 | 294,152                                  | 204,669         |
| G. Actuarial Present Value of Projected Covered Payroll              | 17,677,286                              | 16,736,508                               | 13,608,145      |
| H. Actuarial Present Value of Projected Member Contributions         | 1,237,410                               | 1,171,556                                | 952,570         |
| I. Accumulated Contributions of Active Members                       | 1,049,756                               | 1,049,756                                | 1,440,384       |

| CALCULATION OF EMPLOYER NORMAL COST             |   |  |                 |
|---|---|--|-----------------|
| A. Valuation Date                               | October 1, 2024<br><i>After Changes</i> | October 1, 2024<br><i>Before Changes</i> | October 1, 2023 |
| B. Normal Cost for                              |   |  |                 |
| 1. Service Retirement Benefits                  | 388,901                                 | \$ 381,132                               | \$ 345,272      |
| 2. Vesting Benefits                             | 25,482                                  | 25,121                                   | 20,136          |
| 3. Disability Benefits                          | 30,275                                  | 30,416                                   | 26,302          |
| 4. Preretirement Death Benefits                 | 2,247                                   | 2,202                                    | 1,700           |
| 5. Return of Member Contributions               | 17,188                                  | 17,500                                   | 14,535          |
| 6. Total for Future Benefits                    | 464,093                                 | 456,371                                  | 407,945         |
| 7. Assumed Amount for Administrative Expenses   | -                                       | -  | -               |
| 8. Total Normal Cost                            | 464,093                                 | 456,371                                  | 407,945         |
| C. Expected Member Contribution                 | 147,613                                 | 147,613                                  | 129,029         |
| D. Employer Normal Cost: B8-C                   | 316,480                                 | 308,758                                  | 278,916         |
| E. Employer Normal Cost as % of Covered Payroll | 15.01 %                                 | 14.64 %                                  | 15.13 %         |

## LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

| A. UAAL Amortization Period and Payments |                   |                             |            |                 |            |               |                |
|--|-------------------|-----------------------------|------------|-----------------|------------|---------------|----------------|
| Original UAAL                            |                   |                             |            | Current UAAL    |            |               |                |
| Year Established                         | Source            | Amortization Period (Years) | Amount     | Years Remaining | Amount     | Payment       |                |
|  |                   |                             |            |                 |            | After Changes | Before Changes |
| 1/1/2019                                 | Initial UAAL      | 15                          | \$ 510,976 | 9               | \$ 260,357 | \$ 36,728     | \$ 36,728      |
| 10/1/2019                                | (Gain)/Loss       | 15                          | (1,989)    | 10              | (1,108)    | (145)         | (145)          |
| 10/1/2019                                | Assumption Change | 15                          | (38,013)   | 10              | (21,162)   | (2,764)       | (2,764)        |
| 10/1/2020                                | (Gain)/Loss       | 15                          | 9,957      | 11              | 6,263      | 765           | 765            |
| 10/1/2021                                | (Gain)/Loss       | 15                          | (258,736)  | 12              | (167,832)  | (19,315)      | (19,315)       |
| 10/1/2022                                | (Gain)/Loss       | 15                          | 120,884    | 13              | 107,544    | 11,742        | 11,742         |
| 10/1/2023                                | (Gain)/Loss       | 15                          | 5,303      | 14              | 5,092      | 530           | 530            |
| 10/1/2024                                | (Gain)/Loss       | 15                          | 104,998    | 15              | 104,998    | 10,485        | 10,485         |
| 10/1/2024                                | Assumption Change | 15                          | 46,321     | 15              | 46,321     | 4,626         | -              |
|  |                   |                             |            |                 | \$ 340,473 | \$ 42,652     | \$ 38,026      |

### B. Amortization Schedule

The UAAL is being liquidated as a level dollar amount over the number of years remaining in the amortization period. The following schedule illustrates the expected amortization of the UAAL:

| Amortization Schedule |               |
|-----------------------|---------------|
| Year                  | Expected UAAL |
| 2024                  | \$ 340,473    |
| 2025                  | 317,174       |
| 2026                  | 292,366       |
| 2027                  | 265,946       |
| 2028                  | 237,808       |
| 2029                  | 207,841       |
| 2034                  | 65,246        |
| 2039                  | -             |



## ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

|   |               |
|---|---------------|
| 1. Last Year's UAAL   | \$ 204,669    |
| 2. Last Year's Employer Normal Cost                               | 278,916       |
| 3. Last Year's Contributions                                      | 318,188       |
| 4. Interest at the Assumed Rate on:                               |               |
| a. 1 and 2 for one year   | 31,433        |
| b. 3 from dates paid  | 7,676         |
| c. a - b  | <u>23,757</u> |
| 5. This Year's Expected UAAL Prior to Revision:<br>1 + 2 - 3 + 4c | 189,154       |
| 6. Change in UAAL Due to Changes in<br>Actuarial Assumptions      | 46,321        |
| 7. Change in UAAL Due to Plan Amendments                          | 0             |
| 8. This Year's Expected UAAL: 5 + 6 + 7                           | 235,475       |
| 9. This Year's Actual UAAL  | 340,473       |
| 10. Net Actuarial Gain (Loss): 8 - 9                              | (104,998)     |
| 11. Gain (Loss) Due to Investments                                | 87,139        |
| 12. Gain (Loss) from Other Sources                                | (192,137)     |

The fund earnings and salary increase assumptions have considerable impact on the cost of the plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

| Year Ending | Investment Return |         | Salary Increases |         |
|-------------|-------------------|---------|------------------|---------|
|             | Actual            | Assumed | Actual           | Assumed |
| 9/30/2019   | 3.9 %             | 6.5 %   | 6.3 %            | 4.0 %   |
| 9/30/2020   | 5.4               | 6.5     | 4.0              | 4.0     |
| 9/30/2021   | 8.1               | 6.5     | 4.6              | 4.0     |
| 9/30/2022   | 2.9               | 6.5     | 12.8             | 4.0     |
| 9/30/2023   | 4.4               | 6.5     | 9.2              | 4.0     |
| 9/30/2024   | 8.6               | 6.5     | 13.1             | 4.0     |

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and end of each period.

