

TOWN OF LONGBOAT KEY
CONSOLIDATED RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2023

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2021



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

February 16, 2022

Board of Trustees
Town of Longboat Key
General Employees' Pension Board

Re: Town of Longboat Key Consolidated Retirement System

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Town of Longboat Key Consolidated Retirement System. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Town of Longboat Key, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding and accounting rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2021 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.


The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Town of Longboat Key, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Consolidated Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.


If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

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

By: 

Steven M. Sutherland II, ASA

DHL/lke

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Town of Longboat Key Consolidated Retirement System, performed as of October 1, 2021, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2023.

The contribution requirements, compared with those set forth in the October 1, 2020 actuarial valuation report, are as follows:

Valuation Date	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2022</u>
Police Officers	\$503,616	\$568,816
Firefighters	1,710,005	1,907,757
General Employees	<u>302,361</u>	<u>409,499</u>
Town Required Contribution	\$2,515,982	\$2,886,072

Aggregate experience since the prior valuation was overall favorable on the basis of the plan's actuarial assumptions. The primary source of actuarial gain is attributable to net investment performance (Actuarial Asset Basis) that exceeded the 7.00% assumption. This gain was partially offset by inactive mortality experience for all three legacy plans.

In addition to the net actuarial gain, the funding requirements for all three legacy plans decreased due to full recognition of prior components of the Unfunded Actuarial Accrued Liability.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

There have been no changes in assumptions or methods since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
POLICE OFFICERS

	<u>10/1/2021</u>	<u>10/1/2020</u>
A. Participant Data		
Actives	3	4
Service Retirees	16	15
Beneficiaries	3	3
Disability Retirees	2	2
Terminated Vested	<u>1</u>	<u>2</u>
Total	25	26
Total Annual Payroll	N/A	N/A
Payroll Under Assumed Ret. Age	N/A	N/A
Annual Rate of Payments to:		
Service Retirees	732,209	706,720
Beneficiaries	97,839	96,146
Disability Retirees	59,528	59,528
Terminated Vested	7,739	27,191
B. Assets		
Actuarial Value (AVA)	8,430,475	8,012,971
Market Value (MVA)	9,049,790	7,763,990
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	366,529	418,514
Disability Benefits	14,771	22,737
Death Benefits	659	1,054
Vested Benefits	1,392	3,326
Refund of Contributions	0	0
Service Retirees	10,066,009	9,779,353
Beneficiaries	761,604	781,174
Disability Retirees	674,082	681,087
Terminated Vested	<u>81,445</u>	<u>299,155</u>
Total	11,966,491	11,986,400

POLICE OFFICERS

C. Liabilities - (Continued)	<u>10/1/2021</u>	<u>10/1/2020</u>
Present Value of Future Salaries	0	0
Present Value of Future Member Contributions	0	0
Normal Cost (Retirement)	0	0
Normal Cost (Disability)	9,779	12,264
Normal Cost (Death)	180	218
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	0	0
Total Normal Cost	<u>9,959</u>	<u>12,482</u>
Present Value of Future Normal Costs	9,959	14,095
Accrued Liability (Retirement)	366,529	418,514
Accrued Liability (Disability)	4,993	8,990
Accrued Liability (Death)	478	706
Accrued Liability (Vesting)	1,392	3,326
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	<u>11,583,140</u>	<u>11,540,769</u>
Total Actuarial Accrued Liability (EAN AL)	<u>11,956,532</u>	<u>11,972,305</u>
Unfunded Actuarial Accrued Liability (UAAL)	3,526,057	3,959,334
Funded Ratio (AVA / EAN AL)	70.5%	66.9%

POLICE OFFICERS

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2021</u>	<u>10/1/2020</u>
Vested Accrued Benefits		
Inactives	11,583,140	11,540,769
Actives	226,232	251,705
Member Contributions	<u>157,119</u>	<u>193,761</u>
Total	11,966,491	11,986,235
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	11,966,491	11,986,235
Funded Ratio (MVA / PVAB)	75.6%	64.8%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	32,479	
Benefits Paid	(861,120)	
Interest	808,897	
Other	<u>0</u>	
Total	(19,744)	

POLICE OFFICERS

Valuation Date	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2022</u>
E. Pension Cost		
Normal Cost ¹	\$11,005	\$13,793
Administrative Expenses ¹	20,593	20,984
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 21 years (as of 10/1/2021) ¹	472,018	534,039
Minimum Required Contribution	503,616	568,816
Expected Member Contributions ¹	0	0
Expected Town Contribution	503,616	568,816
F. Past Contributions		
Plan Years Ending:	<u>9/30/2021</u>	
Town Requirement	553,969	
Actual Contributions Made:		
Town	<u>553,969</u>	
Total	553,969	
G. Net Actuarial (Gain)/Loss	(170,083)	

¹ Contributions developed as of 10/1/2021 displayed above have been adjusted to account for a 1.5 year interest load.

POLICE OFFICERS

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2021	3,526,057
2022	3,315,814
2023	3,080,738
2024	2,813,387
2025	2,504,418
2034	119,329
2042	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2021	N/A	N/A
Year Ended 9/30/2020	N/A	N/A
Year Ended 9/30/2019	N/A	N/A
Year Ended 9/30/2018	N/A	N/A
Year Ended 9/30/2017	N/A	N/A

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2021	21.45%	9.46%	7.00%
Year Ended 9/30/2020	6.36%	7.06%	7.00%
Year Ended 9/30/2019	2.86%	7.53%	7.00%
Year Ended 9/30/2018	8.04%	5.78%	7.00%
Year Ended 9/30/2017	11.15%	6.25%	7.00%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
FIREFIGHTERS

	<u>10/1/2021</u>	<u>10/1/2020</u>
A. Participant Data		
Actives	5	5
Service Retirees	31	31
Beneficiaries	1	1
Disability Retirees	4	4
Terminated Vested	<u>4</u>	<u>4</u>
Total	45	45
Total Annual Payroll	N/A	N/A
Payroll Under Assumed Ret. Age	N/A	N/A
Annual Rate of Payments to:		
Service Retirees	2,083,899	2,035,565
Beneficiaries	19,344	19,344
Disability Retirees	110,093	110,093
Terminated Vested	43,809	43,809
B. Assets		
Actuarial Value (AVA)	22,446,774	20,709,283
Market Value (MVA)	24,093,028	20,088,427
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	2,298,559	2,201,850
Disability Benefits	41,039	45,900
Death Benefits	3,175	3,590
Vested Benefits	19,496	42,229
Refund of Contributions	0	0
Service Retirees	28,620,082	28,473,803
Beneficiaries	231,931	234,458
Disability Retirees	1,080,006	1,185,792
Terminated Vested	<u>300,684</u>	<u>281,183</u>
Total	32,594,972	32,468,805

FIREFIGHTERS

C. Liabilities - (Continued)	<u>10/1/2021</u>	<u>10/1/2020</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Normal Cost (Retirement)	0	0
Normal Cost (Disability)	6,397	6,314
Normal Cost (Death)	166	294
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	6,563	6,608
Present Value of Future Normal Costs	14,641	16,686
Accrued Liability (Retirement)	2,298,559	2,201,850
Accrued Liability (Disability)	26,978	30,035
Accrued Liability (Death)	2,595	2,769
Accrued Liability (Vesting)	19,496	42,229
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	<u>30,232,703</u>	<u>30,175,236</u>
Total Actuarial Accrued Liability (EAN AL)	32,580,331	32,452,119
Unfunded Actuarial Accrued Liability (UAAL)	10,133,557	11,742,836
Funded Ratio (AVA / EAN AL)	68.9%	63.8%

FIREFIGHTERS

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2021</u>	<u>10/1/2020</u>
Vested Accrued Benefits		
Inactives	30,232,703	30,175,236
Actives	1,997,662	1,928,212
Member Contributions	359,931	359,931
Total	<u>32,590,296</u>	<u>32,463,379</u>
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	32,590,296	32,463,379
Funded Ratio (MVA / PVAB)	73.9%	61.9%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	101,664	
Benefits Paid	(2,171,192)	
Interest	2,196,445	
Other	0	
Total	<u>126,917</u>	

FIREFIGHTERS

Valuation Date	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2022</u>
E. Pension Cost		
Normal Cost ¹	\$7,252	\$7,302
Administrative Expenses ¹	52,616	52,495
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 21 years (as of 10/1/2021) ¹	1,650,137	1,847,960
Minimum Required Contribution	1,710,005	1,907,757
Expected Member Contributions ¹	0	0
Expected Town Contribution	1,710,005	1,907,757
F. Past Contributions		
Plan Years Ending:	<u>9/30/2021</u>	
Town Requirement	2,006,151	
Actual Contributions Made:		
Town	<u>2,006,151</u>	
Total	2,006,151	
G. Net Actuarial (Gain)/Loss	(411,152)	

¹ Contributions developed as of 10/1/2021 displayed above have been adjusted to account for a 1.5 year interest load.

FIREFIGHTERS

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2021	10,133,557
2022	9,245,037
2023	8,229,157
2024	7,169,686
2025	6,048,895
2026	4,866,895
2042	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2021	N/A	N/A
Year Ended	9/30/2020	N/A	N/A
Year Ended	9/30/2019	N/A	N/A
Year Ended	9/30/2018	N/A	N/A
Year Ended	9/30/2017	N/A	N/A

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

		<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended	9/30/2021	21.45%	9.46%	7.00%
Year Ended	9/30/2020	6.36%	7.06%	7.00%
Year Ended	9/30/2019	2.86%	7.53%	7.00%
Year Ended	9/30/2018	8.04%	5.89%	7.00%
Year Ended	9/30/2017	11.15%	6.27%	7.00%

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
GENERAL EMPLOYEES

	<u>10/1/2021</u>	<u>10/1/2020</u>
A. Participant Data		
Actives	15	15
Service Retirees	44	42
Beneficiaries	3	3
Disability Retirees	0	0
Terminated Vested	<u>8</u>	<u>10</u>
 Total	 70	 70
 Total Annual Payroll	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A
 Annual Rate of Payments to:		
Service Retirees	1,003,840	989,001
Beneficiaries	29,071	29,071
Disability Retirees	0	0
Terminated Vested	98,694	113,043
 B. Assets		
Actuarial Value (AVA)	12,193,989	11,735,425
Market Value (MVA)	13,140,864	11,400,465
 C. Liabilities		
 Present Value of Benefits		
Actives		
Retirement Benefits	2,881,643	2,787,936
Disability Benefits	0	0
Death Benefits	19,578	20,660
Vested Benefits	36,139	42,769
Refund of Contributions	0	0
Service Retirees	10,522,086	10,549,280
Beneficiaries	240,961	242,158
Disability Retirees	0	0
Terminated Vested	<u>521,466</u>	<u>654,771</u>
Total	14,221,873	14,297,574

GENERAL EMPLOYEES

C. Liabilities - (Continued)	<u>10/1/2021</u>	<u>10/1/2020</u>
Present Value of Future Salaries	N/A	N/A
Present Value of Future Member Contributions	N/A	N/A
Normal Cost (Retirement)	0	0
Normal Cost (Disability)	0	0
Normal Cost (Death)	1,456	1,435
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	1,456	1,435
Present Value of Future Normal Costs	3,685	4,027
Accrued Liability (Retirement)	2,881,643	2,787,936
Accrued Liability (Disability)	0	0
Accrued Liability (Death)	15,893	16,633
Accrued Liability (Vesting)	36,139	42,769
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	<u>11,284,513</u>	<u>11,446,209</u>
Total Actuarial Accrued Liability (EAN AL)	14,218,188	14,293,547
Unfunded Actuarial Accrued Liability (UAAL)	2,024,199	2,558,122
Funded Ratio (AVA / EAN AL)	85.8%	82.1%

GENERAL EMPLOYEES

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2021</u>	<u>10/1/2020</u>
Vested Accrued Benefits		
Inactives	11,284,513	11,446,209
Actives	2,438,476	2,213,166
Member Contributions	498,883	498,883
Total	<u>14,221,872</u>	<u>14,158,258</u>
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	14,221,872	14,158,258
Funded Ratio (MVA / PVAB)	92.4%	80.5%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	124,723	
Benefits Paid	(1,016,606)	
Interest	955,497	
Other	0	
Total	<u>63,614</u>	

GENERAL EMPLOYEES

Valuation Date	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2022</u>
E. Pension Cost		
Normal Cost ¹	\$1,609	\$1,586
Administrative Expenses ¹	30,334	31,012
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 21 years (as of 10/1/2021) ¹	270,418	376,901
Minimum Required Contribution	302,361	409,499
Expected Member Contributions ¹	0	0
Expected Town Contribution	302,361	409,499
F. Past Contributions		
Plan Years Ending:	<u>9/30/2021</u>	
Town Requirement	420,842	
Actual Contributions Made:		
Town	<u>420,842</u>	
Total	420,842	
G. Net Actuarial (Gain)/Loss	(308,003)	

¹ Contributions developed as of 10/1/2021 displayed above have been adjusted to account for a 1.5 year interest load.

GENERAL EMPLOYEES

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2021	2,024,199
2022	1,904,042
2023	1,687,081
2024	1,488,535
2025	1,273,486
2031	122,635
2042	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2021	N/A	N/A
Year Ended 9/30/2020	N/A	N/A
Year Ended 9/30/2019	N/A	N/A
Year Ended 9/30/2018	N/A	N/A
Year Ended 9/30/2017	N/A	N/A

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2021	21.45%	9.46%	7.00%
Year Ended 9/30/2020	6.36%	7.06%	7.00%
Year Ended 9/30/2019	2.86%	7.53%	7.00%
Year Ended 9/30/2018	8.04%	6.51%	7.00%
Year Ended 9/30/2017	11.15%	6.87%	7.00%

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. 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.



