



September 30, 2024

Mr. A.C. Lovingood
Resource Centers, LLC
4360 Northlake Blvd., Suite 206
Palm Beach Gardens, FL 33410

**Re: Village of Tequesta General Employees' Pension Trust Fund
GASB No. 68 Disclosure Information for Reporting Year Ending September 30, 2024**

Dear A.C.:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 68 for the Village of Tequesta General Employees' Pension Trust Fund for use in the preparation of the Village's GAAP-basis employer financial statement for the reporting year ending September 30, 2024.

GASB Statement No. 68 establishes the accounting and financial reporting standards for state and local government employers who provide their employees (including former employees) pension benefits through a trust. These calculations have been made on a basis that is consistent with our understanding of this accounting standard. Enclosed are the following exhibits:

- Executive Summary
- Schedule of Changes in Net Pension Liability and Related Ratios for Measurement Year
- Notes to Net Pension Liability
- Pension Expense Under GASB No. 68
- Statement of Outflows and Inflows Arising from Current Reporting Period
- Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
- Summary of Remaining Deferred Outflows and Inflows of Resources
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial valuation of the liabilities as of the September 30, 2023 measurement date was determined as of the beginning of the year, October 1, 2022 (based on the actuarial valuation results as reported in the October 1, 2022 actuarial valuation report dated January 17, 2023). These liabilities are used for GASB Statement No. 68 reporting for the reporting period ending September 30, 2024. Using a measurement date of September 30, 2023 allows for timelier reporting at the end of the year. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these should be noted in the footnotes.

Required Disclosures

This information is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 68. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 68 may produce significantly different results. This report may be provided to parties other than the Village or Board only in its entirety and only with the permission of the Village or Board. GRS is not responsible for unauthorized use of the report.

This report is based upon information, furnished to us by the Plan Administrator and Village, concerning Plan benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and Village.

This report complements the actuarial valuation report that was provided to the Board and should be considered in conjunction with that report. Please see the actuarial valuation report as of October 1, 2022 dated January 17, 2023 and the actuarial valuation report as of October 1, 2023 dated January 19, 2024 for additional discussion of the nature of actuarial calculations and information related to participant data, economic and demographic assumptions, and benefit provisions.

The findings in this report are based on census data through September 30, 2022 and financial information through September 30, 2023. 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; 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.

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.



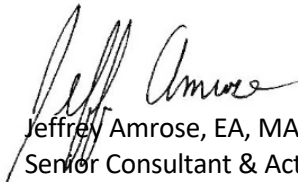
To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Plan. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.


Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion 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 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.

We welcome your questions and comments.

Sincerely yours,
Gabriel, Roeder, Smith & Company


Jeffrey Amrose, EA, MAAA
Senior Consultant & Actuary


Trisha Amrose, EA, MAAA
Consultant & Actuary

Enclosures



EXECUTIVE SUMMARY
GASB Statement No. 68

Actuarial Valuation Date	October 1, 2022
Measurement Date of the Net Pension Liability	September 30, 2023
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2024

Membership as of Actuarial Valuation Date

Number of	
- Retirees and Beneficiaries	14
- Inactive, Nonretired Members	10
- Active Members	51
- Total	75
Covered Payroll	\$ 3,933,440

Net Pension Liability

Total Pension Liability	\$ 9,241,492
Plan Fiduciary Net Position	8,661,206
Net Pension Liability	\$ 580,286
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.72 %
Net Pension Liability as a Percentage of Covered Employee Payroll	14.75 %

Development of the Single Discount Rate

Single Discount Rate	6.50 %
Long-Term Expected Rate of Investment Return	6.50 %
Long-Term Municipal Bond Rate*	4.63 %
Last year ending September 30 in the 2024 to 2123 projection period for which projected benefit payments are fully funded	2123

Total Pension Expense	\$ 599,850
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Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 111,909	\$ 273,236
Changes in assumptions	47,897	50,908
Net difference between projected and actual earnings on pension plan investments	1,185,767	586,641
Total	\$ 1,345,573	\$ 910,785