| Actual (A) Compared to Expected (E) Decrements<br>Among Active Employees |                                   |    |                      |   |                          |   |       |   |              |       |        |   |                                     |
|--|-----------------------------------|----|----------------------|---|--------------------------|---|-------|---|--------------|-------|--------|---|-------------------------------------|
| Year<br>Ended  | Number<br>Added<br>During<br>Year |    | Normal<br>Retirement |   | Disability<br>Retirement |   | Death |   | Terminations |       |        |   | Active<br>Members<br>End of<br>Year |
|  |                                   |    |                      |   |                          |   |       |   | Vested       | Other | Totals |   |                                     |
|  | A                                 | E  | A                    | E | A                        | E | A     | A |              |       | A      | E |                                     |
| 09/30/19   | 6                                 | 3  | 0                    | 0 | 0                        | 0 | 0     | 0 | 0            | 3     | 3      | 1 | 23                                  |
| 09/30/20   | 3                                 | 0  | 0                    | 0 | 0                        | 0 | 0     | 0 | 0            | 0     | 0      | 1 | 26                                  |
| 09/30/21   | 3                                 | 5  | 0                    | 0 | 0                        | 0 | 0     | 0 | 1            | 4     | 5      | 1 | 24                                  |
| 09/30/22   | 6                                 | 7  | 1                    | 0 | 0                        | 0 | 0     | 0 | 0            | 6     | 6      | 1 | 23                                  |
| 09/30/23   | 6                                 | 6  | 1                    | 0 | 0                        | 0 | 0     | 0 | 0            | 5     | 5      | 1 | 23                                  |
| 09/30/24   | 6                                 | 6  | 1                    | 0 | 0                        | 0 | 0     | 0 | 0            | 5     | 5      | 1 | 23                                  |
| 09/30/25   |                                   |    |                      | 0 |                          | 0 |       | 0 |              |       |        | 1 |                                     |
| 6 Yr Totals *  | 30                                | 27 | 3                    | 0 | 0                        | 0 | 0     | 0 | 1            | 23    | 24     | 6 |                                     |

\* Totals are through current Plan Year only.

| RECENT HISTORY OF VALUATION RESULTS |                |                  |                        |                             |                           |   |              |                      |              |
|-------------------------------------|----------------|------------------|------------------------|-----------------------------|---------------------------|---|--------------|----------------------|--------------|
| Valuation Date                      | Number of      |                  | Covered Annual Payroll | Actuarial Accrued Liability | Actuarial Value of Assets | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Employer Normal Cost |              |
|                                     | Active Members | Inactive Members |                        |                             |                           |   |              | Amount               | % of Payroll |
| 1/1/19                              | 20             | 0                | \$ 1,261,171           | \$ 2,142,435                | \$ 1,631,459              | \$ 510,976                                  | 76.1 %       | \$ 220,834           | 17.51 %      |
| 10/1/19                             | 23             | 0                | 1,480,794              | 2,436,364                   | 1,981,022                 | 455,342                                     | 81.3         | 221,602              | 14.97        |
| 10/1/20                             | 26             | 0                | 1,686,350              | 2,920,539                   | 2,493,283                 | 427,256                                     | 85.4         | 259,193              | 15.37        |
| 10/1/21                             | 24             | 1                | 1,652,945              | 3,271,424                   | 3,104,380                 | 167,044                                     | 94.9         | 253,481              | 15.34        |
| 10/1/22                             | 23             | 2                | 1,723,706              | 3,790,182                   | 3,567,662                 | 222,520                                     | 94.1         | 259,370              | 15.05        |
| 10/1/23                             | 23             | 3                | 1,843,278              | 4,247,734                   | 4,043,065                 | 204,669                                     | 95.2         | 278,916              | 15.13        |
| 10/1/24                             | 23             | 4                | 2,108,756              | 5,111,502                   | 4,771,029                 | 340,473                                     | 93.3         | 316,480              | 15.01        |

| RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS |  |                       |              |                     |
|---|--|-----------------------|--------------|---------------------|
| Valuation Date                                      | End of Year To Which Valuation Applies | Required Contribution |              | Actual Contribution |
|   |  | Amount                | % of Payroll | Amount              |
| 1/1/19  | 9/30/19                                | \$ 213,836            | 22.61 %      | \$ 213,836          |
| 1/1/19  | 9/30/20                                | 285,114               | 21.95        | 285,114             |
| 10/1/19   | 9/30/21                                | 286,705               | 18.80        | 286,705             |
| 10/1/20   | 9/30/22                                | 325,822               | 18.76        | 325,822             |
| 10/1/21   | 9/30/23                                | 294,743               | 17.31        | 294,743             |
| 10/1/22   | 9/30/24                                | 318,188               | 17.92        | 318,188             |
| 10/1/23   | 9/30/25                                | 339,250               | 17.87        | ---                 |
| 10/1/24   | 9/30/26                                | 505,280               | 17.71        | ---                 |

## ACTUARIAL ASSUMPTIONS AND COST METHOD

### Valuation Methods

**Actuarial Cost Method** - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

**Financing of Unfunded Actuarial Accrued Liabilities** - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

**Actuarial Value of Assets** - The Actuarial Value of Assets phase in the difference between the expected return on actuarial value and actual return on market value of assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. During periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

### Valuation Assumptions

**The actuarial assumptions used** in the valuation are shown in this Section. The active group is too small to provide statistically significant experience on which to base certain demographic assumptions. Mortality is based on a commonly used fully generational mortality table and projection scale that is mandated by Florida Statutes.

### Economic Assumptions

**The investment return rate** assumed in the valuation is 6.50% per year, compounded annually (net after investment expenses).

The **Inflation Rate** assumed in this valuation is 2.50% per year. The Inflation Rate is defined to be the expected long-term rate of increases in the prices of goods and services.

The assumed **real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 6.50% investment return rate translates to an assumed real rate of return over inflation of 4.00%.



**The rate of salary increase** used for individual members is 4.0% per year. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.

For the October 1, 2024 actuarial valuation, the rates of salary increase were updated for the first projection year only to include an individualized increase rate effective on October 1, 2025 varying by member from 4% to 36.4%.

## Demographic Assumptions

**The mortality table** for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Headcount Weighted Below Median Retiree Female Table (post-retirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2023.

### FRS Healthy Post-Retirement Mortality for Regular Class Members

| Sample<br>Attained<br>Ages (in 2024) | Probability of<br>Dying Next Year |        | Future Life<br>Expectancy (years) |       |
|--------------------------------------|-----------------------------------|--------|-----------------------------------|-------|
|                                      | Men                               | Women  | Men                               | Women |
| 50                                   | 0.19 %                            | 0.57 % | 33.44                             | 37.22 |
| 55                                   | 0.94                              | 0.56   | 29.07                             | 32.77 |
| 60                                   | 1.11                              | 0.58   | 24.95                             | 28.21 |
| 65                                   | 1.27                              | 0.68   | 20.87                             | 23.61 |
| 70                                   | 1.77                              | 1.07   | 16.82                             | 19.11 |
| 75                                   | 2.81                              | 1.84   | 13.09                             | 14.92 |
| 80                                   | 4.70                              | 3.31   | 9.79                              | 11.14 |

For disabled retirees who were former General Employees, the mortality table used was the PUB-2010 Headcount-Weighted General Disabled Retiree Tables with ages set forward 3 years for males and females.