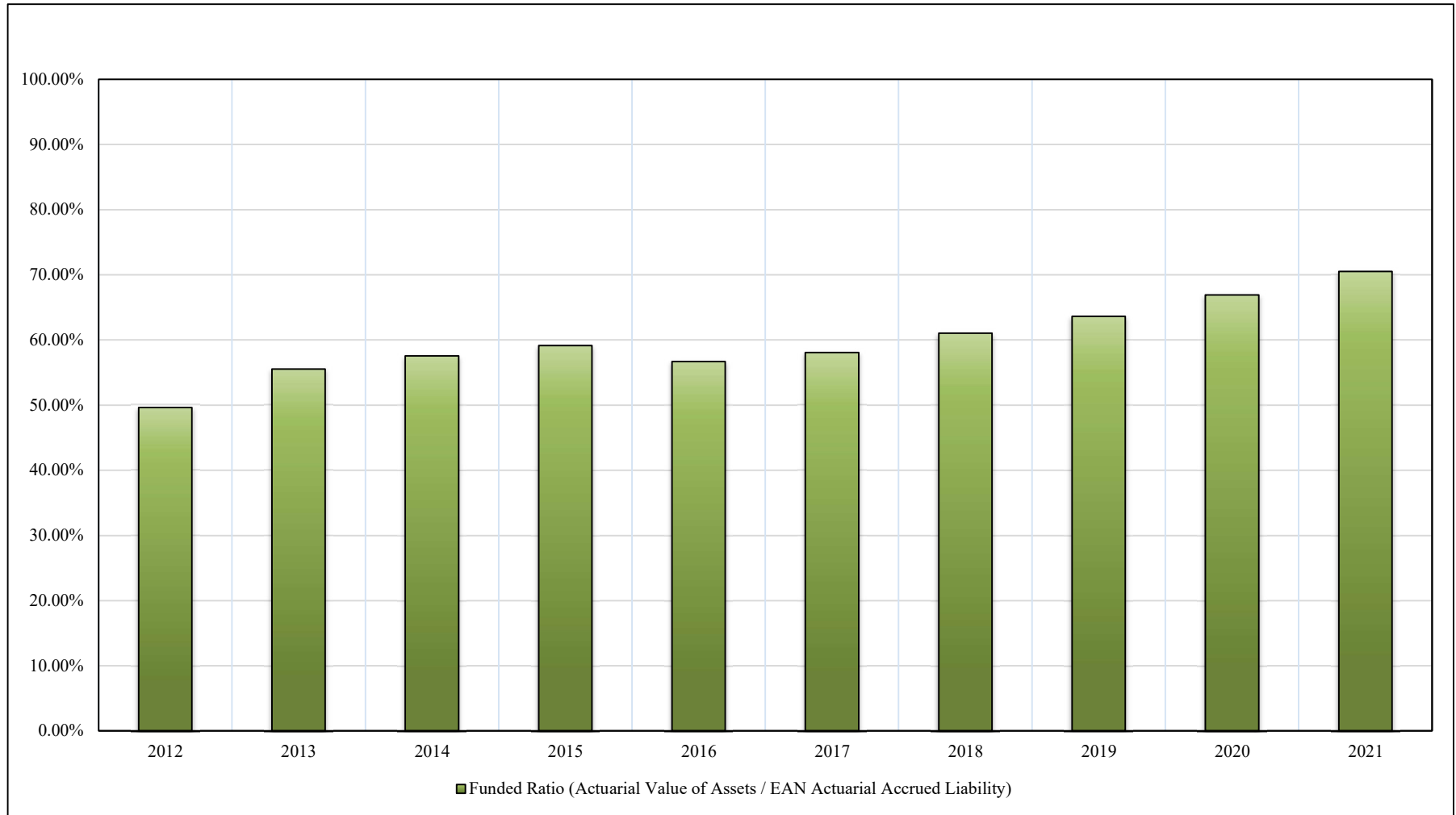
Douglas H. Lozen, EA, MAAA
Enrolled Actuary #20-7778

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112, Florida Statutes:

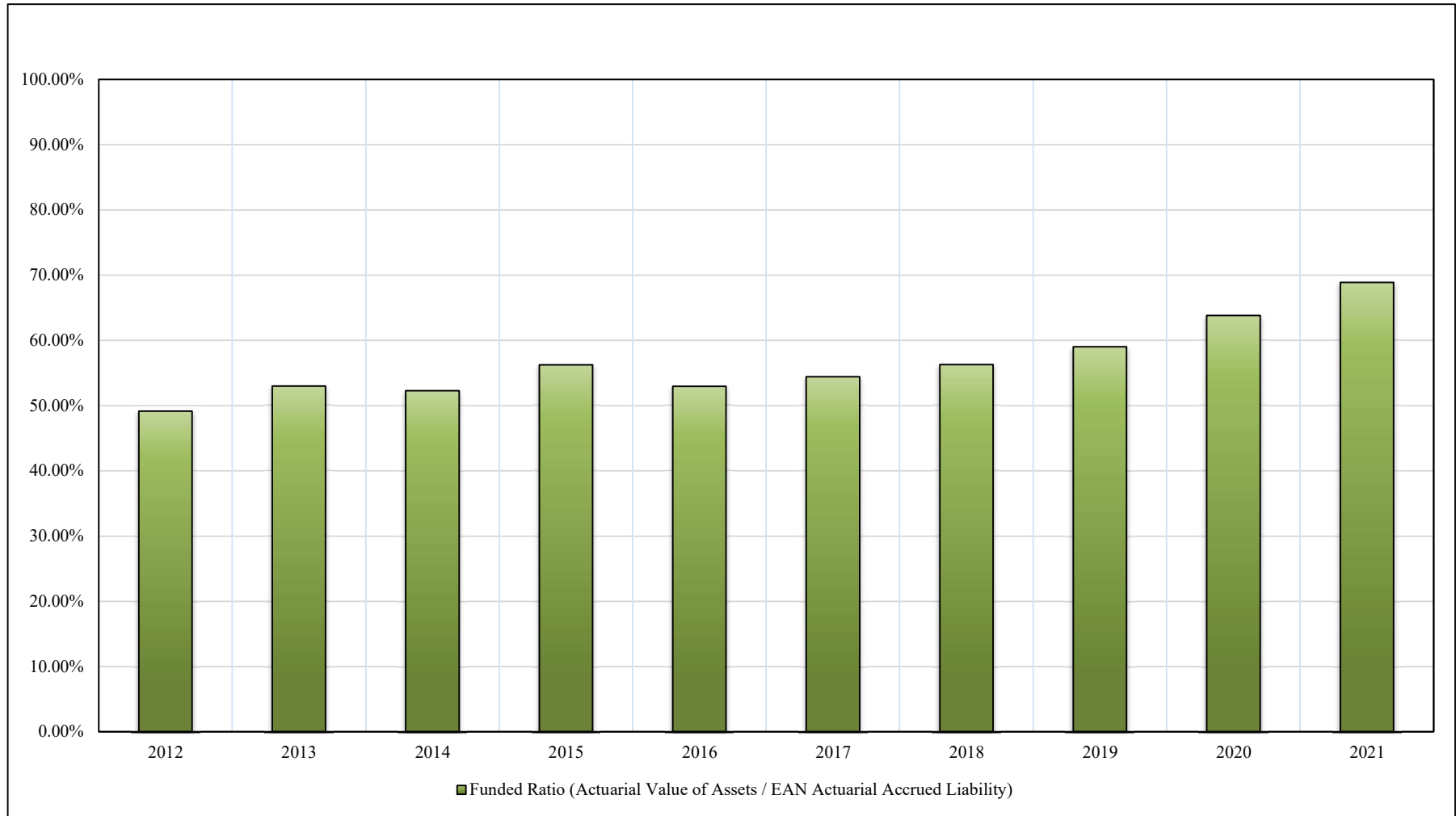
Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
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Tallahassee, FL 32315-3010

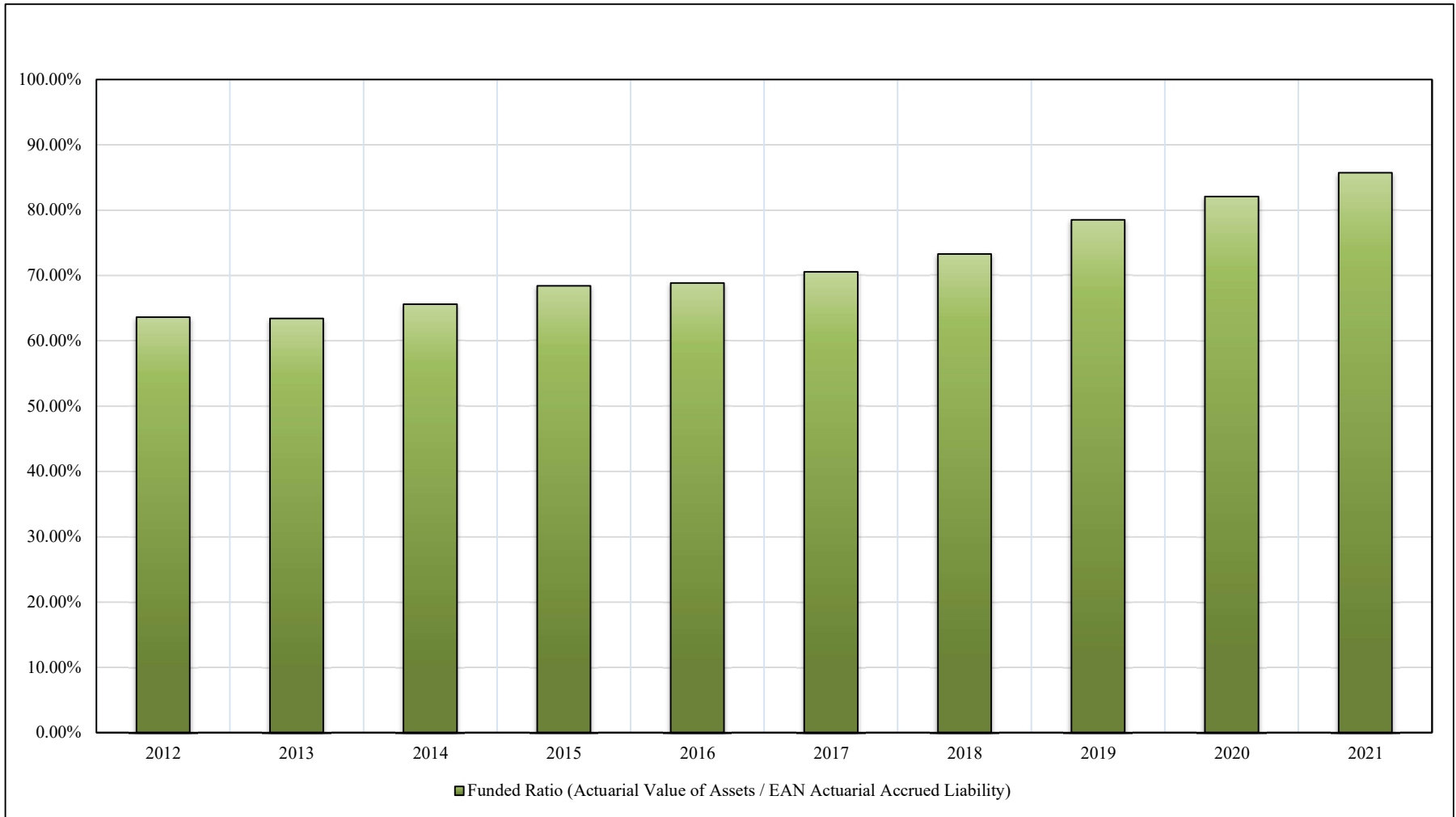
HISTORY OF FUNDING PROGRESS (POLICE OFFICERS)



HISTORY OF FUNDING PROGRESS (FIREFIGHTERS)



HISTORY OF FUNDING PROGRESS (GENERAL EMPLOYEES)



RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
POLICE OFFICERS

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2020	\$3,959,334
(2)	Sponsor Normal Cost developed as of October 1, 2020	12,482
(3)	Expected administrative expenses for the year ended September 30, 2021	18,990
(4)	Expected interest on (1), (2) and (3)	278,692
(5)	Sponsor contributions to the System during the year ended September 30, 2021	553,969
(6)	Expected interest on (5)	19,389
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	3,696,140
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(170,083)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2021	3,526,057

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2021</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
	10/1/1996	5	(42,107)	(9,598)
	10/1/1999	8	(94,781)	(14,834)
Method Change	10/1/2002	11	806,172	100,475
Prior Losses	10/1/2002	7	627,456	108,810
Actuarial Gain	10/1/2003	7	(321,976)	(55,835)
Actuarial Loss	10/1/2004	7	156,643	27,164
Actuarial Loss	10/1/2005	7	196,764	34,122
Actuarial Gain	10/1/2006	7	(12,513)	(2,170)
Benefit Change	10/1/2006	15	672,680	69,025
Actuarial Loss	10/1/2007	7	370,688	64,283
Assump Change	10/1/2007	16	62,202	6,154
Benefit Change	10/1/2007	16	311,675	30,835
Method Change	10/1/2008	7	122,166	21,185
Actuarial Gain	10/1/2012	1	(9,451)	(9,451)
Assump Change	10/1/2012	11	331,424	41,306
Benefit Change	10/1/2012	21	(272,286)	(23,485)
Actuarial Gain	10/1/2013	2	(28,600)	(14,784)
Actuarial Gain	10/1/2014	3	(60,119)	(21,410)
Assump Change	10/1/2015	14	402,494	43,012

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2021 <u>Amount</u>	Amortization <u>Amount</u>
Actuarial Gain	10/1/2015	4	(152,992)	(42,213)
Benefit Change	10/1/2015	14	(9,299)	(994)
Assump Change	10/1/2016	15	535,101	54,908
Actuarial Loss	10/1/2016	5	65,070	14,832
Actuarial Loss	10/1/2017	6	751	147
Actuarial Loss	10/1/2017	6	235,606	46,195
Actuarial Gain	10/1/2018	7	(121,264)	(21,029)
Actuarial Loss	10/1/2019	8	45,291	7,089
Actuarial Loss	10/1/2020	9	131,446	18,855
Assump Change	10/1/2020	19	(252,101)	(22,796)
Actuarial Gain	10/1/2021	10	(170,083)	(22,632)
			<u>3,526,057</u>	<u>427,166</u>

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
FIREFIGHTERS

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2020	\$11,742,836
(2)	Sponsor Normal Cost developed as of October 1, 2020	6,608
(3)	Expected administrative expenses for the year ended September 30, 2021	47,507
(4)	Expected interest on (1), (2) and (3)	824,124
(5)	Sponsor contributions to the System during the year ended September 30, 2021	2,006,151
(6)	Expected interest on (5)	70,215
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	10,544,709
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(411,152)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2021	10,133,557

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2021</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
	10/1/1997	6	446,375	87,521
	10/1/1998	7	(130,732)	(22,671)
	10/1/1999	8	(269,568)	(42,191)
	10/1/2001	10	954,855	127,056
Method Change	10/1/2002	11	1,559,801	194,402
Prior Losses	10/1/2002	7	1,210,240	209,873
Actuarial Loss	10/1/2003	7	108,305	18,782
Actuarial Loss	10/1/2004	7	786,413	136,375
Benefit Change	10/1/2005	14	1,113,780	119,023
Actuarial Loss	10/1/2005	7	413,043	71,628
Actuarial Loss	10/1/2006	7	(131,996)	(22,890)
Actuarial Loss	10/1/2007	7	1,081,484	187,545
Assump Change	10/1/2007	16	633,175	62,642
Benefit Change	10/1/2007	16	(134,970)	(13,353)
Method Change	10/1/2008	7	132,372	22,955
Actuarial Gain	10/1/2012	1	(60,899)	(60,899)
Benefit Change	10/1/2012	21	(1,326,643)	(114,425)
Actuarial Loss	10/1/2013	2	49,761	25,722
Actuarial Loss	10/1/2014	3	33,699	12,001