**Source: Fidelity General Obligation AA Index rate as of September 29, 2023, the most recent date available on or before the measurement date. This is the rate for Fixed Income Market Yield Curve for Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.*



SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
FOR REPORTING YEAR ENDED SEPTEMBER 30, 2024
GASB Statement No. 68

Measurement Year Ended September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Total Pension Liability										
1. Service Cost	\$ 539,870	\$ 502,759	\$ 470,535	\$ 547,702	\$ 461,164	\$ 447,305	\$ 380,051	\$ 359,231	\$ 300,325	\$ 278,029
2. Interest on the Total Pension Liability	578,739	519,671	497,428	468,322	425,911	373,859	329,590	285,954	253,701	216,124
3. Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
4. Difference Between Expected and Actual Experience of the Total Pension Liability	(104,387)	102,847	(332,590)	101,865	(156,013)	66,509	(112,103)	(40,094)	(157,539)	-
5. Changes of Assumptions	-	-	(109,651)	127,729	-	-	362,784	-	-	-
6. Benefit Payments	(236,372)	(226,227)	(178,474)	(161,419)	(160,588)	(79,332)	(41,859)	(16,657)	(11,918)	(8,534)
7. Refunds	(36,696)	(7,996)	(18,820)	(53,330)	(48,114)	(27,837)	(13,511)	(16,161)	(5,959)	(4,454)
8. Other	-	-	-	-	-	-	-	-	-	-
9. Net Change in Total Pension Liability	\$ 741,154	\$ 891,054	\$ 328,428	\$ 1,030,869	\$ 522,360	\$ 780,504	\$ 904,952	\$ 572,273	\$ 378,610	\$ 481,165
10. Total Pension Liability – Beginning	8,500,338	7,609,284	7,280,856	6,249,987	5,727,627	4,947,123	4,042,171	3,469,898	3,091,288	2,610,123
11. Total Pension Liability – Ending	<u>\$ 9,241,492</u>	<u>\$ 8,500,338</u>	<u>\$ 7,609,284</u>	<u>\$ 7,280,856</u>	<u>\$ 6,249,987</u>	<u>\$ 5,727,627</u>	<u>\$ 4,947,123</u>	<u>\$ 4,042,171</u>	<u>\$ 3,469,898</u>	<u>\$ 3,091,288</u>
B. Plan Fiduciary Net Position										
1. Contributions – Employer (from City)	\$ 331,983	\$ 350,247	\$ 380,003	\$ 391,341	\$ 362,848	\$ 350,412	\$ 305,931	\$ 201,704	\$ 194,376	\$ 184,627
2. Contributions – Employer (from State)	-	-	-	-	-	-	-	-	-	-
3. Contributions – Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-	-
4. Contributions – Employee (Including Buyback Contributions)	196,672	181,475	171,792	180,175	161,553	156,434	143,361	134,828	115,288	100,560
5. Net Investment Income	719,500	(1,390,881)	1,435,710	615,311	235,519	417,228	562,828	191,849	(36,136)	308,314
6. Benefit Payments	(236,372)	(226,227)	(178,474)	(161,419)	(160,588)	(79,332)	(41,859)	(16,657)	(11,918)	(8,534)
7. Refunds	(36,696)	(7,996)	(18,820)	(53,330)	(48,114)	(27,837)	(13,511)	(16,161)	(5,959)	(4,454)
8. Pension Plan Administrative Expense	(56,335)	(43,005)	(40,526)	(54,652)	(48,241)	(43,300)	(37,296)	(44,359)	(38,098)	(25,678)
9. Other	-	-	-	-	-	-	-	-	-	-
10. Net Change in Plan Fiduciary Net Position	\$ 918,752	\$(1,136,387)	\$ 1,749,685	\$ 917,426	\$ 502,977	\$ 773,605	\$ 919,454	\$ 451,204	\$ 217,553	\$ 554,835
11. Plan Fiduciary Net Position – Beginning	7,742,454	8,878,841	7,129,156	6,211,730	5,708,753	4,935,148	4,015,694	3,564,490	3,346,937	2,792,102
12. Plan Fiduciary Net Position – Ending	<u>\$ 8,661,206</u>	<u>\$ 7,742,454</u>	<u>\$ 8,878,841</u>	<u>\$ 7,129,156</u>	<u>\$ 6,211,730</u>	<u>\$ 5,708,753</u>	<u>\$ 4,935,148</u>	<u>\$ 4,015,694</u>	<u>\$ 3,564,490</u>	<u>\$ 3,346,937</u>
C. Net Pension Liability	<u>\$ 580,286</u>	<u>\$ 757,884</u>	<u>\$(1,269,557)</u>	<u>\$ 151,700</u>	<u>\$ 38,257</u>	<u>\$ 18,874</u>	<u>\$ 11,975</u>	<u>\$ 26,477</u>	<u>\$ (94,592)</u>	<u>\$ (255,649)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.72%	91.08%	116.68%	97.92%	99.39%	99.67%	99.76%	99.34%	102.73%	108.27%
E. Covered Payroll	\$ 3,933,440	\$ 3,629,500	\$ 3,435,840	\$ 3,603,500	\$ 3,231,060	\$ 3,128,680	\$ 2,867,220	\$ 2,696,572	\$ 2,305,760	\$ 2,011,191
F. Net Pension Liability as a Percentage of Covered Payroll	14.75%	20.88%	(36.95)%	4.21%	1.18%	0.60%	0.42%	0.98%	(4.10)%	(12.71)%