### FRS Disabled Mortality for Regular Class Members

| Sample<br>Attained<br>Ages (in 2024) | Probability of<br>Dying Next Year |        | Future Life<br>Expectancy (years) |       |
|--------------------------------------|-----------------------------------|--------|-----------------------------------|-------|
|                                      | Men                               | Women  | Men                               | Women |
| 50                                   | 2.02 %                            | 1.64 % | 20.99                             | 23.92 |
| 55                                   | 2.53                              | 1.91   | 18.18                             | 20.88 |
| 60                                   | 3.08                              | 2.27   | 15.50                             | 17.88 |
| 65                                   | 3.93                              | 2.83   | 12.94                             | 14.91 |
| 70                                   | 5.08                              | 3.79   | 10.53                             | 12.07 |
| 75                                   | 6.98                              | 5.46   | 8.29                              | 9.45  |
| 80                                   | 10.12                             | 8.31   | 6.33                              | 7.19  |

The mortality table for healthy Police Officers is the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables



use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2023 Actuarial Valuation of the Florida Retirement System (FRS).

#### FRS Healthy Post-Retirement Mortality for Special Risk Members

| Sample<br>Attained<br>Ages (in 2024) | Probability of<br>Dying Next Year |        | Future Life<br>Expectancy (years) |       |
|--------------------------------------|-----------------------------------|--------|-----------------------------------|-------|
|                                      | Men                               | Women  | Men                               | Women |
| 50                                   | 0.42 %                            | 0.19 % | 32.78                             | 36.61 |
| 55                                   | 0.54                              | 0.35   | 28.01                             | 31.57 |
| 60                                   | 0.90                              | 0.59   | 23.40                             | 26.77 |
| 65                                   | 1.30                              | 0.91   | 19.10                             | 22.22 |
| 70                                   | 2.06                              | 1.42   | 15.06                             | 17.95 |
| 75                                   | 3.47                              | 2.36   | 11.44                             | 14.01 |
| 80                                   | 6.13                              | 4.04   | 8.34                              | 10.52 |

For disabled retirees, the mortality tables used were 80% of the PUB-2010 Headcount Weighted General Disabled Retiree Male Table and 20% of the Headcount Weighted Safety Disabled Retiree Male Table, and 80% of the PUB-2010 Headcount Weighted General Disabled Retiree Female Table and 20% Headcount Weighted Safety Disabled Retiree Female Table, both with no provision being made for future mortality improvements. These are the same rates used for Special Risk Class members in the July 1, 2023 Actuarial Valuation of the Florida Retirement System (FRS).

#### FRS Disabled Mortality for Special Risk Members

| Sample<br>Attained<br>Ages (in 2024) | Probability of<br>Dying Next Year |        | Future Life<br>Expectancy (years) |       |
|--------------------------------------|-----------------------------------|--------|-----------------------------------|-------|
|                                      | Men                               | Women  | Men                               | Women |
| 50                                   | 1.45 %                            | 1.25 % | 24.04                             | 26.84 |
| 55                                   | 1.91                              | 1.50   | 20.88                             | 23.54 |
| 60                                   | 2.37                              | 1.81   | 17.92                             | 20.32 |
| 65                                   | 3.00                              | 2.22   | 15.07                             | 17.17 |
| 70                                   | 3.91                              | 2.90   | 12.39                             | 14.10 |
| 75                                   | 5.30                              | 4.13   | 9.87                              | 11.22 |
| 80                                   | 7.66                              | 6.21   | 7.60                              | 8.67  |

**The rate of retirement** used to measure the probability of eligible members retiring during the next year is 100% upon reaching normal retirement age. For any member who has attained such date on the valuation date, the assumed retirement date is one year later. The probability of early retirement is 5% for each year eligible.

***Rates of separation from active membership*** were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

| <b>Sample<br/>Ages</b> | <b>Years of<br/>Service</b> | <b>% of Active Members<br/>Separating Within Next Year</b> |
|------------------------|-----------------------------|--|
| 20                     | All                         | 12.4 %   |
| 25                     |                             | 11.7   |
| 30                     |                             | 10.5   |
| 35                     |                             | 8.3  |
| 40                     |                             | 5.7  |
| 45                     |                             | 3.5  |
| 50                     |                             | 1.5  |
| 55                     |                             | 0.6  |
| 60                     |                             | 0.5  |

***Rates of disability*** among active members:

| <b>Sample<br/>Ages</b> | <b>General Employees</b> | <b>Police Officers</b> |
|------------------------|--------------------------|------------------------|
| 20                     | 0.07 %                   | 0.14 %                 |
| 25                     | 0.09                     | 0.15                   |
| 30                     | 0.11                     | 0.18                   |
| 35                     | 0.14                     | 0.23                   |
| 40                     | 0.19                     | 0.30                   |
| 45                     | 0.30                     | 0.51                   |
| 50                     | 0.51                     | 1.00                   |
| 55                     | 0.96                     | 1.55                   |
| 60                     | 1.66                     | 2.09                   |

For General Employees, 25% of all disabilities are assumed to be in the line of duty and 75% are assumed not to be in the line of duty. For Police Officers, 75% of all disabilities are assumed to be in the line of duty and 25% are assumed not to be in the line of duty.

## Miscellaneous and Technical Assumptions

|  |   |
|--|---|
| <b><i>Administrative &amp; Investment Expenses</i></b> | The investment return assumption is intended to be the return net of investment expenses. The administrative expenses are currently being paid by general assets rather than from the pension fund. Effective with the October 1, 2019 actuarial valuation, we have removed the \$30,000 administrative expense assumption. |
| <b><i>Benefit Service</i></b>                          | Exact fractional service is used to determine the amount of benefit payable.  |
| <b><i>Cost of Living Adjustments (COLA)</i></b>        | None.   |
| <b><i>Decrement Operation</i></b>                      | Disability and mortality decrements operate during retirement eligibility.  |
| <b><i>Decrement Timing</i></b>                         | Decrements of all types are assumed to occur at the beginning of the year.  |
| <b><i>Eligibility Testing</i></b>                      | Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.  |
| <b><i>Forfeitures</i></b>                              | For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.     |
| <b><i>Incidence of Contributions</i></b>               | Employer contributions are assumed to be made at the end of each calendar quarter. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.                     |
| <b><i>Marriage Assumption</i></b>                      | 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.   |
| <b><i>Normal Form of Benefit</i></b>                   | A life annuity with 10 years certain is the normal form of benefit.   |
| <b><i>Pay Increase Timing</i></b>                      | End of fiscal year. This is equivalent to assuming that reported pays represent the annual rate of pay for the year beginning on the valuation date.  |
| <b><i>Service Credit Accruals</i></b>                  | It is assumed that members accrue one year of service credit per year.  |

## GLOSSARY OF TERMS

|  |   |
|--|---|
| <b><i>Actuarial Accrued Liability (AAL)</i></b>                  | The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.  |
| <b><i>Actuarial Assumptions</i></b>                              | Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.   |
| <b><i>Actuarial Cost Method</i></b>                              | A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.   |
| <b><i>Actuarial Equivalent</i></b>                               | Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.  |
| <b><i>Actuarial Present Value (APV)</i></b>                      | The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.  |
| <b><i>Actuarial Present Value of Future Benefits (APVFB)</i></b> | The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due. |
| <b><i>Actuarial Valuation</i></b>                                | The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.   |
| <b><i>Actuarial Value of Assets</i></b>                          | The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Contribution (ADC).   |

***Actuarially Determined Contribution (ADC)***

The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The ADC consists of the Employer Normal Cost and Amortization Payment.