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2021 <u>Amount</u>	Amortization <u>Amount</u>
Assump Change	10/1/2014	13	1,012,672	113,240
Actuarial Loss	10/1/2015	4	58,406	16,115
Assump Change	10/1/2015	14	1,280,808	136,873
Benefit Change	10/1/2015	16	(291,534)	(28,842)
Assump Change	10/1/2016	15	1,585,082	162,648
Actuarial Loss	10/1/2016	5	278,834	63,556
Actuarial Loss	10/1/2017	6	266,480	52,249
Actuarial Loss	10/1/2018	7	368,535	63,909
Benefits Change	10/1/2018	12	354	42
Actuarial Loss	10/1/2020	9	242,766	34,824
Assump Change	10/1/2020	19	(726,189)	(65,664)
Actuarial Gain	10/1/2021	10	(411,152)	(54,709)
			<u>10,133,557</u>	<u>1,493,337</u>

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
GENERAL EMPLOYEES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2020	\$2,558,122
(2) Sponsor Normal Cost developed as of October 1, 2020	1,435
(3) Expected administrative expenses for the year ended September 30, 2021	28,065
(4) Expected interest on (1), (2) and (3)	180,151
(5) Sponsor contributions to the System during the year ended September 30, 2021	420,842
(6) Expected interest on (5)	14,729
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	2,332,202
(8) Change to UAAL due to Assumption Change	0
(9) Change to UAAL due to Actuarial (Gain)/Loss	(308,003)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2021	2,024,199

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2021 Amount</u>	<u>Amortization Amount</u>
	10/1/1996	5	(64,304)	(14,657)
	10/1/1997	6	46,708	9,158
	10/1/2001	10	142,372	18,944
Method Change	10/1/2002	11	1,010,072	125,888
Prior Losses	10/1/2002	7	784,300	136,009
Actuarial Gain	10/1/2003	7	(238,549)	(41,368)
Actuarial Loss	10/1/2004	7	161,112	27,939
Actuarial Loss	10/1/2005	7	90,433	15,682
Actuarial Gain	10/1/2006	7	(14,646)	(2,540)
Benefit Change	10/1/2006	15	(136,273)	(13,983)
Actuarial Loss	10/1/2007	7	152,760	26,491
Assump Change	10/1/2007	16	180,444	17,852
Benefit Change	10/1/2007	16	196,072	19,398
Method Change	10/1/2008	7	62,370	10,816
Actuarial Gain	10/1/2012	1	(82,608)	(82,608)
Assump Change	10/1/2012	11	7,878	982
Benefit Change	10/1/2012	21	(526,575)	(45,418)
Actuarial Loss	10/1/2013	2	60,753	31,404
Assump Change	10/1/2013	12	655,964	77,184

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2021 <u>Amount</u>	Amortization <u>Amount</u>
Actuarial Gain	10/1/2014	3	(6,838)	(2,435)
Actuarial Gain	10/1/2015	4	(23,269)	(6,420)
Benefit Change	10/1/2015	14	(221,243)	(23,643)
Assump Change	10/1/2016	15	418,189	42,911
Actuarial Loss	10/1/2016	5	88,684	20,214
Actuarial Loss	10/1/2017	6	39,220	7,690
Actuarial Gain	10/1/2018	7	(125,261)	(21,722)
Actuarial Gain	10/1/2019	8	(235,099)	(36,796)
Actuarial Gain	10/1/2020	9	(58,198)	(8,348)
Assump Change	10/1/2020	19	(32,266)	(2,918)
Actuarial Gain	10/1/2021	10	<u>(308,003)</u>	<u>(40,984)</u>
			2,024,199	244,722

ACTUARIAL ASSUMPTIONS AND METHODS
POLICE OFFICERS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate

7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

None.

Payroll Growth

None.

Administrative Expenses

\$18,636 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over the following amortization periods:

Experience: 10 Years.

Assumption/Method Changes: 20 Years.

Benefit Changes: 30 Years.

Termination Rates

Below are sample rates of termination. This assumption is consistent with historical Plan experience.

<u>Age</u>	<u>Rate of Termination</u>
20	9.2%
30	7.3%
40	3.5%
50	0.8%

Disability Rates

Below are sample rates of disability. Additionally, 75% of disability retirements are assumed to be service-related. These rates are similar to those utilized by other Florida special risk retirement programs.

<u>Age</u>	<u>Rate of Disability</u>
20	0.14%
30	0.18%
40	0.30%
50	1.00%

Early Retirement

None.

Normal Retirement

The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable based on the plan provisions.

Cost of Living Adjustment

3.0% per year, beginning 5 years after retirement.

Funding Method

Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

ACTUARIAL ASSUMPTIONS AND METHODS
FIREFIGHTERS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate

7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

None.

Payroll Growth

None.

Administrative Expenses

\$47,616 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over the following amortization periods:

Experience: 10 Years.
Assumption/Method Changes: 20 Years.
Benefit Changes: 30 Years.

Termination Rates

Below are sample rates of termination. This assumption is based on the results of an experience study for the period 2002 to 2007.

<u>Age</u>	<u>Rate of Termination</u>
20	12.4%
30	10.5%
40	5.7%
50	1.5%

Disability Rates

Below are sample rates of disability. Additionally, 90% of disability retirements are assumed to be service-related. This assumption was developed from those used by other plans containing Florida municipal firefighters.

<u>Age</u>	<u>Rate of Disability</u>
20	0.14%
30	0.18%
40	0.30%
50	1.00%

Normal Retirement

The earlier of age 60, age 55 with 10 years of credited service, or 25 years of credited service, regardless of age. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable based on the plan provisions.

Early Retirement

None.

Cost of Living Adjustment

3.0% per year, beginning 5 years after retirement.

Funding Method

Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

ACTUARIAL ASSUMPTIONS AND METHODS
GENERAL EMPLOYEES

Mortality Rate

Healthy Active Lives:

Female: PubG.H-2010 (Below Median) for Employees.
Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.
Male: PubG.H-2010 for Healthy Retirees, set back one year.

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.
Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

Interest Rate

7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

None.

Payroll Growth

None.

Administrative Expenses

\$27,452 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over the following amortization periods:

Experience: 10 Years.

Assumption/Method Changes: 20 Years.

Benefit Changes: 30 Years.

Termination Rates

Below are sample rates of termination. This assumption is consistent with historical Plan experience.

<u>Age</u>	<u>Rate of Termination</u>
20	17.2%
30	15.0%
40	8.2%
50	1.7%

Normal Retirement

The earlier of age 62 or age 55 and completion of 30 years of credited service. Also, any Member who has reached Normal Retirement is assumed to continue employment for one additional year. This assumption is reasonable based on the plan provisions.

Early Retirement

5.0% per year, for each year of eligibility, beginning at age 50 with 15 years of credited service. This assumption is reasonable based on the plan provisions.

Funding Method

Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.

Asset Valuation Method

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a de minimis bias that is above or below the Market Value of Assets.

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans like the Town of Longboat Key Consolidated Retirement System, with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive

liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased for Police Officers, Firefighters, and General Employees during the period October 1, 2011 to October 1, 2021. We expect this ratio will continue to decrease as more active members terminate and retire.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is approximately 97%, 93%, and 79% as of October 1, 2021 for the Police Officers’, Firefighters’, and General Employees’ Plans, respectively. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased for all three legacy plans during the period October 1, 2011 to October 1, 2021.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, is currently negative for the three legacy plans, indicating that contributions are not currently covering the benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS
POLICE OFFICERS

	<u>10/1/2011</u>	<u>10/1/2016</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	16	6	4	3
Total Inactives ¹	20	22	22	22
Actives / Inactives ¹	80.0%	27.3%	18.2%	13.6%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	8,556,677	11,416,979	11,540,769	11,583,140
Total Accrued Liability (EAN)	10,911,841	12,205,941	11,972,305	11,956,532
Inactive AL / Total AL	78.4%	93.5%	96.4%	96.9%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	5,030,269	6,919,849	8,012,971	8,430,475
Total Accrued Liability (EAN)	10,911,841	12,205,941	11,972,305	11,956,532
AVA / Total Accrued Liability (EAN)	46.1%	56.7%	66.9%	70.5%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	(35,704)	(356,384)	(209,034)	(325,074)
Market Value of Assets (MVA)	4,739,490	6,636,441	7,763,990	9,049,790
Ratio	-0.8%	-5.4%	-2.7%	-3.6%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

PLAN MATURITY MEASURES AND OTHER RISK METRICS
FIREFIGHTERS

	<u>10/1/2011</u>	<u>10/1/2016</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	33	7	5	5
Total Inactives ¹	29	39	40	39
Actives / Inactives ¹	113.8%	17.9%	12.5%	12.8%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	17,329,945	28,299,261	30,175,236	30,232,703
Total Accrued Liability (EAN)	27,202,598	31,146,932	32,452,119	32,580,331
Inactive AL / Total AL	63.7%	90.9%	93.0%	92.8%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	11,937,481	16,493,651	20,709,283	22,446,774
Total Accrued Liability (EAN)	27,202,598	31,146,932	32,452,119	32,580,331
AVA / Total Accrued Liability (EAN)	43.9%	53.0%	63.8%	68.9%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	277,780	(1,898,362)	(27,824)	(211,415)
Market Value of Assets (MVA)	11,053,255	15,852,517	20,088,427	24,093,028
Ratio	2.5%	-12.0%	-0.1%	-0.9%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

PLAN MATURITY MEASURES AND OTHER RISK METRICS
GENERAL EMPLOYEES

	<u>10/1/2011</u>	<u>10/1/2016</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	44	19	15	15
Total Inactives ¹	37	57	55	55
Actives / Inactives ¹	118.9%	33.3%	27.3%	27.3%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	5,399,249	12,383,563	11,446,209	11,284,513
Total Accrued Liability (EAN)	13,703,842	15,341,560	14,293,547	14,218,188
Inactive AL / Total AL	39.4%	80.7%	80.1%	79.4%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	7,308,613	10,566,941	11,735,425	12,193,989
Total Accrued Liability (EAN)	13,703,842	15,341,560	14,293,547	14,218,188
AVA / Total Accrued Liability (EAN)	53.3%	68.9%	82.1%	85.8%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	436,343	(390,294)	(382,854)	(622,077)
Market Value of Assets (MVA)	6,618,863	10,241,394	11,400,465	13,140,864
Ratio	6.6%	-3.8%	-3.4%	-4.7%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

PARTIAL HISTORY OF PREMIUM TAX REFUNDS
POLICE OFFICERS

(Historical Information Only - No State Monies Received after Fiscal 2014)

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1998	30,943.80	_____ %
1999	34,500.65	11.5%
2000	35,338.03	2.4%
2001	38,821.79	9.9%
2002	47,239.79	21.7%
2003	51,163.55	8.3%
2004	55,090.41	7.7%
2005	59,461.95	7.9%
2006	62,317.27	4.8%
2007	71,050.22	14.0%
2008	-	-100.0%
2009	137,801.41	N/A
2010	70,446.46	-48.9%
2011	70,893.30	0.6%
2012	77,700.11	9.6%
2013	77,298.10	-0.5%
2014	81,017.31	4.8%

PARTIAL HISTORY OF PREMIUM TAX REFUNDS
FIREFIGHTERS

(Historical Information Only - No State Monies Received after Fiscal 2013)

<u>Received During Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
1997	70,510.54	_____%
1998	84,957.68	20.5%
1999	83,629.64	-1.6%
2000	109,664.52	31.1%
2001	92,878.93	-15.3%
2002	106,726.80	14.9%
2003	138,730.84	30.0%
2004	140,408.22	1.2%
2005	177,792.61	26.6%
2006	225,258.22	26.7%
2007	295,948.69	31.4%
2008	-	-100.0%
2009	513,555.97	N/A
2010	241,221.17	-53.0%
2011	239,800.33	-0.6%
2012	274,615.73	14.5%
2013	269,818.47	-1.7%

POLICE OFFICERS

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	74,131.34	74,131.34
Money Market	383,166.00	383,166.00
Cash	(97.92)	(97.92)
Total Cash and Equivalents	457,199.42	457,199.42
Receivables:		
From Broker for Investments Sold	2,192.08	2,192.08
Investment Income	17,558.78	17,558.78
Total Receivable	19,750.86	19,750.86
Investments:		
U. S. Bonds and Bills	716,055.78	732,943.17
Federal Agency Guaranteed Securities	123,067.92	125,820.75
Corporate Bonds	795,324.66	812,211.53
Stocks	2,830,670.34	3,732,724.16
Mutual Funds:		
Equity	931,183.55	2,386,587.61
Pooled/Common/Commingled Funds:		
Real Estate	722,906.00	787,625.50
Total Investments	6,119,208.25	8,577,912.72
Total Assets	6,596,158.53	9,054,863.00
<u>LIABILITIES</u>		
Payables:		
Administrative Expenses	751.28	751.28
To Broker for Investments Purchased	4,321.58	4,321.58
Total Liabilities	5,072.86	5,072.86
NET POSITION RESTRICTED FOR PENSIONS	6,591,085.67	9,049,790.14

POLICE OFFICERS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Town 553,969.00

Total Contributions 553,969.00

Investment Income:

Net Realized Gain (Loss) 543,203.57

Unrealized Gain (Loss) 947,046.03

Net Increase in Fair Value of Investments 1,490,249.60

Interest & Dividends 167,836.87

Less Investment Expense¹ (47,212.67)

Net Investment Income 1,610,873.80

Total Additions 2,164,842.80

DEDUCTIONS

Distributions to Members:

Benefit Payments 861,120.05

Lump Sum DROP Distributions 0.00

Total Distributions 861,120.05

Administrative Expense 17,922.73

Total Deductions 879,042.78

Net Increase in Net Position 1,285,800.02

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 7,763,990.12

End of the Year 9,049,790.14

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

POLICE OFFICERS

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2021

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2018	8.04%	
09/30/2019	2.86%	
09/30/2020	6.36%	
09/30/2021	21.45%	
Annualized Rate of Return for prior four (4) years:		9.46%
(A) 10/01/2020 Actuarial Assets:		\$8,012,970.76
(I) Net Investment Income:		
1. Interest and Dividends		167,836.87
2. Realized Gain (Loss)		543,203.57
3. Unrealized Gain (Loss)		947,046.03
4. Change in Actuarial Value		(868,296.12)
5. Investment Related Expenses		(47,212.67)
Total		742,577.68
(B) 10/01/2021 Actuarial Assets:		\$8,430,474.66
Actuarial Asset Rate of Return = 2I/(A+B-I):		9.46%
10/01/2021 Limited Actuarial Assets:		\$8,430,474.66
10/01/2021 Market Value of Assets:		\$9,049,790.14
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$193,101.60

¹Market Value Basis, net of investment related expenses.

