

TOWN OF LONGBOAT KEY
CONSOLIDATED RETIREMENT SYSTEM
(GENERAL EMPLOYEES)

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2021 VALUATION DATE



April 7, 2022

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, 2021 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, 2021 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, 2021

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.00%	5.00%
<u>Total Pension Liability</u>		
Service Cost	1,435	1,846
Interest	969,116	852,272
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(61,880)	(64,779)
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,016,606)	(1,016,606)
Net Change in Total Pension Liability	(107,935)	(227,267)
Total Pension Liability - Beginning	14,351,378	17,551,904
Total Pension Liability - Ending (a)	<u>\$ 14,243,443</u>	<u>\$ 17,324,637</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	420,842	420,842
Net Investment Income	2,362,476	2,362,476
Benefit Payments, Including Refunds of Employee Contributions	(1,016,606)	(1,016,606)
Administrative Expenses	(26,313)	(26,313)
Net Change in Plan Fiduciary Net Position	1,740,399	1,740,399
Plan Fiduciary Net Position - Beginning	11,400,465	11,400,465
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,140,864</u>	<u>\$ 13,140,864</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,102,579</u>	<u>\$ 4,183,773</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
2021	13,140,864	-	1,036,591	-	883,580	12,987,853
2022	12,987,853	-	1,151,245	-	868,856	12,705,464
2023	12,705,464	-	1,177,086	-	848,184	12,376,562
2024	12,376,562	-	1,174,361	-	825,257	12,027,458
2025	12,027,458	-	1,190,881	-	800,241	11,636,818
2026	11,636,818	-	1,200,546	-	772,558	11,208,830
2027	11,208,830	-	1,189,587	-	742,983	10,762,226
2028	10,762,226	-	1,189,337	-	711,729	10,284,618
2029	10,284,618	-	1,192,548	-	678,184	9,770,254
2030	9,770,254	-	1,200,572	-	641,898	9,211,580
2031	9,211,580	-	1,180,804	-	603,482	8,634,258
2032	8,634,258	-	1,168,380	-	563,505	8,029,383
2033	8,029,383	-	1,140,046	-	522,155	7,411,492
2034	7,411,492	-	1,130,754	-	479,228	6,759,966
2035	6,759,966	-	1,105,093	-	434,519	6,089,392
2036	6,089,392	-	1,069,088	-	388,839	5,409,143
2037	5,409,143	-	1,032,347	-	342,508	4,719,304
2038	4,719,304	-	1,009,134	-	295,032	4,005,202
2039	4,005,202	-	980,775	-	246,037	3,270,464
2040	3,270,464	-	941,163	-	195,992	2,525,293
2041	2,525,293	-	896,479	-	145,394	1,774,208
2042	1,774,208	-	854,126	-	94,300	1,014,382
2043	1,014,382	-	807,797	-	42,734	249,319
2044	249,319	-	759,505	-	-	-

Number of Years Expected Benefit Payments Sustained: 23.33

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
2021	13,140,864	-	1,036,591	-	631,128	12,735,401
2022	12,735,401	-	1,151,245	-	607,989	12,192,145
2023	12,192,145	-	1,177,086	-	580,180	11,595,239
2024	11,595,239	-	1,174,361	-	550,403	10,971,281
2025	10,971,281	-	1,190,881	-	518,792	10,299,192
2026	10,299,192	-	1,200,546	-	484,946	9,583,592
2027	9,583,592	-	1,189,587	-	449,440	8,843,445
2028	8,843,445	-	1,189,337	-	412,439	8,066,547
2029	8,066,547	-	1,192,548	-	373,514	7,247,513
2030	7,247,513	-	1,200,572	-	332,361	6,379,302
2031	6,379,302	-	1,180,804	-	289,445	5,487,943
2032	5,487,943	-	1,168,380	-	245,188	4,564,751
2033	4,564,751	-	1,140,046	-	199,736	3,624,441
2034	3,624,441	-	1,130,754	-	152,953	2,646,640
2035	2,646,640	-	1,105,093	-	104,705	1,646,252
2036	1,646,252	-	1,069,088	-	55,585	632,749
2037	632,749	-	1,032,347	-	-	-

Number of Years Expected Benefit Payments Sustained: 16.61

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, 2023

Valuation Date: 10/1/2021

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
Minimum Required Contribution (Fixed \$)	\$302,361	\$480,661

ASSETS

Actuarial Value	12,193,989	12,193,989
Market Value	13,140,864	13,140,864

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	2,881,643	3,727,711
Disability Benefits	0	0
Death Benefits	19,578	22,538
Vested Benefits	36,139	61,797
Refund of Contributions	0	0
Service Retirees	10,522,086	12,472,367
Beneficiaries	240,961	272,432
Disability Retirees	0	0
Terminated Vested	521,466	773,700
Total:	14,221,873	17,330,545
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Total Normal Cost	1,456	1,874
Present Value of Future Normal Costs (Entry Age Normal)	3,685	5,190
Total Actuarial Accrued Liability (EAN)	14,218,188	17,325,355
Unfunded Actuarial Accrued Liability (UAAL)	2,024,199	5,131,366

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2023

	Valuation Date: 10/1/2021	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.00%	5.00%
<u>PENSION COST</u>		
Normal Cost ¹	1,609	2,015
Administrative Expenses ¹	30,334	29,511
Payment Required To Amortize UAAL ¹	270,418	449,135
Minimum Required Contribution	\$302,361	\$480,661

¹ Funding rates include a 1.5 year interest load.