***Amortization Method***

A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.

***Amortization Payment***

That portion of the plan contribution or ADC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

***Amortization Period***

The period used in calculating the Amortization Payment.

***Closed Amortization Period***

A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.

***Employer Normal Cost***

The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.

***Equivalent Single Amortization Period***

For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.

***Experience Gain/Loss***

A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

|  |   |
|--|---|
| <b><i>Funded Ratio</i></b>                         | The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.  |
| <b><i>GASB</i></b>                                 | Governmental Accounting Standards Board.  |
| <b><i>GASB No. 67 and<br/>GASB No. 68</i></b>      | These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.   |
| <b><i>Normal Cost</i></b>                          | The annual cost assigned, under the Actuarial Cost Method, to the current plan year.  |
| <b><i>Open Amortization Period</i></b>             | An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll. |
| <b><i>Unfunded Actuarial Accrued Liability</i></b> | The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.   |
| <b><i>Valuation Date</i></b>                       | The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.   |

## SECTION C

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### PENSION FUND INFORMATION

## Statement of Plan Assets at Market Value

| Item   | 9/30/2024    | 9/30/2023    |
|--|--------------|--------------|
| A. Cash and Cash Equivalents (Operating Cash)          | \$ 662,915   | \$ 293,444   |
| B. Receivables   |              |              |
| 1. Member Contributions                                | \$ 17,355    | \$ -         |
| 2. Employer Contributions                              | -            | -            |
| 3. State Contributions                                 | -            | -            |
| 4. Investment Income and Other Receivables             | -            | -            |
| 5. Total Receivables                                   | \$ 17,355    | \$ -         |
| C. Investments   |              |              |
| 1. Short Term Investments                              | \$ -         | \$ -         |
| 2. Domestic Equities                                   | 3,183,509    | 2,353,991    |
| 3. International Equities                              | 496,429      | 397,981      |
| 4. Domestic Fixed Income                               | 1,116,040    | 1,001,841    |
| 5. International Fixed Income                          | -            | -            |
| 6. Real Estate   | -            | -            |
| 7. Private Equity                                      | -            | -            |
| 8. Total Investments                                   | \$ 4,795,978 | \$ 3,753,813 |
| D. Liabilities   |              |              |
| 1. Benefits Payable                                    | \$ -         | \$ -         |
| 2. Prepaid Town Contribution                           | (194,004)    | (194,004)    |
| 3. Accrued Expenses and Other Payables                 | (11,825)     | (8,330)      |
| 4. Total Liabilities                                   | \$ (205,829) | \$ (202,334) |
| E. Total Market Value of Assets Available for Benefits | \$ 5,270,419 | \$ 3,844,923 |
| F. Allocation of Investments                           |              |              |
| 1. Short Term Investments                              | 0.0%         | 0.0%         |
| 2. Domestic Equities                                   | 66.3%        | 62.7%        |
| 3. International Equities                              | 10.4%        | 10.6%        |
| 4. Domestic Fixed Income                               | 23.3%        | 26.7%        |
| 5. International Fixed Income                          | 0.0%         | 0.0%         |
| 6. Real Estate   | 0.0%         | 0.0%         |
| 7. Private Equity                                      | 0.0%         | 0.0%         |
| 8. Total Investments                                   | 100.0%       | 100.0%       |



## Reconciliation of Plan Assets

| Item   | 9/30/2024    | 9/30/2023    |
|--|--------------|--------------|
| A. Market Value of Assets at Beginning of Year | \$ 3,844,923 | \$ 3,061,702 |
| B. Adjustment to Match Financial Statements    | \$ -         | \$ -         |
| C. Revenues and Expenditures                   |              |              |
| 1. Contributions                               |              |              |
| a. Employee Contributions                      | \$ 145,520   | \$ 118,831   |
| b. Employer Contributions                      | 318,188      | 294,743      |
| c. State Contributions                         | -            | -            |
| d. Purchased Service Credit                    | -            | -            |
| e. Total                                       | \$ 463,708   | \$ 413,574   |
| 2. Investment Income                           |              |              |
| a. Interest, Dividends, and Other Income       | \$ -         | \$ -         |
| b. Net Realized/Unrealized Gains/(Losses)      | 1,059,369    | 473,179      |
| c. Investment Expenses                         | -            | -            |
| d. Net Investment Income                       | \$ 1,059,369 | \$ 473,179   |
| 3. Benefits and Refunds                        |              |              |
| a. Regular Monthly Benefits                    | \$ (66,189)  | \$ (65,236)  |
| b. Refunds                                     | (31,392)     | (38,296)     |
| c. Lump Sum Benefits                           | -            | -            |
| d. Total                                       | \$ (97,581)  | \$ (103,532) |
| 4. Administrative and Miscellaneous Expenses   | \$ -         | \$ -         |
| 5. Transfers                                   | \$ -         | \$ -         |
| D. Market Value of Assets at End of Year       | \$ 5,270,419 | \$ 3,844,923 |
| E. Reserves                                    |              |              |
| 1. State Contribution Reserve                  | \$ -         | \$ -         |
| 2. DROP Accounts                               | -            | -            |
| 3. Total Reserves                              | \$ -         | \$ -         |
| F. Market Value Net of Reserves                | \$ 5,270,419 | \$ 3,844,923 |