POLICE OFFICERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2021
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	553,969.00	
Total Contributions		553,969.00
Earnings from Investments:		
Interest & Dividends	167,836.87	
Net Realized Gain (Loss)	543,203.57	
Unrealized Gain (Loss)	947,046.03	
Change in Actuarial Value	(868,296.12)	
Total Earnings and Investment Gains		789,790.35

EXPENDITURES

Distributions to Members:		
Benefit Payments	861,120.05	
Lump Sum DROP Distributions	0.00	
Total Distributions		861,120.05
Expenses:		
Investment related ¹	47,212.67	
Administrative	17,922.73	
Total Expenses		65,135.40
Change in Net Assets for the Year		417,503.90
Net Assets Beginning of the Year		8,012,970.76
Net Assets End of the Year ²		8,430,474.66

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

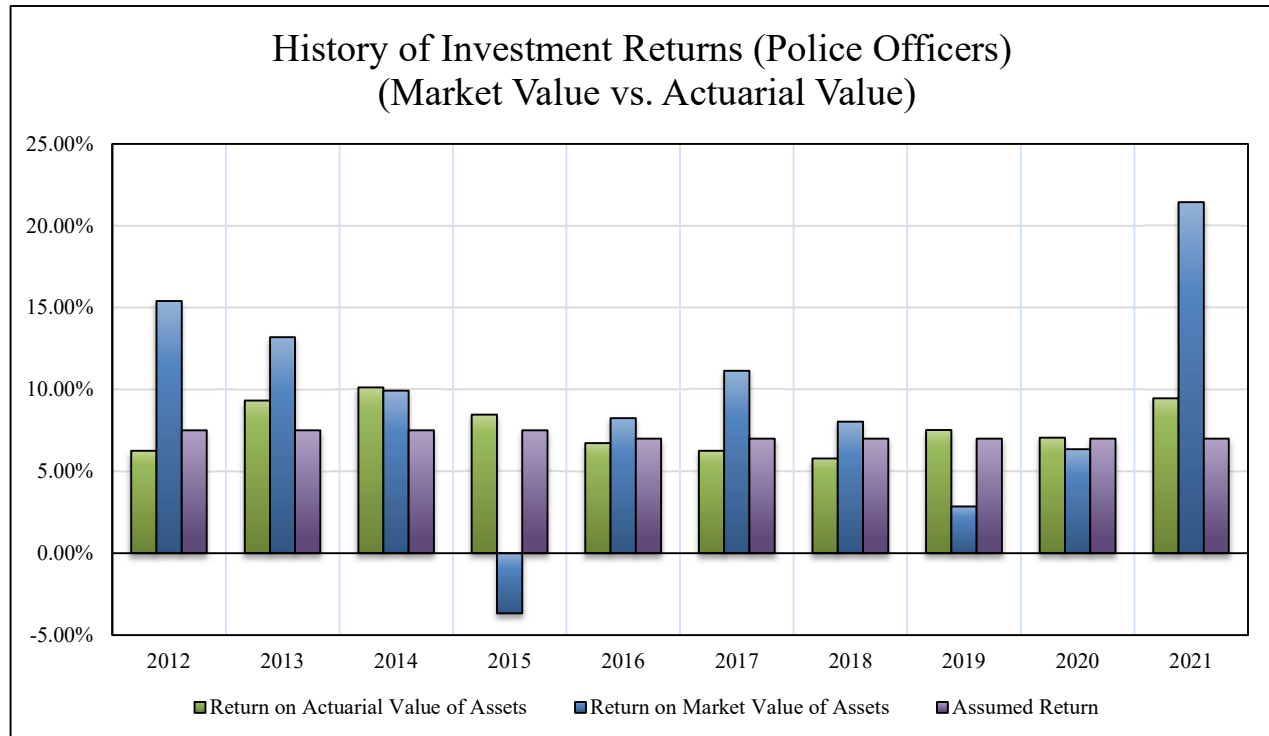
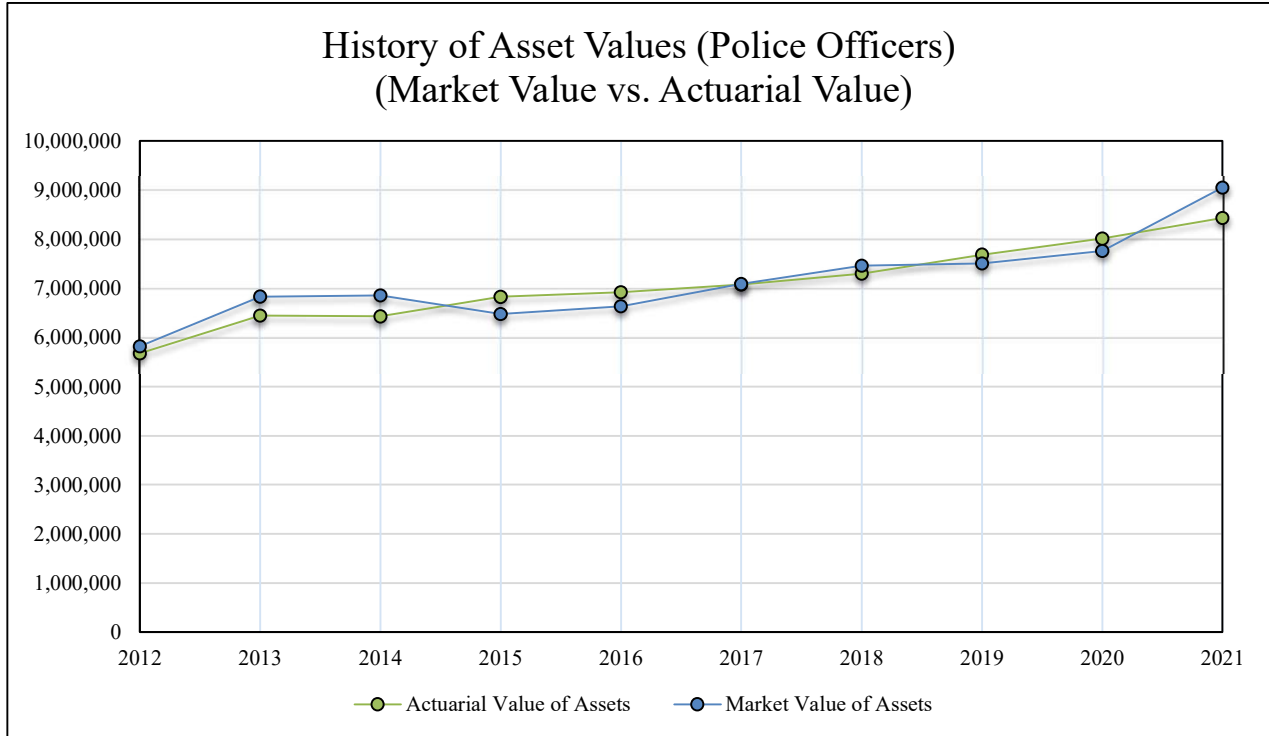
²Net Assets may be limited for actuarial consideration.

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

POLICE OFFICERS

(1) Required Town Contributions	\$553,969.00
(2) Less 2020 Prepaid Contribution	0.00
(3) Less Actual Town Contributions	<u>(553,969.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2021	\$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



FIREFIGHTERS

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	184,349.47	184,349.47
Money Market	1,020,632.00	1,020,632.00
Cash	(260.84)	(260.84)
Total Cash and Equivalents	1,204,720.63	1,204,720.63
Receivables:		
From Broker for Investments Sold	5,839.00	5,839.00
Investment Income	46,771.00	46,771.00
Total Receivable	52,610.00	52,610.00
Investments:		
U. S. Bonds and Bills	1,907,344.19	1,952,326.82
Federal Agency Guaranteed Securities	327,813.67	335,146.34
Corporate Bonds	2,118,491.21	2,163,472.45
Stocks	7,540,002.89	9,942,786.53
Mutual Funds:		
Equity	2,480,375.95	6,357,108.15
Pooled/Common/Commingled Funds:		
Real Estate	1,925,591.00	2,097,983.10
Total Investments	16,299,618.91	22,848,823.39
Total Assets	17,556,949.54	24,106,154.02
<u>LIABILITIES</u>		
Payables:		
Administrative Expenses	1,943.91	1,943.91
To Broker for Investments Purchased	11,181.91	11,181.91
Total Liabilities	13,125.82	13,125.82
NET POSITION RESTRICTED FOR PENSIONS	17,543,823.72	24,093,028.20

FIREFIGHTERS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2021 Market Value Basis

ADDITIONS

Contributions:

Town	2,006,151.00	
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Total Contributions		2,006,151.00
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Investment Income:

Net Realized Gain (Loss)	1,405,518.65	
Unrealized Gain (Loss)	2,496,984.49	
Net Increase in Fair Value of Investments	3,902,503.14	
Interest & Dividends	435,674.81	
Less Investment Expense ¹	(122,160.99)	

Net Investment Income		4,216,016.96
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Total Additions		6,222,167.96
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DEDUCTIONS

Distributions to Members:

Benefit Payments	2,171,192.01	
Lump Sum DROP Distributions	0.00	

Total Distributions		2,171,192.01
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Administrative Expense		46,374.38
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Total Deductions		2,217,566.39
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Net Increase in Net Position		4,004,601.57
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		20,088,426.63
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End of the Year		24,093,028.20
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

FIREFIGHTERS

ACTUARIAL ASSET VALUATION SEPTEMBER 30, 2021

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2018	8.04%	
09/30/2019	2.86%	
09/30/2020	6.36%	
09/30/2021	21.45%	
Annualized Rate of Return for prior four (4) years:		9.46%
(A) 10/01/2020 Actuarial Assets:		\$20,709,283.37
(I) Net Investment Income:		
1. Interest and Dividends	435,674.81	
2. Realized Gain (Loss)	1,405,518.65	
3. Unrealized Gain (Loss)	2,496,984.49	
4. Change in Actuarial Value	(2,267,111.25)	
5. Investment Related Expenses	(122,160.99)	
Total		1,948,905.71
(B) 10/01/2021 Actuarial Assets:		\$22,446,773.69
Actuarial Asset Rate of Return = 2I/(A+B-I):		9.46%
10/01/2021 Limited Actuarial Assets:		\$22,446,773.69
10/01/2021 Market Value of Assets:		\$24,093,028.20
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$506,797.89

¹Market Value Basis, net of investment related expenses.

FIREFIGHTERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS SEPTEMBER 30, 2021 Actuarial Asset Basis

REVENUES

Contributions:		
Town	2,006,151.00	
Total Contributions		2,006,151.00
Earnings from Investments:		
Interest & Dividends	435,674.81	
Net Realized Gain (Loss)	1,405,518.65	
Unrealized Gain (Loss)	2,496,984.49	
Change in Actuarial Value	(2,267,111.25)	
Total Earnings and Investment Gains		2,071,066.70

EXPENDITURES

Distributions to Members:		
Benefit Payments	2,171,192.01	
Lump Sum DROP Distributions	0.00	
Total Distributions		2,171,192.01
Expenses:		
Investment related ¹	122,160.99	
Administrative	46,374.38	
Total Expenses		168,535.37
Change in Net Assets for the Year		1,737,490.32
Net Assets Beginning of the Year		20,709,283.37
Net Assets End of the Year ²		22,446,773.69