NOTES TO NET PENSION LIABILITY
GASB Statement No. 68

Valuation Date: October 1, 2022
Measurement Date: September 30, 2023

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	4.75% to 5.50%, including inflation, based on years of service.
Investment Rate of Return	6.5%
Retirement Age	100% if eligible for Normal Retirement before age 62; else age based from 30% at age 62 to 100% at age 70; 5% for each year eligible for Early Retirement.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Regular (other than K-12 School Instructional Personnel) Class members as used by the Florida Retirement System (FRS) in their July 1, 2021 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report dated January 17, 2023.



PENSION EXPENSE
FISCAL YEAR ENDED SEPTEMBER 30, 2024
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statement No. 68

Pension Expense

1. Service Cost	\$ 539,870
2. Interest on the Total Pension Liability	578,739
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(196,672)
5. Projected Earnings on Plan Investments (made negative for addition here)	(509,735)
6. Pension Plan Administrative Expense	56,335
7. Other Changes in Plan Fiduciary Net Position	-
8. Other Changes in Total Pension Liability	-
9. Recognition of Outflow (Inflow) of Resources due to Liabilities	(30,275)
10. Recognition of Outflow (Inflow) of Resources due to Assets	161,588
11. Total Pension Expense	\$ 599,850



**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT REPORTING PERIOD
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2024
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statement No. 68**

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability due to (gains) or losses	\$ (104,387)
2. Assumption Changes (gains) or losses	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	5.3
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ (19,696)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	\$ -
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ (19,696)
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses the difference between expected and actual experience of the Total Pension	\$ (84,691)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses assumption changes	\$ -
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ (84,691)

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments due to (gains) or losses	\$ (209,765)
2. Recognition period for Assets {in years}	5.0
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (41,953)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (167,812)

C. Outflow of Resources due to Employer Contribution

1. Deferred Outflow of Resources due to Employer pension contribution made subsequent to 9/30/2023 but before 9/30/2024	TBD
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**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT AND PRIOR REPORTING PERIODS
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2024
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statement No. 68**

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 106,522	\$ 136,797	\$ (30,275)
2. Due to Assets	429,946	268,358	161,588
3. Total	\$ 536,468	\$ 405,155	\$ 131,313

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 43,886	\$ 117,216	\$ (73,330)
2. Assumption Changes	62,636	19,581	43,055
3. Net Difference between projected and actual earnings on pension plan investments	429,946	268,358	161,588
4. Total	\$ 536,468	\$ 405,155	\$ 131,313

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 111,909	\$ 273,236	\$ (161,327)
2. Assumption Changes	47,897	50,908	(3,011)
3. Net Difference between projected and actual earnings on pension plan investments	1,185,767	586,641	599,126
4. Total	\$ 1,345,573	\$ 910,785	\$ 434,788