### Development of Actuarial Value of Assets

| Valuation Date – September 30                                       | 2023            | 2024            | 2025          | 2026             | 2027          | 2028           |
|---|-----------------|-----------------|---------------|------------------|---------------|----------------|
| A. Actuarial Value of Assets Beginning of Year                      | \$ 3,567,662    | \$ 4,043,065    |               |                  |               |                |
| B. Market Value End of Year   | 3,844,923       | 5,270,419       |               |                  |               |                |
| C. Market Value Beginning of Year                                   | 3,061,702       | 3,844,923       |               |                  |               |                |
| D. Non-Investment/Administrative Net Cash Flow                      | 310,042         | 366,127         |               |                  |               |                |
| E. Investment Income  |                 |                 |               |                  |               |                |
| E1. Actual Market Total: B-C-D                                      | 473,179         | 1,059,369       |               |                  |               |                |
| E2. Assumed Rate of Return  | 6.50%           | 6.50%           | 6.50%         | 6.50%            | 6.50%         | 6.50%          |
| E3. Assumed Amount of Return  | 251,554         | 274,698         |               |                  |               |                |
| E4. Amount Subject to Phase-In: E1-E3                               | 221,625         | 784,671         |               |                  |               |                |
| F. Phased-In Recognition of Investment Income                       |                 |                 |               |                  |               |                |
| F1. Current Year: 0.2 x E4  | 44,325          | 156,934         |               |                  |               |                |
| F2. First Prior Year  | (163,735)       | 44,325          | 156,934       |                  |               |                |
| F3. Second Prior Year   | 66,147          | (163,735)       | 44,325        | 156,934          |               |                |
| F4. Third Prior Year  | (16,534)        | 66,147          | (163,735)     | 44,325           | 156,934       |                |
| F5. Fourth Prior Year   | <u>(16,396)</u> | <u>(16,532)</u> | <u>66,148</u> | <u>(163,733)</u> | <u>44,325</u> | <u>156,935</u> |
| F6. Total Phase-Ins   | (86,193)        | 87,139          | 103,672       | 37,526           | 201,259       | 156,935        |
| <b>G. Actuarial Value of Assets End of Year</b>                     |                 |                 |               |                  |               |                |
| G1. Preliminary Actuarial Value of Assets End of Year:<br>A+D+E3+F6 | \$ 4,043,065    | \$ 4,771,029    |               |                  |               |                |
| G2. Upper Corridor Limit: 120%*B                                    | 4,613,908       | 6,324,503       |               |                  |               |                |
| G3. Lower Corridor Limit: 80%*B                                     | 3,075,938       | 4,216,335       |               |                  |               |                |
| G4. Actuarial Value of Assets End of Year                           | 4,043,065       | 4,771,029       |               |                  |               |                |
| H. Difference between Market and Actuarial Value of Assets          | (198,142)       | 499,390         |               |                  |               |                |
| I. Actuarial Rate of Return   | 4.4%            | 8.6%            |               |                  |               |                |
| J. Market Value Rate of Return                                      | 14.7%           | 26.3%           |               |                  |               |                |
| K. Ratio of Actuarial Value of Assets to Market Value               | 105.15%         | 90.52%          |               |                  |               |                |

| Year Ending<br>September 30th | Investment Rate of Return |                 |
|-------------------------------|---------------------------|-----------------|
|                               | Market Value              | Actuarial Value |
|                               | Basis                     | Basis           |
| 2019*                         | 0.2 %                     | 3.9 %           |
| 2020                          | 3.2                       | 5.4             |
| 2021                          | 20.0                      | 8.1             |
| 2022                          | (17.1)                    | 2.9             |
| 2023                          | 14.7                      | 4.4             |
| 2024                          | 26.3                      | 8.6             |
| <b>Average Returns:</b>       |                           |                 |
| Last 5 Years                  | 8.3 %                     | 5.9 %           |
| All Years                     | 7.2 %                     | 5.8 %           |

\* Return for nine months.

The above rates are based on the retirement system's financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.

## SECTION D

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### FINANCIAL ACCOUNTING INFORMATION

## FASB NO. 35 INFORMATION

| A. Valuation Date   | October 1, 2024  | October 1, 2023  |
|---|------------------|------------------|
| B. Actuarial Present Value of Accumulated Plan Benefits                         |                  |                  |
| 1. Vested Benefits  |                  |                  |
| a. Members Currently Receiving Payments   | \$ 1,858,193     | \$ 825,610       |
| b. Terminated Vested Members  | 207,140          | 194,318          |
| c. Other Members  | <u>1,586,813</u> | <u>2,227,087</u> |
| d. Total  | 3,652,146        | 3,247,015        |
| 2. Non-Vested Benefits  | 769,402          | 549,364          |
| 3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2           | 4,421,548        | 3,796,379        |
| 4. Accumulated Contributions of Active Members                                  | 1,049,756        | 1,440,384        |
| C. Changes in the Actuarial Present Value of Accumulated Plan Benefits          |                  |                  |
| 1. Total Value at Beginning of Year   | 3,796,379        | 3,422,138        |
| 2. Increase (Decrease) During the Period Attributable to:                       |                  |                  |
| a. Plan Amendment   | 0                | 0                |
| b. Change in Actuarial Assumptions  | 0                | 0                |
| c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period | 722,750          | 477,773          |
| d. Benefits Paid  | <u>(97,581)</u>  | <u>(103,532)</u> |
| e. Net Increase   | 625,169          | 374,241          |
| 3. Total Value at End of Period   | 4,421,548        | 3,796,379        |
| D. Market Value of Assets   | 5,270,419        | 3,844,923        |
| E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods  |                  |                  |

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
GASB Statement No. 67**

| Fiscal Year Ending September 30,                   | 2024                | 2023                | 2022                | 2021                | 2020                | 2019                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total Pension Liability</b>                     |                     |                     |                     |                     |                     |                     |
| Service Cost                                       | \$ 407,945          | \$ 380,029          | \$ 369,187          | \$ 377,238          | \$ 330,436          | \$ 209,337          |
| Interest   | 305,080             | 268,714             | 248,895             | 214,978             | 181,717             | 114,649             |
| Benefit Changes                                    | -                   | -                   | -                   | -                   | -                   | 2,142,435           |
| Difference between actual & expected experience    | (92,276)            | (16,637)            | (237,646)           | (19,254)            | 8,473               | -                   |
| Assumption Changes                                 | -                   | -                   | -                   | -                   | (45,999)            | -                   |
| Benefit Payments                                   | (66,189)            | (65,236)            | (27,588)            | -                   | -                   | -                   |
| Refunds  | (31,392)            | (38,296)            | (41,610)            | (17,014)            | (2,430)             | -                   |
| Other  | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Net Change in Total Pension Liability</b>       | <b>523,168</b>      | <b>528,574</b>      | <b>311,238</b>      | <b>555,948</b>      | <b>472,197</b>      | <b>2,466,421</b>    |
| <b>Total Pension Liability - Beginning</b>         | <b>4,334,378</b>    | <b>3,805,804</b>    | <b>3,494,566</b>    | <b>2,938,618</b>    | <b>2,466,421</b>    | <b>-</b>            |
| <b>Total Pension Liability - Ending (a)</b>        | <b>\$ 4,857,546</b> | <b>\$ 4,334,378</b> | <b>\$ 3,805,804</b> | <b>\$ 3,494,566</b> | <b>\$ 2,938,618</b> | <b>\$ 2,466,421</b> |
| <b>Plan Fiduciary Net Position</b>                 |                     |                     |                     |                     |                     |                     |
| Contributions - Employer (from Town)               | \$ 318,188          | \$ 295,053          | \$ 519,516          | \$ 286,705          | \$ 285,114          | \$ 213,836          |
| Contributions - Employer (from State)              | -                   | -                   | -                   | -                   | -                   | -                   |
| Contributions - Member (Including Buybacks)        | 145,520             | 118,831             | 112,796             | 112,873             | 111,658             | 1,697,233           |
| Net Investment Income                              | 1,059,369           | 473,179             | (594,293)           | 514,910             | 68,180              | 4,371               |
| Benefit Payments                                   | (66,189)            | (65,236)            | (27,588)            | -                   | -                   | -                   |
| Refunds  | (31,392)            | (38,296)            | (41,610)            | (17,014)            | (2,430)             | -                   |
| Administrative Expense                             | -                   | -                   | -                   | -                   | -                   | -                   |
| Other  | -                   | -                   | -                   | 11,139              | -                   | -                   |
| <b>Net Change in Plan Fiduciary Net Position</b>   | <b>1,425,496</b>    | <b>783,531</b>      | <b>(31,179)</b>     | <b>908,613</b>      | <b>462,522</b>      | <b>1,915,440</b>    |
| <b>Plan Fiduciary Net Position - Beginning</b>     | <b>4,038,927</b>    | <b>3,255,396</b>    | <b>3,286,575</b>    | <b>2,377,962</b>    | <b>1,915,440</b>    | <b>-</b>            |
| <b>Plan Fiduciary Net Position - Ending (b)</b>    | <b>\$ 5,464,423</b> | <b>\$ 4,038,927</b> | <b>\$ 3,255,396</b> | <b>\$ 3,286,575</b> | <b>\$ 2,377,962</b> | <b>\$ 1,915,440</b> |
| <b>Net Pension Liability - Ending (a) - (b)</b>    | <b>(606,877)</b>    | <b>295,451</b>      | <b>550,408</b>      | <b>207,991</b>      | <b>560,656</b>      | <b>550,981</b>      |
| <b>Plan Fiduciary Net Position as a Percentage</b> |                     |                     |                     |                     |                     |                     |
| <b>of Total Pension Liability</b>                  | <b>112.49 %</b>     | <b>93.18 %</b>      | <b>85.54 %</b>      | <b>94.05 %</b>      | <b>80.92 %</b>      | <b>77.66 %</b>      |
| <b>Covered Payroll</b>                             | <b>\$ 2,078,857</b> | <b>\$ 1,697,586</b> | <b>\$ 1,611,371</b> | <b>\$ 1,612,471</b> | <b>\$ 1,595,114</b> | <b>\$ 939,629</b>   |
| <b>Net Pension Liability as a Percentage</b>       |                     |                     |                     |                     |                     |                     |
| <b>of Covered Payroll</b>                          | <b>(29.19)%</b>     | <b>17.40 %</b>      | <b>34.16 %</b>      | <b>12.90 %</b>      | <b>35.15 %</b>      | <b>58.64 %</b>      |

**SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY**  
**GASB Statement No. 67**

| <u>FY Ending<br/>September 30,</u> | <u>Total<br/>Pension<br/>Liability</u> | <u>Plan<br/>Fiduciary Net<br/>Position</u> | <u>Net Pension<br/>Liability</u> | <u>Plan Fiduciary Net<br/>Position as a % of Total<br/>Pension Liability</u> | <u>Covered<br/>Payroll</u> | <u>Net Pension Liability<br/>as a % of<br/>Covered Payroll</u> |
|------------------------------------|--|--|----------------------------------|--|----------------------------|--|
| 2019                               | \$ 2,466,421                           | \$ 1,915,440                               | \$ 550,981                       | 77.66%   | \$ 939,629                 | 58.64%   |
| 2020                               | 2,938,618                              | 2,377,962                                  | 560,656                          | 80.92%   | 1,595,114                  | 35.15%   |
| 2021                               | 3,494,566                              | 3,286,575                                  | 207,991                          | 94.05%   | 1,612,471                  | 12.90%   |
| 2022                               | 3,805,804                              | 3,255,396                                  | 550,408                          | 85.54%   | 1,611,371                  | 34.16%   |
| 2023                               | 4,334,378                              | 4,038,927                                  | 295,451                          | 93.18%   | 1,697,586                  | 17.40%   |
| 2024                               | 4,857,546                              | 5,464,423                                  | (606,877)                        | 112.49%  | 2,078,857                  | -29.19%  |

## NOTES TO SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

### GASB Statement No. 67

**Valuation Date:** October 1, 2023  
**Measurement Date:** September 30, 2024

**Methods and Assumptions Used to Determine Net Pension Liability:**

|                           |  |
|---------------------------|--|
| Roll Forward Procedures   | The Total Pension Liability was developed by using standard actuarial techniques to roll forward amounts from the October 1, 2023 actuarial valuation to the measurement date.   |
| Actuarial Cost Method     | Entry Age Normal   |
| Inflation                 | 2.5%   |
| Salary Increases          | 4.0%, including inflation  |
| Investment Rate of Return | 6.5%   |
| Retirement Age            | Experience-based table of rates  |
| Mortality                 | <p>The mortality table for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Headcount Weighted Below Median Retiree Female Table (post-retirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2022.</p> <p>The mortality table for healthy Police Officers is the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 Actuarial Valuation of the Florida Retirement System (FRS).</p> |

**Other Information:**

Notes See Discussion of Valuation Results in the October 1, 2023 Actuarial Valuation Report.



**SCHEDULE OF CONTRIBUTIONS**  
**GASB Statement No. 67**

| <u>FY Ending<br/>September 30,</u> | <u>Actuarially<br/>Determined<br/>Contribution</u> | <u>Actual<br/>Contribution</u> | <u>Contribution<br/>Deficiency<br/>(Excess)</u> | <u>Covered<br/>Payroll</u> | <u>Actual Contribution<br/>as a % of<br/>Covered Payroll</u> |
|------------------------------------|--|--------------------------------|---|----------------------------|--|
| 2019                               | \$ 213,836   | \$ 213,836                     | \$ -  | \$ 939,629                 | 22.76%   |
| 2020                               | 285,114  | 285,114                        | -   | 1,595,114                  | 17.87%   |
| 2021                               | 286,705  | 286,705                        | -   | 1,612,471                  | 17.78%   |
| 2022                               | 325,822  | 519,516                        | (193,694) *                                     | 1,611,371                  | 32.24%   |
| 2023                               | 294,743  | 295,053                        | (310) *   | 1,697,586                  | 17.38%   |
| 2024                               | 318,188  | 318,188                        | -   | 2,078,857                  | 15.31%   |

\* Excess contributions, designated as prepaid Town contributions, which may be used to offset future required contributions

## NOTES TO SCHEDULE OF CONTRIBUTIONS

### GASB Statement No. 67

**Valuation Date:** October 1, 2022

**Notes** Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions were reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

|   |  |
|---|--|
| <p>Actuarial Cost Method</p> <p>Amortization Method</p> <p>Remaining Amortization Period</p> <p>Asset Valuation Method</p> <p>Inflation</p> <p>Salary Increases</p> <p>Investment Rate of Return</p> <p>Retirement Age</p> <p>Mortality</p> | <p>Entry Age Normal</p> <p>Level Dollar, Closed</p> <p>15 years</p> <p>5-year smoothed market</p> <p>2.5%</p> <p>4.0%, including inflation</p> <p>6.5%</p> <p>Experience-based table of rates</p> <p>The mortality table for General Employees is the PUB-2010 Headcount Weighted Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Headcount Weighted Below Median Retiree Female Table (post-retirement). These tables use ages set back one year for males and future improvements in mortality projected to all future years after 2010 using scale MP-2018. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2022.</p> <p>The mortality table for healthy Police Officers is the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2022 Actuarial Valuation of the Florida Retirement System (FRS).</p> |
|---|--|