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

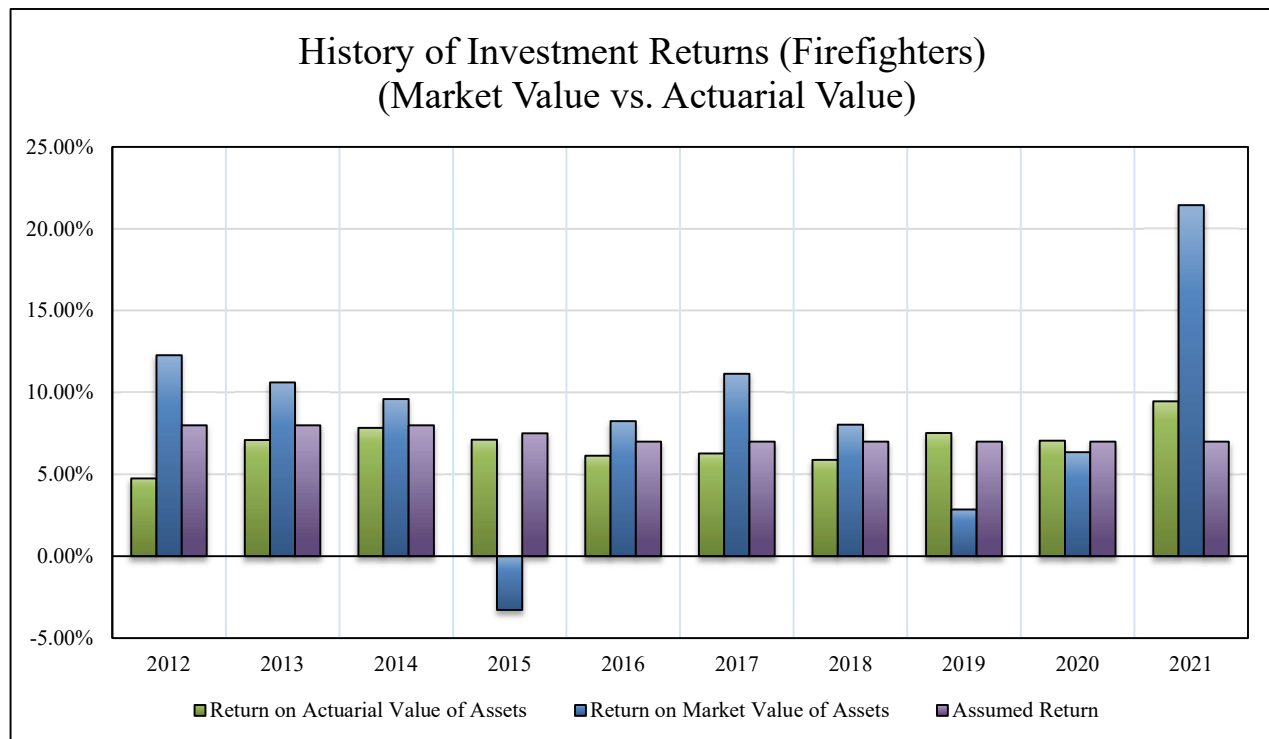
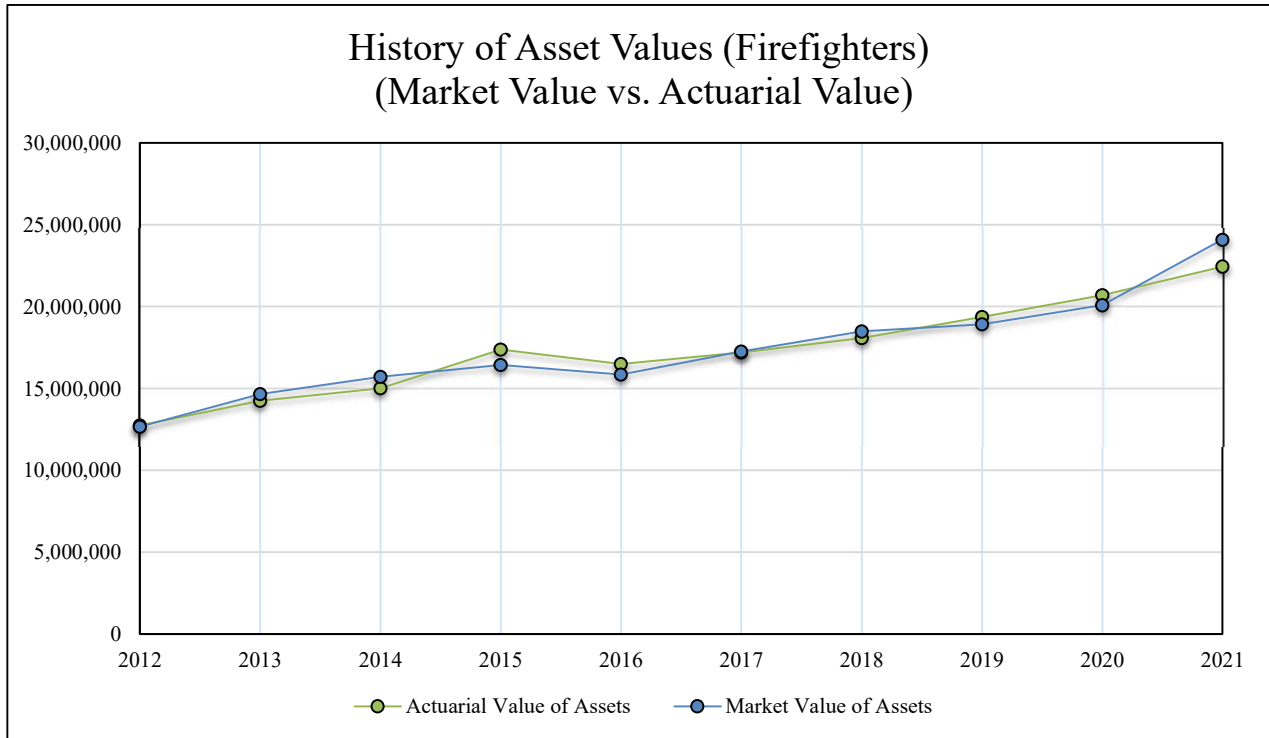
²Net Assets may be limited for actuarial consideration.

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

FIREFIGHTERS

(1) Required Town Contributions	\$2,006,151.00
(2) Less 2020 Prepaid Contribution	0.00
(3) Less Actual Town Contributions	<u>(2,006,151.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2021	\$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



GENERAL EMPLOYEES
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	85,387.18	85,387.18
Money Market	557,334.14	557,334.14
Cash	(142.44)	(142.44)
Total Cash and Equivalents	642,578.88	642,578.88
Receivables:		
From Broker for Investments Sold	3,188.49	3,188.49
Investment Income	25,540.14	25,540.14
Total Receivable	28,728.63	28,728.63
Investments:		
U. S. Bonds and Bills	1,041,539.00	1,066,102.57
Federal Agency Guaranteed Securities	179,008.45	183,012.59
Corporate Bonds	1,156,839.56	1,181,402.38
Stocks	4,117,351.84	5,429,434.32
Mutual Funds:		
Equity	1,354,453.13	3,471,411.27
Pooled/Common/Commingled Funds:		
Real Estate	1,051,503.00	1,145,640.76
Total Investments	8,900,694.98	12,477,003.89
Total Assets	9,572,002.49	13,148,311.40
 <u>LIABILITIES</u>		
Payables:		
Administrative Expenses	1,103.00	1,103.00
To Broker for Investments Purchased	6,344.72	6,344.72
Total Liabilities	7,447.72	7,447.72
NET POSITION RESTRICTED FOR PENSIONS	9,564,554.77	13,140,863.68

GENERAL EMPLOYEES

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Town 420,842.00

Total Contributions 420,842.00

Investment Income:

Net Realized Gain (Loss) 797,504.14

Unrealized Gain (Loss) 1,388,171.19

Net Increase in Fair Value of Investments 2,185,675.33

Interest & Dividends 246,115.50

Less Investment Expense¹ (69,315.26)

Net Investment Income 2,362,475.57

Total Additions 2,783,317.57

DEDUCTIONS

Distributions to Members:

Benefit Payments 1,016,605.82

Lump Sum DROP Distributions 0.00

Total Distributions 1,016,605.82

Administrative Expense 26,313.26

Total Deductions 1,042,919.08

Net Increase in Net Position 1,740,398.49

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 11,400,465.19

End of the Year 13,140,863.68

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

GENERAL EMPLOYEES

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2021

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Details of the derivation are set forth as follows:

Plan Year End	Rate of Return ¹	
09/30/2018	8.04%	
09/30/2019	2.86%	
09/30/2020	6.36%	
09/30/2021	21.45%	
Annualized Rate of Return for prior four (4) years:		9.46%
(A) 10/01/2020 Actuarial Assets:		\$11,735,425.47
(I) Net Investment Income:		
1. Interest and Dividends		246,115.50
2. Realized Gain (Loss)		797,504.14
3. Unrealized Gain (Loss)		1,388,171.19
4. Change in Actuarial Value		(1,281,835.33)
5. Investment Related Expenses		(69,315.26)
Total		1,080,640.24
(B) 10/01/2021 Actuarial Assets:		\$12,193,988.63
Actuarial Asset Rate of Return = 2I/(A+B-I):		9.46%
10/01/2021 Limited Actuarial Assets:		\$12,193,988.63
10/01/2021 Market Value of Assets:		\$13,140,863.68
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		\$281,012.16

¹Market Value Basis, net of investment related expenses.

GENERAL EMPLOYEES

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2021
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	420,842.00	
Total Contributions		420,842.00
Earnings from Investments:		
Interest & Dividends	246,115.50	
Net Realized Gain (Loss)	797,504.14	
Unrealized Gain (Loss)	1,388,171.19	
Change in Actuarial Value	(1,281,835.33)	
Total Earnings and Investment Gains		1,149,955.50

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,016,605.82	
Lump Sum DROP Distributions	0.00	
Total Distributions		1,016,605.82
Expenses:		
Investment related ¹	69,315.26	
Administrative	26,313.26	
Total Expenses		95,628.52
Change in Net Assets for the Year		458,563.16
Net Assets Beginning of the Year		11,735,425.47
Net Assets End of the Year ²		12,193,988.63

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

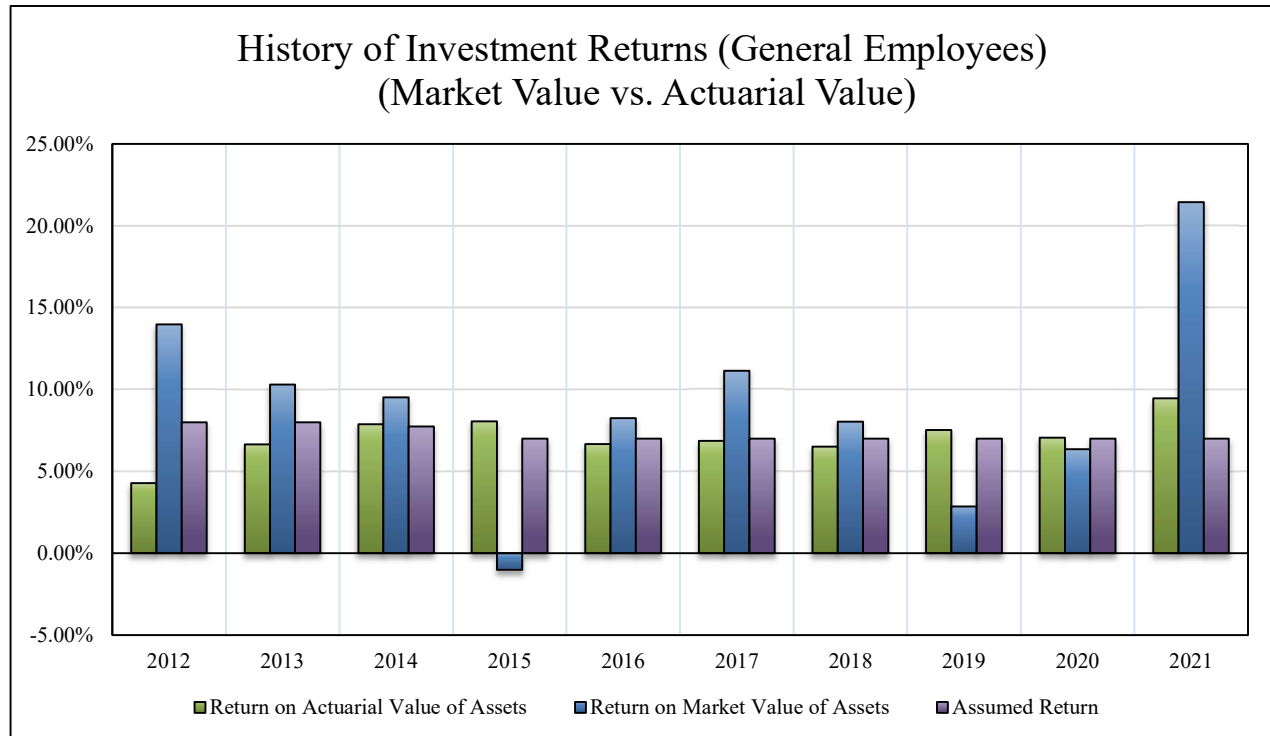
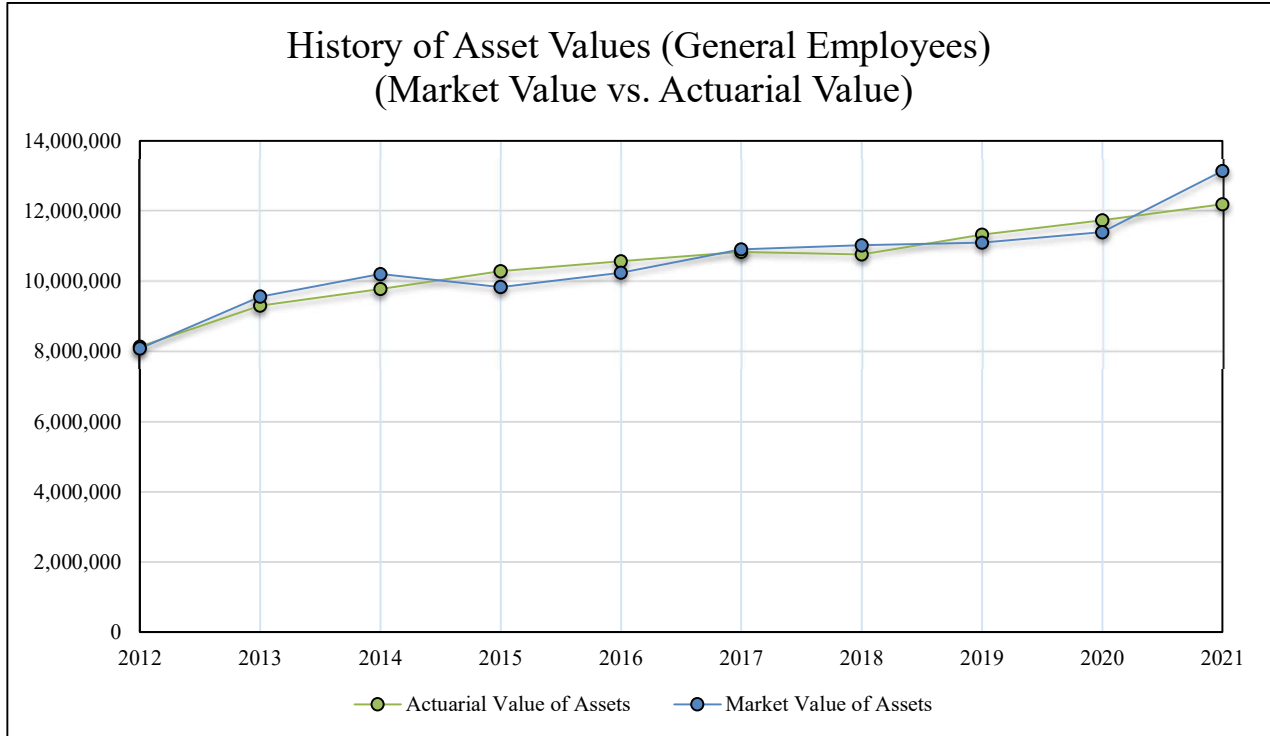
²Net Assets may be limited for actuarial consideration.

