

TOWN OF LONGBOAT KEY
CONSOLIDATED RETIREMENT SYSTEM
(FIREFIGHTERS)

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 (Firefighters)
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.

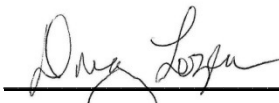
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Board should 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	6,608	8,758
Interest	2,179,058	1,963,430
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	260,793	323,862
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,171,192)	(2,171,192)
Net Change in Total Pension Liability	275,267	124,858
Total Pension Liability - Beginning	32,208,388	40,345,436
Total Pension Liability - Ending (a)	<u>\$ 32,483,655</u>	<u>\$ 40,470,294</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	2,006,151	2,006,151
Net Investment Income	4,216,016	4,216,016
Benefit Payments, Including Refunds of Employee Contributions	(2,171,192)	(2,171,192)
Administrative Expenses	(46,374)	(46,374)
Net Change in Plan Fiduciary Net Position	4,004,601	4,004,601
Plan Fiduciary Net Position - Beginning	20,088,427	20,088,427
Plan Fiduciary Net Position - Ending (b)	<u>\$ 24,093,028</u>	<u>\$ 24,093,028</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,390,627</u>	<u>\$ 16,377,266</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	24,093,028	-	2,218,296	-	1,608,872	23,483,604
2022	23,483,604	-	2,376,478	-	1,560,676	22,667,802
2023	22,667,802	-	2,405,722	-	1,502,546	21,764,626
2024	21,764,626	-	2,432,240	-	1,438,395	20,770,781
2025	20,770,781	-	2,455,494	-	1,368,012	19,683,299
2026	19,683,299	-	2,470,059	-	1,291,379	18,504,619
2027	18,504,619	-	2,508,892	-	1,207,512	17,203,239
2028	17,203,239	-	2,531,988	-	1,115,607	15,786,858
2029	15,786,858	-	2,569,952	-	1,015,132	14,232,038
2030	14,232,038	-	2,590,283	-	905,583	12,547,338
2031	12,547,338	-	2,601,064	-	787,276	10,733,550
2032	10,733,550	-	2,619,396	-	659,670	8,773,824
2033	8,773,824	-	2,626,765	-	522,231	6,669,290
2034	6,669,290	-	2,626,341	-	374,928	4,417,877
2035	4,417,877	-	2,617,763	-	217,630	2,017,744
2036	2,017,744	-	2,603,919	-	-	-

Number of Years Expected Benefit Payments Sustained: 15.77

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	24,093,028	-	2,218,296	-	1,149,194	23,023,926
2022	23,023,926	-	2,376,478	-	1,091,784	21,739,232
2023	21,739,232	-	2,405,722	-	1,026,819	20,360,329
2024	20,360,329	-	2,432,240	-	957,210	18,885,299
2025	18,885,299	-	2,455,494	-	882,878	17,312,683
2026	17,312,683	-	2,470,059	-	803,883	15,646,507
2027	15,646,507	-	2,508,892	-	719,603	13,857,218
2028	13,857,218	-	2,531,988	-	629,561	11,954,791
2029	11,954,791	-	2,569,952	-	533,491	9,918,330
2030	9,918,330	-	2,590,283	-	431,159	7,759,206
2031	7,759,206	-	2,601,064	-	322,934	5,481,076
2032	5,481,076	-	2,619,396	-	208,569	3,070,249
2033	3,070,249	-	2,626,765	-	87,843	531,327
2034	531,327	-	2,626,341	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.20

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 \$)	\$1,710,005	\$2,099,792

ASSETS

Actuarial Value	22,446,774	22,446,774
Market Value	24,093,028	24,093,028

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	2,298,559	3,117,829
Disability Benefits	41,039	52,350
Death Benefits	3,175	3,644
Vested Benefits	19,496	26,253
Refund of Contributions	0	0
Service Retirees	28,620,082	35,456,842
Beneficiaries	231,931	283,334
Disability Retirees	1,080,006	1,286,453
Terminated Vested	300,684	421,035
Total:	32,594,972	40,647,740
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Total Normal Cost	6,563	8,709
Present Value of Future Normal Costs (Entry Age Normal)	14,641	20,432
Total Actuarial Accrued Liability (EAN)	32,580,331	40,627,308
Unfunded Actuarial Accrued Liability (UAAL)	10,133,557	18,180,534

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	7,252	9,362
Administrative Expenses ¹	52,616	51,187
Payment Required To Amortize UAAL ¹	1,650,137	2,039,243
Minimum Required Contribution	\$1,710,005	\$2,099,792

¹ Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.