**Other Information:**

**Notes** See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report.



## SINGLE DISCOUNT RATE GASB Statement No. 67

A single discount rate of 6.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

### Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

| 1% Decrease | Current Single Discount | 1% Increase   |
|-------------|-------------------------|---------------|
| 5.50%       | Rate Assumption         | 7.50%         |
| \$16,000    | 6.50%                   |               |
|             | (\$606,877)             | (\$1,123,528) |

## SECTION E

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### MISCELLANEOUS INFORMATION

| RECONCILIATION OF MEMBERSHIP DATA                                 |                           |                           |
|---|---------------------------|---------------------------|
|   | 10/1/2023 to<br>9/30/2024 | 10/1/2022 to<br>9/30/2023 |
| <b>A. Active Members</b>  |                           |                           |
| 1. Number Included in Last Valuation                              | 23                        | 23                        |
| 2. New Members Included in Current Valuation                      | 6                         | 6                         |
| 3. Non-Vested Employment Terminations                             | (5)                       | (5)                       |
| 4. Vested Employment Terminations                                 | 0                         | 0                         |
| 5. Service Retirements  | (1)                       | (1)                       |
| 6. Disability Retirements   | 0                         | 0                         |
| 7. Deaths   | <u>0</u>                  | <u>0</u>                  |
| 8. Number Included in This Valuation                              | 23                        | 23                        |
| <b>B. Terminated Vested Members</b>                               |                           |                           |
| 1. Number Included in Last Valuation                              | 1                         | 1                         |
| 2. Additions from Active Members                                  | 0                         | 0                         |
| 3. Lump Sum Payments/Refund of Contributions                      | 0                         | 0                         |
| 4. Payments Commenced   | 0                         | 0                         |
| 5. Deaths   | 0                         | 0                         |
| 6. Other  | <u>0</u>                  | <u>0</u>                  |
| 7. Number Included in This Valuation                              | 1                         | 1                         |
| <b>C. Service Retirees, Disability Retirees and Beneficiaries</b> |                           |                           |
| 1. Number Included in Last Valuation                              | 2                         | 1                         |
| 2. Additions from Active Members                                  | 1                         | 1                         |
| 3. Additions from Terminated Vested Members                       | 0                         | 0                         |
| 4. Deaths Resulting in No Further Payments                        | 0                         | 0                         |
| 5. Deaths Resulting in New Survivor Benefits                      | 0                         | 0                         |
| 6. End of Certain Period - No Further Payments                    | 0                         | 0                         |
| 7. Other  | <u>0</u>                  | <u>0</u>                  |
| 8. Number Included in This Valuation                              | 3                         | 2                         |

### ACTIVE PARTICIPANT SCATTER

| Age Group | Years of Service to Valuation Date |         |         |         |     |         |       |        |         |     | Totals    |
|-----------|------------------------------------|---------|---------|---------|-----|---------|-------|--------|---------|-----|-----------|
|           | 0-1                                | 1-2     | 2-3     | 3-4     | 4-5 | 5-9     | 10-14 | 15-19  | 20-24   | 25+ |           |
| 20-24 NO. | 1                                  | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 1         |
| TOT PAY   | 53,498                             | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 53,498    |
| AVG PAY   | 53,498                             | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 53,498    |
| 25-29 NO. | 1                                  | 0       | 1       | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 2         |
| TOT PAY   | 68,000                             | 0       | 75,704  | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 143,704   |
| AVG PAY   | 68,000                             | 0       | 75,704  | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 71,852    |
| 30-34 NO. | 1                                  | 0       | 0       | 0       | 0   | 2       | 0     | 0      | 0       | 0   | 3         |
| TOT PAY   | 70,071                             | 0       | 0       | 0       | 0   | 164,346 | 0     | 0      | 0       | 0   | 234,417   |
| AVG PAY   | 70,071                             | 0       | 0       | 0       | 0   | 82,173  | 0     | 0      | 0       | 0   | 78,139    |
| 35-39 NO. | 1                                  | 1       | 1       | 0       | 0   | 2       | 0     | 0      | 0       | 0   | 5         |
| TOT PAY   | 170,000                            | 70,072  | 68,702  | 0       | 0   | 252,001 | 0     | 0      | 0       | 0   | 560,775   |
| AVG PAY   | 170,000                            | 70,072  | 68,702  | 0       | 0   | 126,001 | 0     | 0      | 0       | 0   | 112,155   |
| 40-44 NO. | 0                                  | 2       | 0       | 1       | 0   | 0       | 0     | 0      | 0       | 0   | 3         |
| TOT PAY   | 0                                  | 150,000 | 0       | 115,182 | 0   | 0       | 0     | 0      | 0       | 0   | 265,182   |
| AVG PAY   | 0                                  | 75,000  | 0       | 115,182 | 0   | 0       | 0     | 0      | 0       | 0   | 88,394    |
| 45-49 NO. | 2                                  | 0       | 0       | 0       | 0   | 1       | 0     | 1      | 0       | 0   | 4         |
| TOT PAY   | 174,500                            | 0       | 0       | 0       | 0   | 75,824  | 0     | 96,500 | 0       | 0   | 346,824   |
| AVG PAY   | 87,250                             | 0       | 0       | 0       | 0   | 75,824  | 0     | 96,500 | 0       | 0   | 86,706    |
| 50-54 NO. | 0                                  | 0       | 1       | 0       | 0   | 2       | 0     | 0      | 0       | 0   | 3         |
| TOT PAY   | 0                                  | 0       | 77,991  | 0       | 0   | 164,204 | 0     | 0      | 0       | 0   | 242,195   |
| AVG PAY   | 0                                  | 0       | 77,991  | 0       | 0   | 82,102  | 0     | 0      | 0       | 0   | 80,732    |
| 55-59 NO. | 0                                  | 0       | 0       | 0       | 0   | 1       | 0     | 0      | 0       | 0   | 1         |
| TOT PAY   | 0                                  | 0       | 0       | 0       | 0   | 94,161  | 0     | 0      | 0       | 0   | 94,161    |
| AVG PAY   | 0                                  | 0       | 0       | 0       | 0   | 94,161  | 0     | 0      | 0       | 0   | 94,161    |
| 60-64 NO. | 0                                  | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 1       | 0   | 1         |
| TOT PAY   | 0                                  | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 168,000 | 0   | 168,000   |
| AVG PAY   | 0                                  | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 168,000 | 0   | 168,000   |
| 65-99 NO. | 0                                  | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 0         |
| TOT PAY   | 0                                  | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 0         |
| AVG PAY   | 0                                  | 0       | 0       | 0       | 0   | 0       | 0     | 0      | 0       | 0   | 0         |
| TOT NO.   | 6                                  | 3       | 3       | 1       | 0   | 8       | 0     | 1      | 1       | 0   | 23        |
| TOT AMT   | 536,069                            | 220,072 | 222,397 | 115,182 | 0   | 750,536 | 0     | 96,500 | 168,000 | 0   | 2,108,756 |
| AVG AMT   | 89,345                             | 73,357  | 74,132  | 115,182 | 0   | 93,817  | 0     | 96,500 | 168,000 | 0   | 91,685    |