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

GENERAL EMPLOYEES

(1) Required Town Contributions	\$420,842.00
(2) Less 2020 Prepaid Contribution	0.00
(3) Less Actual Town Contributions	<u>(420,842.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2021	\$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



VALUATION PARTICIPANT RECONCILIATION
POLICE OFFICERS

1. Active lives

a. Number in prior valuation 10/1/2020	4
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. Continuing participants	3
g. New entrants	<u>0</u>
h. Total active life participants in valuation	3

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	15	3	2	2	0	22
Retired	2	0	0	(1)	0	1
Vested (Deferred Annuity)	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	(1)	0	0	0	0	(1)
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	16	3	2	1	0	22

VALUATION PARTICIPANT RECONCILIATION
FIREFIGHTERS

1. Active lives

a. Number in prior valuation 10/1/2020	5
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distributio	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Continuing participants	5
g. New entrants	<u>0</u>
h. Total active life participants in valuation	5

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	31	1	4	3	1	40
Retired	0	0	0	0	0	0
Vested (Deferred Annuity)	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	31	1	4	3	1	40

VALUATION PARTICIPANT RECONCILIATION
GENERAL EMPLOYEES

1. Active lives

a. Number in prior valuation 10/1/2020	15
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distribution	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	0
f. Continuing participants	15
g. New entrants	0
h. Total active life participants in valuation	15

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	42	3	0	10	0	55
Retired	2	0	0	(2)	0	0
Vested (Deferred Annuity)	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	0
Death, With Survivor	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0
b. Number current valuation	44	3	0	8	0	5

SUMMARY OF PLAN PROVISIONS
POLICE OFFICERS
(Through Ordinance 2016-22)

The below information is for historical reference only. Benefits are frozen as of February 1, 2014

<u>Eligibility</u>	Full-time Police Officers participate as a condition of employment. Members hired after January 31, 2014 do not participate in this System.
<u>Credited Service</u>	Total years and fractional parts of years of service as a Police Officer with the Town. Credited Service is frozen as of January 31, 2014.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax-sheltered, and tax-exempt income. Salary earned after January 31, 2014 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination. Average Final Compensation is not applicable for the determination of the accrued benefit after January 31, 2014.
<u>Member Contributions</u>	None (previously 10%).
<u>Town Contributions</u>	Amount necessary to maintain actuarial soundness and meet State requirements.
<u>Normal Retirement</u>	
Eligibility	Attainment of 1) age 60, 2) age 55 and the completion of 10 years of Credited Service or 3) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.5% of Average Final Compensation times Years of Credited Service. The accrued benefit is frozen as of January 31, 2014.
Form of Benefit	10 Year Certain and Life Annuity (options are available).

Early Retirement (removed with Ordinance 2013-13)

Eligibility Age 45 and the completion of 15 years of Credited Service or Age 50 and the completion of 10 years of Credited Service.

Benefit Accrued benefit, reduced 3% per year.

Supplemental Benefit \$10.00 per month for each year of Credited Service, payable to age 65. Credited Service is frozen as of January 31, 2014 for determination of the Supplemental Benefit.

Cost of Living Adjustment Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.

Vesting (Termination) Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) of Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage</u> ¹
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

¹ Members are 100% vested in their frozen accrued benefit as of January 31, 2014.

Death Benefit

Vested or Eligible for Retirement Monthly accrued benefit payable to designated beneficiary. The accrued benefit is frozen as of January 31, 2014.

Non-Vested Refund of Member Contributions.

Disability

Eligibility

Service Incurred Covered from Date of Employment.

Non-Service Incurred 10 years of Credited Service.

Benefit

3.5% of Average Final Compensation times Credited Service (but not less than 42% of Average Final Compensation for Service Incurred). Average Final Compensation and Credited Service for purposes of determining the applicable minimum Disability Benefit are frozen as of January 31, 2014.

Form of Benefit

Ten year Certain and Life Annuity (options are available).

Board of Trustees

a. Five Commission appointees, and

b. Two Town Manager appointees

Deferred Retirement Option Plan (DROP)

Eligibility

Members who were within two years of Normal Retirement eligibility as of January 25, 2014 had the option of DROP participation prior to February 1, 2014.

Participation

Not to exceed 36 months.

Rate of Return

At the Member's election:

a. Actual net rate of investment return credited each fiscal quarter, or

b. A fixed rate money market account.

Form of Distribution

Cash lump sum (options available) at termination of employment.

SUMMARY OF PLAN PROVISIONS
FIREFIGHTERS
(Through Ordinance 2016-22)

The below information is for historical reference only. Benefits are frozen as of September 30, 2013.

<u>Eligibility</u>	Full-time certified Firefighters participate as a condition of employment. Members hired after September 30, 2013 do not participate in this System
<u>Credited Service</u>	Total years and fractional parts of years of service as a Firefighter with the Town. Credited Service is frozen as of September 30, 2013.
<u>Salary</u>	Total W-2 compensation, plus tax deferred, tax-sheltered, and tax-exempt income. Salary earned after September 30, 2013 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination. Average Final Compensation is not applicable for the determination of the accrued benefit after September 30, 2013.
<u>Member Contributions</u>	None.
<u>Town Contributions</u>	Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, Florida Statutes).
<u>Normal Retirement</u>	
Eligibility	Attainment of 1) age 60, 2) age 55 and the completion of 10 years of Credited Service or 3) the completion of 25 years of Credited Service, regardless of age.
Benefit	3.5% of Average Final Compensation times Years of Credited Service. The accrued benefit is frozen as of September 30, 2013.
Form of Benefit	10 Year Certain and Life Annuity (options are available).

Early Retirement (removed with Ordinance 2013-13)

Eligibility Age 45 and the completion of 15 years of Credited Service or Age 50 and the completion of 10 years of Credited Service.

Benefit Accrued benefit, reduced 3% per year.

Supplemental Benefit \$10.00 per month for each year of Credited Service, payable to age 65. Credited Service is frozen as of September 30, 2013 for determination of the Supplemental Benefit.

Vesting (Termination) Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) of Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

Years of Service	Percentage ¹
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

¹ Members are 100% vested in their frozen accrued benefit as of September 30, 2013.

Disability

Eligibility

Service Incurred Covered from Date of Employment.

Non-Service Incurred 10 years of Credited Service.

Benefit 3.5% of Average Final Compensation times Credited Service (but not less than 42% of Average Final Compensation for Service Incurred). Average Final Compensation and Credited Service for purposes of determining the applicable minimum Disability Benefit are frozen as of September 30, 2013.

Form of Benefit Ten year Certain and Life Annuity (options are available)

Cost of Living Adjustment

Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.

Death Benefit

Vested or Eligible
for Retirement

Monthly accrued benefit payable to designated beneficiary. The accrued benefit is frozen as of September 30, 2013.

Non-Vested

Refund of Member Contributions.

Board of Trustees

- a. Five Commission appointees, and
- b. Two Town Manager appointees

Deferred Retirement Option Plan (DROP)

Eligibility

Satisfaction of Normal Retirement requirements. New DROP participants are not permitted after September 30, 2013.

Participation

Not to exceed 36 months.

Rate of Return

At the Member's election:

- a. Actual net rate of investment return credited each fiscal quarter, or
- b. A fixed rate money market account.

Form of Distribution

Cash lump sum (options available) at termination of employment.

SUMMARY OF PLAN PROVISIONS
GENERAL EMPLOYEES
(Through Ordinance No. 2016-22)

The information below is for historical reference only. Benefits are frozen as of September 30, 2013.

<u>Effective Date</u>	April 1, 1992
<u>Latest Amendment</u>	August 14, 2013
<u>Eligibility</u>	Full-time employees hired before September 30, 2013 become Members as a condition of employment.
<u>Compensation</u>	W-2 earnings, plus tax-deferred, tax-sheltered, and tax-exempt income. Salary earned after September 30, 2013 is not counted for determination of the accrued benefit.
<u>Average Final Compensation</u>	Average Compensation paid an employee during the best 5 years within the last 10 years preceding September 30, 2013.
<u>Credited Service</u>	Years and fractional parts of years of service with the Town as a General Employee through September 30, 2013.
<u>Normal Retirement</u>	
Eligibility	Earlier of 1) Age 62 or 2) Age 55 and the completion of 30 years of Credited Service.
Benefit	2.75% of Average Final Compensation times Years of Credited Service. The benefit is frozen as of September 30, 2013.
Form of Benefit	Life Annuity with 120 months certain (options available).
<u>Early Retirement</u>	
Date	Attainment of age 50 and the completion of 15 years of Credited Service.
Benefit	Accrued benefit reduced 3.0% for each year preceding the Normal Retirement Date.

Death Benefit

Not Vested

Refund of Member Contributions.

Vested

Accrued benefit paid to Beneficiary for 120 months at Member's otherwise Early (reduced) or Normal Retirement Date.

Post-Retirement

According to optional form of benefit selected.

Termination of Employment

Upon an employee's termination of employment for reason other than death, disability or retirement, he shall be entitled to the payment of the Vested Percentage of his or her accrued pension at the otherwise Early (reduced) or Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage</u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

Members are 100% vested on September 30, 2013.

Deferred Retirement Option Plan

Eligibility

Within 12 months following satisfaction of Normal Retirement requirements (age 62 or age 55 and 30 years of Credited Service.) New DROP Participants are not allowed after September 30, 2013.

Participation

Not to exceed 60 months.

Rate of Return

At election of Member (may change once during the DROP period) either: 1) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), or 2) 6.5%. Earnings are credited each fiscal quarter.

Form of Distribution

Cash lump sum (options available) at termination of employment.

Contributions

Employee

None.

Town

Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, F.S.).

February 7, 2022

VIA EMAIL

Board of Trustees
Town of Longboat Key
Firefighters' Pension Board

RE: GASB Statements No.67 and No.68 – Town of Longboat Key Firefighters' Retirement System

Dear Board:

We are pleased to present to the Board GASB Statements No.67 and No.68 measured as of September 30, 2021, for the Town of Longboat Key Firefighters' Retirement System.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan's funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30th, 2021, using generally accepted actuarial principles.

It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the last 2 years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

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

Enclosures

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Benefits	184,350
Money Market	1,020,632
Cash	(261)
Total Cash and Equivalents	1,204,721
Receivables:	
From Broker for Investments Sold	5,839
Investment Income	46,771
Total Receivable	52,610
Investments:	
U. S. Bonds and Bills	1,952,327
Federal Agency Guaranteed Securities	335,146
Corporate Bonds	2,163,472
Stocks	9,942,787
Mutual Funds:	
Equity	6,357,108
Pooled/Common/Commingled Funds:	
Real Estate	2,097,983
Total Investments	22,848,823
Total Assets	24,106,154
<u>LIABILITIES</u>	
Payables:	
Administrative Expenses	1,944
To Broker for Investments Purchased	11,182
Total Liabilities	13,126
NET POSITION RESTRICTED FOR PENSIONS	24,093,028

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Town	2,006,151	
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Total Contributions		2,006,151
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Investment Income:

Net Increase in Fair Value of Investments	3,902,503	
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Interest & Dividends	435,674	
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Less Investment Expense ¹	(122,161)	
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Net Investment Income		4,216,016
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Total Additions		6,222,167
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DEDUCTIONS

Distributions to Members:

Benefit Payments	2,171,192	
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Lump Sum DROP Distributions	0	
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Total Distributions		2,171,192
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Administrative Expense		46,374
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Total Deductions		2,217,566
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Net Increase in Net Position		4,004,601
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		20,088,427
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End of the Year		24,093,028
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2021)

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Five Commission appointees, and
- b. Two Town Manager appointees.

Full-time certified Firefighters participate as a condition of employment. Members hired after September 30, 2013 do not participate in this System

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	36
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	<u>5</u>
TOTAL	<u><u>45</u></u>

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. Benefits are frozen as of September 30, 2013. A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the Town of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: None.

Town Contributions: Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, Florida Statutes).

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.00%
International Equity	15.00%
Fixed Income	25.00%
Private Real Estate	10.00%
MLP/Energy Infrastructure	<u>5.00%</u>
Total	<u><u>100.00%</u></u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 21.45 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements. New DROP participants are not permitted after September 30, 2013.

Participation: Not to exceed 36 months.

Rate of Return: At the Member's election:

- a. Actual net rate of investment return credited each fiscal quarter, or
- b. A fixed rate money market account.

The DROP balance as September 30, 2021 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 32,483,655
Plan Fiduciary Net Position	<u>\$ (24,093,028)</u>
Sponsor's Net Pension Liability	<u>\$ 8,390,627</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	74.17%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	None.
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.
 Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated March 10, 2008.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 1.75%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
Domestic Equity	5.96%
International Equity	4.75%
Fixed Income	1.40%
Private Real Estate	4.40%
MLP/Energy Infrastructure	3.27%

¹ Source: Morgan Stanley. Based on secular annualized return and volatility estimates are based on a 20-year-plus time horizon. Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above “Long Term Expected Real Rate of Returns” by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	\$ 12,010,507	\$ 8,390,627	\$ 5,360,128

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	6,608	6,585
Interest	2,179,058	2,184,370
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	260,793	603,406
Changes of assumptions	-	(722,995)
Benefit Payments, including Refunds of Employee Contributions	(2,171,192)	(2,123,371)
Net Change in Total Pension Liability	275,267	(52,005)
Total Pension Liability - Beginning	32,208,388	32,260,393
Total Pension Liability - Ending (a)	<u>\$ 32,483,655</u>	<u>\$ 32,208,388</u>
Plan Fiduciary Net Position		
Contributions - Employer	2,006,151	2,144,404
Net Investment Income	4,216,016	1,180,845
Benefit Payments, including Refunds of Employee Contributions	(2,171,192)	(2,123,371)
Administrative Expense	(46,374)	(48,857)
Net Change in Plan Fiduciary Net Position	4,004,601	1,153,021
Plan Fiduciary Net Position - Beginning	20,088,427	18,935,406
Plan Fiduciary Net Position - Ending (b)	<u>\$ 24,093,028</u>	<u>\$ 20,088,427</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,390,627</u>	<u>\$ 12,119,961</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.17%	62.37%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 2,006,151	\$ 2,006,151	\$ -	N/A	N/A
09/30/2020	\$ 2,144,404	\$ 2,144,404	\$ -	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS

Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2021	21.45%
09/30/2020	6.36%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2022)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Five Commission appointees, and
- b. Two Town Manager appointees.

Full-time certified Firefighters participate as a condition of employment. Members hired after September 30, 2013 do not participate in this System.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	36
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	<u>5</u>
TOTAL	<u><u>45</u></u>

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. Benefits are frozen as of September 30, 2013.

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the Town of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: None.

Town Contributions: Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, Florida Statutes).

Net Pension Liability

The measurement date is September 30, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2021 through September 30, 2022.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	None.
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated March 10, 2008.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 1.75%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	45.00%	5.96%
International Equity	15.00%	4.75%
Fixed Income	25.00%	1.40%
Private Real Estate	10.00%	4.40%
MLP/Energy Infrastructure	5.00%	3.27%
Total	100.00%	

¹ Source: Morgan Stanley. Based on secular annualized return and volatility estimates are based on a 20-year-plus time horizon.

Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above “Long Term Expected Real Rate of Returns” by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2021	\$ 32,208,388	\$ 20,088,427	\$ 12,119,961
Changes for a Year:			
Service Cost	6,608	-	6,608
Interest	2,179,058	-	2,179,058
Differences between Expected and Actual Experience	260,793	-	260,793
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
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 Expense	-	(46,374)	46,374
Net Changes	275,267	4,004,601	(3,729,334)
Reporting Period Ending September 30, 2022	\$ 32,483,655	\$ 24,093,028	\$ 8,390,627

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 12,010,507	\$ 8,390,627	\$ 5,360,128

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2021

For the year ended September 30, 2021, the Sponsor has recognized a Pension Expense of \$779,796.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	394,141	-
Employer contributions subsequent to the measurement date	2,006,151	-
Total	<u>\$ 2,400,292</u>	<u>\$ -</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2021.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2022	\$ 28,816
2023	\$ 152,872
2024	\$ 183,721
2025	\$ 28,732
2026	\$ -
Thereafter	\$ -

Payable to the Pension Plan

On September 30, 2020, the Sponsor reported a payable of \$30,194 for the outstanding amount of contributions of the Pension Plan required for the year ended September 30, 2020.

PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2022

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of \$559,413.

On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	1,888,455
Employer contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 1,888,455

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2022.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:		
2023	\$	(410,573)
2024	\$	(379,
2025	\$	(534,
2026	\$	(563,
2027	\$	-
Thereafter	\$	-

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

Reporting Period Ending	09/30/2022	09/30/2021
Measurement Date	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	6,608	6,585
Interest	2,179,058	2,184,370
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	260,793	603,406
Changes of assumptions	-	(722,995)
Benefit Payments, including Refunds of Employee Contributions	(2,171,192)	(2,123,371)
Net Change in Total Pension Liability	275,267	(52,005)
Total Pension Liability - Beginning	32,208,388	32,260,393
Total Pension Liability - Ending (a)	<u>\$ 32,483,655</u>	<u>\$ 32,208,388</u>
Plan Fiduciary Net Position		
Contributions - Employer	2,006,151	2,144,404
Net Investment Income	4,216,016	1,180,845
Benefit Payments, including Refunds of Employee Contributions	(2,171,192)	(2,123,371)
Administrative Expense	(46,374)	(48,857)
Net Change in Plan Fiduciary Net Position	4,004,601	1,153,021
Plan Fiduciary Net Position - Beginning	20,088,427	18,935,406
Plan Fiduciary Net Position - Ending (b)	<u>\$ 24,093,028</u>	<u>\$ 20,088,427</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,390,627</u>	<u>\$ 12,119,961</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.17%	62.37%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 2,006,151	\$ 2,006,151	\$ -	N/A	N/A
09/30/2020	\$ 2,144,404	\$ 2,144,404	\$ -	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 13,324,987	\$ 385,397	\$ 2,764,360	\$ -
Employer Contributions made after 09/30/2020	-	-	2,006,151	-
Total Pension Liability Factors:				
Service Cost	6,585	-	-	6,585
Interest	2,184,370	-	-	2,184,370
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	603,406	-	603,406	-
Current year amortization of experience difference	-	-	(603,406)	603,406
Change in assumptions about future economic or demographic factors or other inputs	(722,995)	722,995	-	-
Current year amortization of change in assumptions	-	(722,995)	-	(722,995)
Benefit Payments, including Refunds of Employee Contributions	(2,123,371)	-	-	-
Net change	<u>(52,005)</u>	<u>-</u>	<u>2,006,151</u>	<u>2,071,366</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,144,404	-	(2,144,404)	-
Projected Net Investment Income	1,324,505	-	-	(1,324,505)
Difference between projected and actual earnings on Pension Plan investments	(143,660)	-	143,660	-
Current year amortization	-	(199,643)	(183,721)	(15,922)
Benefit Payments, including Refunds of Employee Contributions	(2,123,371)	-	-	-
Administrative Expenses	(48,857)	-	-	48,857
Net change	<u>1,153,021</u>	<u>(199,643)</u>	<u>(2,184,465)</u>	<u>(1,291,570)</u>
Ending Balance	<u>\$ 12,119,961</u>	<u>\$ 185,754</u>	<u>2,586,046</u>	<u>\$ 779,796</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 12,119,961	\$ 185,754	\$ 2,586,046	\$ -
Employer Contributions made after 09/30/2021	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	6,608	-	-	6,608
Interest	2,179,058	-	-	2,179,058
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	260,793	-	260,793	-
Current year amortization of experience difference	-	-	(260,793)	260,793
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(2,171,192)	-	-	-
Net change	<u>275,267</u>	<u>-</u>	<u>-</u>	<u>2,446,459</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,006,151	-	(2,006,151)	-
Projected Net Investment Income	1,398,790	-	-	(1,398,790)
Difference between projected and actual earnings on Pension Plan investments	2,817,226	2,817,226	-	-
Current year amortization	-	(718,351)	(183,721)	(534,630)
Benefit Payments, including Refunds of Employee Contributions	(2,171,192)	-	-	-
Administrative Expenses	(46,374)	-	-	46,374
Net change	<u>4,004,601</u>	<u>2,098,875</u>	<u>(2,189,872)</u>	<u>(1,887,046)</u>
Ending Balance	<u>\$ 8,390,627</u>	<u>\$ 2,284,629</u>	<u>TBD</u>	<u>\$ 559,413</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2021 but made on or before September 30, 2022 need to be added.

Town of Longboat Key Firefighters' Retirement System

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	\$ (2,817,226)	5	\$ -	\$ (563,446)	\$ (563,445)	\$ (563,445)	\$ (563,445)	\$ (563,445)	\$ -	\$ -	\$ -	\$ -
2020	\$ 143,660	5	\$ 28,732	\$ 28,732	\$ 28,732	\$ 28,732	\$ 28,732	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 774,946	5	\$ 154,989	\$ 154,989	\$ 154,989	\$ 154,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (154,245)	5	\$ (30,849)	\$ (30,849)	\$ (30,849)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (620,281)	5	\$ (124,056)	\$ (124,056)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (223,688)	5	\$ (44,738)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (15,922)	\$ (534,630)	\$ (410,573)	\$ (379,724)	\$ (534,713)	\$ (563,445)	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ (722,995)	1	\$ (722,995)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (722,995)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	\$ 260,793	1	\$ -	\$ 260,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 603,406	1	\$ 603,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 603,406	\$ 260,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

February 7, 2022

VIA EMAIL

Board of Trustees
Town of Longboat Key
Police Officers' Pension Board

RE: GASB Statements No.67 and No.68 – Town of Longboat Key Police Officers' Retirement System

Dear Board:

We are pleased to present to the Board GASB Statements No.67 and No.68 measured as of September 30, 2021, for the Town of Longboat Key Police Officers' Retirement System.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan's funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30th, 2021, using generally accepted actuarial principles.

It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the last 2 years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

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

Enclosures

STATEMENT OF
FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Benefits	74,131
Money Market	383,166
Cash	(98)
Total Cash and Equivalents	457,199
Receivables:	
From Broker for Investments Sold	2,192
Investment Income	17,559
Total Receivable	19,751
Investments:	
U. S. Bonds and Bills	732,943
Federal Agency Guaranteed Securities	125,821
Corporate Bonds	812,212
Stocks	3,732,724
Equity	2,386,588
Pooled/Common/Commingled Funds:	
Real Estate	787,625
Total Investments	8,577,913
Total Assets	9,054,863
<u>LIABILITIES</u>	
Payables:	
Administrative Expenses	752
To Broker for Investments Purchased	4,321
Total Liabilities	5,073
NET POSITION RESTRICTED FOR PENSIONS	9,049,790

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Town	553,969	
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Total Contributions		553,969
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Investment Income:

Net Increase in Fair Value of Investments	1,490,250	
Interest & Dividends	167,837	
Less Investment Expense ¹	(47,213)	

Net Investment Income		1,610,874
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Total Additions		2,164,843
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DEDUCTIONS

Distributions to Members:

Benefit Payments	861,120	
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Total Distributions		861,120
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Administrative Expense		17,923
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Total Deductions		879,043
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Net Increase in Net Position		1,285,800
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		7,763,990
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End of the Year		9,049,790
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2021)

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Five Commission appointees, and
- b. Two Town Manager appointees.

Full-time Police Officers participate as a condition of employment. Members hired after January 31, 2014 do not participate in this System.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	4
TOTAL	26

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. Benefits are frozen as of February 1, 2014. A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the Town of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: None.

Town Contributions: Amount necessary to maintain actuarial soundness and meet State requirements.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2021:

Asset Class	Target Allocation
Domestic Equity	45.00%
International Equity	15.00%
Fixed Income	25.00%
Private Real Estate	10.00%
MLP/Energy Infrastructure	5.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 21.45 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Members who were within two years of Normal Retirement eligibility as of January 25, 2014 had the option of DROP participation prior to February 1, 2014.

Participation: Not to exceed 36 months.

At Member's election:

- a. Actual net rate of investment return credited each fiscal quarter, or
- b. A fixed rate money market account.

The DROP balance as September 30, 2021 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 11,935,771
Plan Fiduciary Net Position	<u>\$ (9,049,790)</u>
Sponsor's Net Pension Liability	<u>\$ 2,885,981</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	75.82%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	None
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.
 Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.
 Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated February 25, 2008.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 1.75%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
Domestic Equity	5.96%
International Equity	4.75%
Fixed Income	1.40%
Private Real Estate	4.40%
MLP/Energy Infrastructure	3.27%

¹ Source: Morgan Stanley. Based on secular annualized return and volatility estimates are based on a 20-year-plus time horizon.

Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above “Long Term Expected Real Rate of Returns” by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	\$ 4,155,186	\$ 2,885,981	\$ 1,818,129

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	13,174	14,470
Interest	799,407	810,997
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	143,217	98,696
Changes of assumptions	-	(246,036)
Benefit Payments, including Refunds of Employee Contributions	(861,120)	(823,685)
Net Change in Total Pension Liability	94,678	(145,558)
Total Pension Liability - Beginning	11,841,093	11,986,651
Total Pension Liability - Ending (a)	<u>\$ 11,935,771</u>	<u>\$ 11,841,093</u>
Plan Fiduciary Net Position		
Contributions - Employer	553,969	634,000
Net Investment Income	1,610,874	464,297
Benefit Payments, including Refunds of Employee Contributions	(861,120)	(823,685)
Administrative Expense	(17,923)	(19,349)
Net Change in Plan Fiduciary Net Position	1,285,800	255,263
Plan Fiduciary Net Position - Beginning	7,763,990	7,508,727
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,049,790</u>	<u>\$ 7,763,990</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 2,885,981</u>	<u>\$ 4,077,103</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.82%	65.57%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 553,969	\$ 553,969	\$ -	N/A	N/A
09/30/2020	\$ 634,000	\$ 634,000	\$ -	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS

Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2021	21.45%
09/30/2020	6.36%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2022)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Five Commission appointees, and
- b. Two Town Manager appointees.

Full-time Police Officers participate as a condition of employment. Members hired after January 31, 2014 do not participate in this System.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	4
TOTAL	26

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. Benefits are frozen as of February 1, 2014.

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the Town of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: None.

Town Contributions: Amount necessary to maintain actuarial soundness and meet State requirements.

Net Pension Liability

The measurement date is September 30, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2021 through September 30, 2022.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	None
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated February 25, 2008.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 1.75%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	45.00%	5.96%
International Equity	15.00%	4.75%
Fixed Income	25.00%	1.40%
Private Real Estate	10.00%	4.40%
MLP/Energy Infrastructure	5.00%	3.27%
Total	100.00%	

¹ Source: Morgan Stanley. Based on secular annualized return and volatility estimates are based on a 20-year-plus time horizon.

Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above “Long Term Expected Real Rate of Returns” by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2021	\$ 11,841,093	\$ 7,763,990	\$ 4,077,103
Changes for a Year:			
Service Cost	13,174	-	13,174
Interest	799,407	-	799,407
Differences between Expected and Actual Experience	143,217	-	143,217
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	553,969	(553,969)
Net Investment Income	-	1,610,874	(1,610,874)
Benefit Payments, including Refunds of Employee Contributions	(861,120)	(861,120)	-
Administrative Expense	-	(17,923)	17,923
Net Changes	94,678	1,285,800	(1,191,122)
Reporting Period Ending September 30, 2022	\$ 11,935,771	\$ 9,049,790	\$ 2,885,981

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 4,155,186	\$ 2,885,981	\$ 1,818,129

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2021

For the year ended September 30, 2021, the Sponsor has recognized a Pension Expense of \$171,156.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	151,097	-
Employer contributions subsequent to the measurement date	553,969	-
Total	<u>\$ 705,066</u>	<u>\$ -</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2021.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:

2022	\$ 7,822
2023	\$ 59,840
2024	\$ 72,635
2025	\$ 10,800
2026	\$ -
Thereafter	\$ -

PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2022

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of \$233,685.

On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	719,741
Employer contributions subsequent to the measurement date	TBD	-
Total	<u>TBD</u>	<u>\$ 719,741</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2022.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2023	\$ (155,
2024	\$ (143,
2025	\$ (204,
2026	\$ (215,
2027	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

Reporting Period Ending	09/30/2022	09/30/2021
Measurement Date	<u>09/30/2021</u>	<u>09/30/2020</u>
Total Pension Liability		
Service Cost	13,174	14,470
Interest	799,407	810,997
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	143,217	98,696
Changes of assumptions	-	(246,036)
Benefit Payments, including Refunds of Employee Contributions	<u>(861,120)</u>	<u>(823,685)</u>
Net Change in Total Pension Liability	94,678	(145,558)
Total Pension Liability - Beginning	<u>11,841,093</u>	<u>11,986,651</u>
Total Pension Liability - Ending (a)	<u><u>\$ 11,935,771</u></u>	<u><u>\$ 11,841,093</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	553,969	634,000
Net Investment Income	1,610,874	464,297
Benefit Payments, including Refunds of Employee Contributions	(861,120)	(823,685)
Administrative Expense	<u>(17,923)</u>	<u>(19,349)</u>
Net Change in Plan Fiduciary Net Position	1,285,800	255,263
Plan Fiduciary Net Position - Beginning	<u>7,763,990</u>	<u>7,508,727</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 9,049,790</u></u>	<u><u>\$ 7,763,990</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 2,885,981</u></u>	<u><u>\$ 4,077,103</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.82%	65.57%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 553,969	\$ 553,969	\$ -	N/A	N/A
09/30/2020	\$ 634,000	\$ 634,000	\$ -	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL COMPONENTS OF PENSION EXPENSE

FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,477,924	\$ 158,266	\$ 881,340	\$ -
Employer Contributions made after 09/30/2020	-	-	553,969	-
Total Pension Liability Factors:				
Service Cost	14,470	-	-	14,470
Interest	810,997	-	-	810,997
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	98,696	-	98,696	-
Current year amortization of experience difference	-	-	(98,696)	98,696
Change in assumptions about future economic or demographic factors or other inputs	(246,036)	246,036	-	-
Current year amortization of change in assumptions	-	(246,036)	-	(246,036)
Benefit Payments, including Refunds of Employee Contributions	(823,685)	-	-	-
Net change	<u>(145,558)</u>	<u>-</u>	<u>553,969</u>	<u>678,127</u>
Plan Fiduciary Net Position:				
Contributions - Employer	634,000	-	(634,000)	-
Projected Net Investment Income	518,295	-	-	(518,295)
Difference between projected and actual earnings on Pension Plan investments	(53,998)	-	53,998	-
Current year amortization	-	(80,658)	(72,633)	(8,025)
Benefit Payments, including Refunds of Employee Contributions	(823,685)	-	-	-
Administrative Expenses	(19,349)	-	-	19,349
Net change	<u>255,263</u>	<u>(80,658)</u>	<u>(652,635)</u>	<u>(506,971)</u>
Ending Balance	<u>\$ 4,077,103</u>	<u>\$ 77,608</u>	<u>\$ 782,674</u>	<u>\$ 171,156</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,077,103	\$ 77,608	\$ 782,674	\$ -
Employer Contributions made after 09/30/2021	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	13,174	-	-	13,174
Interest	799,407	-	-	799,407
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	143,217	-	143,217	-
Current year amortization of experience difference	-	-	(143,217)	143,217
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(861,120)	-	-	-
Net change	<u>94,678</u>	<u>-</u>	<u>-</u>	<u>955,798</u>
Plan Fiduciary Net Position:				
Contributions - Employer	553,969	-	(553,969)	-
Projected Net Investment Income	532,102	-	-	(532,102)
Difference between projected and actual earnings on Pension Plan investments	1,078,772	1,078,772	-	-
Current year amortization	-	(280,569)	(72,635)	(207,934)
Benefit Payments, including Refunds of Employee Contributions	(861,120)	-	-	-
Administrative Expenses	(17,923)	-	-	17,923
Net change	<u>1,285,800</u>	<u>798,203</u>	<u>(626,604)</u>	<u>(722,113)</u>
Ending Balance	<u>\$ 2,885,981</u>	<u>\$ 875,811</u>	<u>TBD</u>	<u>\$ 233,685</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2021 but made on or before September 30, 2022 need to be added.