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending September 30	Net Deferred Outflows of Resources
2025	\$ 64,715
2026	106,377
2027	318,620
2028	(49,017)
2029	(5,907)
Thereafter	-
Total	\$ 434,788



**SUMMARY OF REMAINING DEFERRED
OUTFLOWS AND INFLOWS OF RESOURCES
GASB Statement No. 68**

<u>Date Established</u>	<u>Source</u>	<u>Recognition Period (years)</u>	<u>Original Amount</u>	<u>Years Remaining</u>	<u>Remaining Amount</u>	<u>Amount Recognized in Current Expense</u>
<u>Deferred Outflows of Resources</u>						
9/30/2018	Assumption Changes	6.8	\$ 362,784	0.8	\$ 42,678	\$ 42,678
9/30/2019	Liability Exp. Loss	6.7	66,509	1.7	16,874	9,927
9/30/2020	Investment Exp. Loss	5.0	173,455	1.0	34,691	34,691
9/30/2021	Assumption Changes	6.4	127,729	3.4	67,855	19,958
9/30/2021	Liability Exp. Loss	6.4	101,865	3.4	54,117	15,916
9/30/2023	Investment Exp. Loss	5.0	1,976,277	4.0	1,581,022	395,255
9/30/2023	Liability Exp. Loss	5.7	102,847	4.7	84,804	18,043
		SUBTOTAL:	2,911,466		1,882,041	536,468
<u>Deferred Inflows of Resources</u>						
9/30/2017	Liability Exp. Gain	7.1	(40,094)	0.1	(565)	(565)
9/30/2018	Liability Exp. Gain	6.8	(112,103)	0.8	(13,187)	(13,187)
9/30/2020	Liability Exp. Gain	6.4	(156,013)	2.4	(58,505)	(24,377)
9/30/2021	Investment Exp. Gain	5.0	(169,916)	2.0	(67,967)	(33,983)
9/30/2022	Investment Exp. Gain	5.0	(962,111)	3.0	(577,267)	(192,422)
9/30/2022	Assumption Changes	5.6	(109,651)	3.6	(70,489)	(19,581)
9/30/2022	Liability Exp. Gain	5.6	(332,590)	3.6	(213,808)	(59,391)
9/30/2024	Investment Exp. Gain	5.0	(209,765)	5.0	(209,765)	(41,953)
9/30/2024	Liability Exp. Gain	5.3	(104,387)	5.3	(104,387)	(19,696)
		SUBTOTAL:	(2,196,630)		(1,315,940)	(405,155)
		GRAND TOTAL:	\$ 714,836		\$ 566,101	\$ 131,313



SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 184,627	\$ 184,627	\$ -	\$ 2,011,191	9.18 %
2015	194,376	194,376	-	2,305,760	8.43 %
2016	201,704	201,704	-	2,696,572	7.48 %
2017	235,972	305,931	(69,959)	2,867,220	10.67 %
2018	350,412	350,412	-	3,128,680	11.20 %
2019	362,848	362,848	-	3,231,060	11.23 %
2020	391,341	391,341	-	3,603,500	10.86 %
2021	380,003	380,003	-	3,435,840	11.06 %
2022	350,247	350,247	-	3,629,500	9.65 %
2023	331,983	331,983	-	3,933,440	8.44 %
2024	TBD	TBD	TBD	TBD	TBD



NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 68

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 are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Aggregate Method
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-year smoothed market
Inflation	2.25%
Salary Increases	4.75% to 5.50%, including inflation, based on years of service.
Investment Rate of Return	6.5%
Retirement Age	100% if eligible for Normal Retirement before age 62; else age based from 30% at age 62 to 100% at age 70; 5% for each year eligible for Early Retirement.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables for Regular (other than K-12 School Instructional Personnel) Class members as used by the Florida Retirement System (FRS) in their July 1, 2021 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report dated January 17, 2023.



**SENSITIVITY OF NET PENSION LIABILITY
TO THE SINGLE DISCOUNT RATE ASSUMPTION
GASB Statement No. 68**

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%
\$1,805,799	\$580,286	(\$443,731)

