

TOWN OF LONGBOAT KEY
CONSOLIDATED RETIREMENT SYSTEM
(GENERAL EMPLOYEES)

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2020 VALUATION DATE



June 3, 2021

VIA E-MAIL

Ms. Susan Smith
Town of Longboat Key
501 Bay Isles Road
Longboat Key, Florida 34228

Re: Town of Longboat Key Consolidated Retirement System (General Employees)
Section 112.664, Florida Statutes Compliance

Dear Susan:

Please find enclosed the annual disclosures that satisfy the October 1, 2020 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

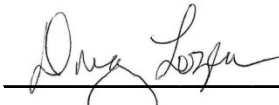
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should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

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Douglas H. Lozen, EA, MAAA
Enrolled Actuary #20-7778

Enclosures

cc via email: Ron Cohen, Board Attorney
cc via email: Amanda Kish, Plan Administrator

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2020 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2020

Header	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	2,024	2,558
Interest	991,851	876,370
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(266,891)	(279,267)
Changes of Assumptions	(30,620)	(60,330)
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,024,528)</u>	<u>(1,024,528)</u>
Net Change in Total Pension Liability	(328,164)	(485,197)
Total Pension Liability - Beginning	14,679,542	18,037,101
Total Pension Liability - Ending (a)	<u>\$ 14,351,378</u>	<u>\$ 17,551,904</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	670,264	670,264
Net Investment Income	686,511	686,511
Benefit Payments, Including Refunds of Employee Contributions	(1,024,528)	(1,024,528)
Administrative Expenses	<u>(28,590)</u>	<u>(28,590)</u>
Net Change in Plan Fiduciary Net Position	303,657	303,657
Plan Fiduciary Net Position - Beginning	11,096,808	11,096,808
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,400,465</u>	<u>\$ 11,400,465</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,950,913</u>	<u>\$ 6,151,439</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 7.00%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2020	11,400,465	-	1,028,396	-	762,039	11,134,108
2021	11,134,108	-	1,150,084	-	739,135	10,723,159
2022	10,723,159	-	1,147,775	-	710,449	10,285,833
2023	10,285,833	-	1,171,396	-	679,009	9,793,446
2024	9,793,446	-	1,168,617	-	644,640	9,269,469
2025	9,269,469	-	1,184,035	-	607,422	8,692,856
2026	8,692,856	-	1,192,801	-	566,752	8,066,807
2027	8,066,807	-	1,181,946	-	523,308	7,408,169
2028	7,408,169	-	1,181,853	-	477,207	6,703,523
2029	6,703,523	-	1,184,103	-	427,803	5,947,223
2030	5,947,223	-	1,188,712	-	374,701	5,133,212
2031	5,133,212	-	1,159,603	-	318,739	4,292,348
2032	4,292,348	-	1,156,251	-	259,996	3,396,093
2033	3,396,093	-	1,128,311	-	198,236	2,466,018
2034	2,466,018	-	1,119,188	-	133,450	1,480,280
2035	1,480,280	-	1,093,222	-	65,357	452,415
2036	452,415	-	1,057,636	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.43

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Discount Rate = 5.00%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2020	11,400,465	-	1,028,396	-	544,313	10,916,382
2021	10,916,382	-	1,150,084	-	517,067	10,283,365
2022	10,283,365	-	1,147,775	-	485,474	9,621,064
2023	9,621,064	-	1,171,396	-	451,768	8,901,436
2024	8,901,436	-	1,168,617	-	415,856	8,148,675
2025	8,148,675	-	1,184,035	-	377,833	7,342,473
2026	7,342,473	-	1,192,801	-	337,304	6,486,976
2027	6,486,976	-	1,181,946	-	294,800	5,599,830
2028	5,599,830	-	1,181,853	-	250,445	4,668,422
2029	4,668,422	-	1,184,103	-	203,819	3,688,138
2030	3,688,138	-	1,188,712	-	154,689	2,654,115
2031	2,654,115	-	1,159,603	-	103,716	1,598,228
2032	1,598,228	-	1,156,251	-	51,005	492,982
2033	492,982	-	1,128,311	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.44

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

Header	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$409,499	\$633,104

ASSETS

Actuarial Value	11,735,425	11,735,425
Market Value	11,400,465	11,400,465

LIABILITIES

Present Value of Benefits

Active Members

Retirement Benefits	2,787,936	3,634,012
Disability Benefits	0	0
Death Benefits	20,660	23,940
Vested Benefits	42,769	74,069
Refund of Contributions	0	0

Service Retirees	10,549,280	12,549,415
Beneficiaries	242,158	276,102
Disability Retirees	0	0
Terminated Vested	654,771	938,381
Total:	14,297,574	17,495,919

Present Value of Future Salaries N/A N/A

Present Value of Future
Member Contributions N/A N/A

Total Normal Cost 1,435 1,846

Present Value of Future
Normal Costs (Entry Age Normal) 4,027 5,710

Total Actuarial Accrued Liability 14,293,547 17,490,209

Unfunded Actuarial Accrued
Liability (UAAL) 2,558,122 5,754,784

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2022

Valuation Date: 10/1/2020

Header	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Investment Rate of Return:	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost ¹	1,586	1,984
Administrative Expenses ¹	31,012	30,170
Payment Required To Amortize UAAL ¹	<u>376,901</u>	<u>600,950</u>
Minimum Required Contribution	\$409,499	\$633,104

¹ Funding rates include a 1.5 year interest load.