### INACTIVE PARTICIPANT DISTRIBUTION

| Age Group          | Terminated Vested |                | Disabled |                | Retired  |                | Deceased with Beneficiary |                |
|--------------------|-------------------|----------------|----------|----------------|----------|----------------|---------------------------|----------------|
|                    | Number            | Total Benefits | Number   | Total Benefits | Number   | Total Benefits | Number                    | Total Benefits |
| Under 20           | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 20-24              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 25-29              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 30-34              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 35-39              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 40-44              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 45-49              | 1                 | 23,724         | -        | -              | -        | -              | -                         | -              |
| 50-54              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 55-59              | -                 | -              | -        | -              | 1        | 18,895         | -                         | -              |
| 60-64              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 65-69              | -                 | -              | -        | -              | 1        | 47,294         | -                         | -              |
| 70-74              | -                 | -              | -        | -              | 1        | 96,093         | -                         | -              |
| 75-79              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 80-84              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 85-89              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 90-94              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 95-99              | -                 | -              | -        | -              | -        | -              | -                         | -              |
| 100 & Over         | -                 | -              | -        | -              | -        | -              | -                         | -              |
| <b>Total</b>       | <b>1</b>          | <b>23,724</b>  | <b>-</b> | <b>-</b>       | <b>3</b> | <b>162,282</b> | <b>-</b>                  | <b>-</b>       |
| <b>Average Age</b> |                   | <b>49</b>      |          | <b>N/A</b>     |          | <b>66</b>      |                           | <b>N/A</b>     |

## SECTION F

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### SUMMARY OF PLAN PROVISIONS

# **Town of Manalapan General Employees' and Police Officers' Retirement Fund**

## **SUMMARY OF PLAN PROVISIONS**

### **A. Ordinances**

The Plan was established under the Code of Ordinances for the Town of Manalapan, Florida, Chapter 31, Section 17. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

### **B. Effective Date**

January 1, 2019

### **C. Plan Year**

October 1 through September 30

### **D. Type of Plan**

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

### **E. Eligibility Requirements**

All actively employed full-time general employees and police officers are eligible to participate in the Plan.

### **F. Credited Service**

Service is measured as the total number of years and fractional parts of years for which a general employee or police officer made Member Contributions to the Plan. No service is credited for any periods of employment for which the member received a refund of their contributions.

### **G. Compensation**

The member's base salary plus any educational incentive, tax exempt, tax sheltered and tax deferred items of income, but excluding overtime, extra duty or special detail work, and payments for unused annual leave.

### **H. Average Final Compensation (AFC)**

One twelfth of the average Compensation for the highest 5 years, which do not need to be consecutive.



## **I. Normal Retirement**

Eligibility: A member may retire on the first day of the month coincident with or next following age 55 and 10 years of Credited Service or the attainment of age 52 and 25 years of Credited Service.

Benefit: 3.0% of AFC multiplied by years of Credited Service.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: None.

## **J. Early Retirement**

Eligibility: A member may elect early retirement on the first day of the month coincident with or next following age 50 and 10 years of Credited Service.

Benefit: 3.0% of AFC multiplied by years of Credited Service. The benefit is reduced by 5.0% for each year that the early retirement date precedes the normal retirement date.

Normal Form of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: None.

## **K. Delayed Retirement**

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

## **L. Service Connected Disability**

Eligibility: Any member who becomes totally and permanently disabled as a result from an act occurring in the performance of service for the Town is immediately eligible for a disability benefit.

Benefit: Accrued normal retirement benefit with a minimum equal to 42% of AFC.

Normal Form of Benefit: 10 Years Certain and Life thereafter, or until recovery; other options are also available.

COLA: None.

## **M. Non-Service Connected Disability**

Eligibility: Any member who has 10 years of Credited Service and becomes totally and permanently disabled is immediately eligible for a disability benefit.



Benefit: Accrued normal retirement benefit with a minimum equal to 25% of AFC.

Normal Form  
of Benefit: 10 Years Certain and Life thereafter, or until recovery; other options are also available.

COLA: None.

#### **N. Pre-Retirement Death**

Eligibility: All members with 10 years of Credited Service are eligible for survivor benefits.

Benefit: Beneficiary will receive the member's accrued benefit based upon Credited Service and AFC as of the date of death. The benefit is payable on the early (reduced) or normal retirement date.

Normal Form  
of Benefit: 10 Years Certain and Life thereafter.

COLA: None

The beneficiary of a plan member with less than 10 years of Credited Service at the time of death will receive a refund of the member's accumulated contributions.

#### **O. Post Retirement Death**

Benefit determined by the form of benefit elected upon retirement.

#### **P. Optional Forms**

In lieu of electing the Normal Form of benefit, the optional forms of benefits available to all retirees are a Single Life Annuity or the 50%, 66 2/3%, 75% and 100% Joint and Survivor options.

#### **Q. Vested Termination**

Eligibility: A member has earned a non-forfeitable right to Plan benefits after the completion of 10 years of Credited Service.

Benefit: The benefit is the member's accrued benefit based upon Credited Service and AFC as of the date of termination. The benefit is payable on the early (reduced) or normal retirement date.

Normal Form  
of Benefit: 10 Years Certain and Life thereafter; other options are also available.

COLA: None.

Members terminating employment with less than 10 years of Credited Service will receive a refund of their own accumulated contributions.



**R. Refunds**

Eligibility: All members terminating employment with less than 10 years of Credited Service are eligible. Optionally, vested members (those with 10 or more years of Credited Service) may elect a refund in lieu of the vested benefits otherwise due.

Benefit: Refund of the member's contributions.

**S. Member Contributions**

7.0% of Compensation

**T. State Contributions**

None.

**U. Employer Contributions**

Any additional amount determined by the actuary needed to fund the Plan properly according to State laws.

**V. Cost of Living Increases**

None.

**W. 13<sup>th</sup> Check**

Not Applicable

**X. Deferred Retirement Option Plan**

None.

**Y. Other Ancillary Benefits**

There are no ancillary retirement type benefits not required by statutes but which might be deemed a Town of Manalapan General Employees' and Police Officers' Retirement Fund liability if continued beyond the availability of funding by the current funding source.

**Z. Changes Since Prior Valuation**

None.