Town of Longboat Key Police Officers' Retirement System

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	\$ (1,078,772)	5	\$ -	\$ (215,756)	\$ (215,754)	\$ (215,754)	\$ (215,754)	\$ (215,754)	\$ -	\$ -	\$ -
2020	\$ 53,998	5	\$ 10,798	\$ 10,800	\$ 10,800	\$ 10,800	\$ 10,800	\$ -	\$ -	\$ -	\$ -
2019	\$ 309,175	5	\$ 61,835	\$ 61,835	\$ 61,835	\$ 61,835	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (63,977)	5	\$ (12,795)	\$ (12,795)	\$ (12,795)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (260,090)	5	\$ (52,018)	\$ (52,018)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (79,225)	5	\$ (15,845)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (8,025)	\$ (207,934)	\$ (155,914)	\$ (143,119)	\$ (204,954)	\$ (215,754)	\$ -	\$ -	\$ -

Town of Longboat Key Police Officers' Retirement System
 AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Differences Between		Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions															
	Expected and Actual Experience			2021	2022	2023	2024	2025	2026	2027	2028	2029							
2021	\$	-	1	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2020	\$	(246,036)	1	\$	(246,036)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Increase (Decrease) in Pension Expense				\$	(246,036)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

Town of Longboat Key Police Officers' Retirement System

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year	Differences Between	Recognition	2021	2022	2023	2024	2025	2026	2027	2028	2029
Ending	Expected and Actual	Period (Years)									
	Experience										
2021	\$ 143,217	1	\$ -	\$ 143,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 98,696	1	\$ 98,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 98,696	\$ 143,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

February 7, 2022

VIA EMAIL

Board of Trustees
Town of Longboat Key
General Employees' Pension Board

RE: GASB Statements No.67 and No.68 – Town of Longboat Key General Employees' Retirement System

Dear Board:

We are pleased to present to the Board GASB Statements No.67 and No.68 measured as of September 30, 2021, for the Town of Longboat Key General Employees' Retirement System.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan's funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30th, 2021, using generally accepted actuarial principles.

It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the last 2 years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 

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

Enclosures

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Benefits	85,387
Money Market	557,334
Cash	(142)
 Total Cash and Equivalents	 642,579
Receivables:	
From Broker for Investments Sold	3,189
Investment Income	25,540
 Total Receivable	 28,729
Investments:	
U. S. Bonds and Bills	1,066,102
Federal Agency Guaranteed Securities	183,013
Corporate Bonds	1,181,403
Stocks	5,429,434
Mutual Funds:	
Equity	3,471,411
Real Estate	1,145,641
 Total Investments	 12,477,004
 Total Assets	 13,148,312
 <u>LIABILITIES</u>	
Payables:	
Administrative Expenses	1,103
To Broker for Investments Purchased	6,345
 Total Liabilities	 7,448
 NET POSITION RESTRICTED FOR PENSIONS	 13,140,864

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Town	420,842	
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Total Contributions		420,842
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Investment Income:

Net Increase in Fair Value of Investments	2,185,675	
Interest & Dividends	246,116	
Less Investment Expense ¹	(69,315)	

Net Investment Income		2,362,476
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Total Additions		2,783,318
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DEDUCTIONS

Distributions to Members:

Benefit Payments	1,016,606	
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Total Distributions		1,016,606
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Administrative Expense		26,313
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Total Deductions		1,042,919
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Net Increase in Net Position		1,740,399
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		11,400,465
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End of the Year		13,140,864
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2021)

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board shall consist of seven Trustees, five of whom, unless otherwise prohibited by law, must be registered voters and residents of the town, who shall be appointed by the Longboat Key Town Commission, and two of whom shall be appointed by the Town Manager.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	45
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	<u>15</u>
TOTAL	<u><u>70</u></u>

Benefits Provided

The Plan provides retirement, termination, and death benefits. Benefits are frozen as of September 30, 2013.

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the Town of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Employee: None.

Town: Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, Florida Statutes).

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.00%
International Equity	15.00%
Fixed Income	25.00%
Real Estate	10.00%
MLP/Energy Infrastructure	<u>5.00%</u>
Total	<u><u>100.00%</u></u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 21.45 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Within 12 months following satisfaction of Normal Retirement requirements (age 62 or age 55 and 30 years of Credited Service.) New DROP Participants are not allowed after September 30, 2013.

Participation: Not to exceed 60 months.

Rate of Return: At election of Member (may change once during the DROP period) either: 1) actual net rate of investment return (total return net of brokerage commissions, management fees, and transaction costs), or 2) 6.5%. Earnings are credited each fiscal quarter.

The DROP balance as September 30, 2021 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2021 were as follows:

Total Pension Liability	\$ 14,243,443
Plan Fiduciary Net Position	<u>\$ (13,140,864)</u>
Sponsor's Net Pension Liability	<u>\$ 1,102,579</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	92.26%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	None
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Below Median) for Employees.

Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated March, 7, 2008.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 1.75%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
Domestic Equity	5.96%
International Equity	4.75%
Fixed Income	1.40%
Real Estate	4.40%
MLP/Energy Infrastructure	3.27%

¹ Source: Morgan Stanley. Based on secular annualized return and volatility estimates are based on a 20-year-plus time horizon. Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above “Long Term Expected Real Rate of Returns” by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent. The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	\$ 2,510,449	\$ 1,102,579	\$ (93,067)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	1,435	2,024
Interest	969,116	991,851
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(61,880)	(266,891)
Changes of assumptions	-	(30,620)
Benefit Payments, including Refunds of Employee Contributions	(1,016,606)	(1,024,528)
Net Change in Total Pension Liability	(107,935)	(328,164)
Total Pension Liability - Beginning	14,351,378	14,679,542
Total Pension Liability - Ending (a)	<u>\$ 14,243,443</u>	<u>\$ 14,351,378</u>
Plan Fiduciary Net Position		
Contributions - Employer	420,842	670,264
Net Investment Income	2,362,476	686,511
Benefit Payments, including Refunds of Employee Contributions	(1,016,606)	(1,024,528)
Administrative Expense	(26,313)	(28,590)
Net Change in Plan Fiduciary Net Position	1,740,399	303,657
Plan Fiduciary Net Position - Beginning	11,400,465	11,096,808
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,140,864</u>	<u>\$ 11,400,465</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,102,579</u>	<u>\$ 2,950,913</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	92.26%	79.44%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 420,842	\$ 420,842	\$ -	N/A	N/A
09/30/2020	\$ 670,264	\$ 670,264	\$ -	N/A	N/A

Notes to Schedule

Valuation Date: 10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS

Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2021	21.45%
09/30/2020	6.36%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2022)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board shall consist of seven Trustees, five of whom, unless otherwise prohibited by law, must be registered voters and residents of the town, who shall be appointed by the Longboat Key Town Commission, and two of whom shall be appointed by the Town Manager.

Full-time employees hired before September 30, 2013 become Members as a condition of employment.

Plan Membership as of October 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	45
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	15
TOTAL	70

Benefits Provided

The Plan provides retirement, termination, and death benefits. Benefits are frozen as of September 30, 2013.

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the Town of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Employee: None.

Town: Amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years (per Chapter 112, Florida Statutes).

Net Pension Liability

The measurement date is September 30, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2021 through September 30, 2022.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.30%
Salary Increases	None
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Below Median) for Employees.

Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2020 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated March, 7, 2008.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2021 the inflation rate assumption of the investment advisor was 1.75%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	45.00%	5.96%
International Equity	15.00%	4.75%
Fixed Income	25.00%	1.40%
Real Estate	10.00%	4.40%
MLP/Energy Infrastructure	5.00%	3.27%
Total	100.00%	

¹ Source: Morgan Stanley. Based on secular annualized return and volatility estimates are based on a 20-year-plus time horizon.

Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above “Long Term Expected Real Rate of Returns” by their target allocation % and adding them together. Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2021	\$ 14,351,378	\$ 11,400,465	\$ 2,950,913
Changes for a Year:			
Service Cost	1,435	-	1,435
Interest	969,116	-	969,116
Differences between Expected and Actual Experience	(61,880)	-	(61,880)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
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 Expense	-	(26,313)	26,313
Net Changes	(107,935)	1,740,399	(1,848,334)
Reporting Period Ending September 30, 2022	\$ 14,243,443	\$ 13,140,864	\$ 1,102,579

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current		
	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 2,510,449	\$ 1,102,579	\$ (93,067)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2021

For the year ended September 30, 2021, the Sponsor has recognized a Pension Expense of -\$41,130.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	133,446
Changes of assumptions	-	15,310
Net difference between Projected and Actual Earnings on Pension Plan investments	204,325	-
Employer Contributions subsequent to the measurement date	420,842	-
Total	<u>\$ 625,167</u>	<u>\$ 148,756</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer Contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2021.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2022	\$ (148,818)
2023	\$ 82,388
2024	\$ 106,626
2025	\$ 15,373
2026	\$ -
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2022**

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of -\$276,398.

On September 30, 2022, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	30,940
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	1,064,585
Employer Contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 1,095,525

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer Contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2022.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2023	\$ (265,
2024	\$ (210,
2025	\$ (301,
2026	\$ (317,
2027	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

Reporting Period Ending	09/30/2022	09/30/2021
Measurement Date	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	1,435	2,024
Interest	969,116	991,851
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(61,880)	(266,891)
Changes of assumptions	-	(30,620)
Benefit Payments, including Refunds of Employee Contributions	(1,016,606)	(1,024,528)
Net Change in Total Pension Liability	(107,935)	(328,164)
Total Pension Liability - Beginning	14,351,378	14,679,542
Total Pension Liability - Ending (a)	<u>\$ 14,243,443</u>	<u>\$ 14,351,378</u>
Plan Fiduciary Net Position		
Contributions - Employer	420,842	670,264
Net Investment Income	2,362,476	686,511
Benefit Payments, including Refunds of Employee Contributions	(1,016,606)	(1,024,528)
Administrative Expense	(26,313)	(28,590)
Net Change in Plan Fiduciary Net Position	1,740,399	303,657
Plan Fiduciary Net Position - Beginning	11,400,465	11,096,808
Plan Fiduciary Net Position - Ending (b)	<u>\$ 13,140,864</u>	<u>\$ 11,400,465</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,102,579</u>	<u>\$ 2,950,913</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	92.26%	79.44%
Covered Payroll	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees with appropriate adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS

Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 420,842	\$ 420,842	\$ -	N/A	N/A
09/30/2020	\$ 670,264	\$ 670,264	\$ -	N/A	N/A

Notes to Schedule

Valuation Date:

10/01/2019

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Longboat Key Consolidated Retirement System prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL COMPONENTS OF PENSION EXPENSE

FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 3,582,734	\$ 389,016	\$ 1,035,276	\$ -
Employer Contributions made after 09/30/2020	-	-	420,842	-
Total Pension Liability Factors:				
Service Cost	2,024	-	-	2,024
Interest	991,851	-	-	991,851
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(266,891)	266,891	-	-
Current year amortization of experience difference	-	(260,276)	-	(260,276)
Change in assumptions about future economic or demographic factors or other inputs	(30,620)	30,620	-	-
Current year amortization of change in assumptions	-	(15,310)	-	(15,310)
Benefit Payments, including Refunds of Employee Contributions	(1,024,528)	-	-	-
Net change	<u>(328,164)</u>	<u>21,925</u>	<u>420,842</u>	<u>718,289</u>
Plan Fiduciary Net Position:				
Contributions - Employer	670,264	-	(670,264)	-
Projected Net Investment Income	763,377	-	-	(763,377)
Difference between projected and actual earnings on Pension Plan investments	(76,866)	-	76,866	-
Current year amortization	-	(131,259)	(106,627)	(24,632)
Benefit Payments, including Refunds of Employee Contributions	(1,024,528)	-	-	-
Administrative Expenses	(28,590)	-	-	28,590
Net change	<u>303,657</u>	<u>(131,259)</u>	<u>(700,025)</u>	<u>(759,419)</u>
Ending Balance	<u>\$ 2,950,913</u>	<u>\$ 279,682</u>	<u>\$ 756,093</u>	<u>\$ (41,130)</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 2,950,913	\$ 279,682	\$ 756,093	\$ -
Employer Contributions made after 09/30/2021	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	1,435	-	-	1,435
Interest	969,116	-	-	969,116
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(61,880)	61,880	-	-
Current year amortization of experience difference	-	(164,386)	-	(164,386)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(15,310)	-	(15,310)
Benefit Payments, including Refunds of Employee Contributions	(1,016,606)	-	-	-
Net change	<u>(107,935)</u>	<u>(117,816)</u>	<u>-</u>	<u>790,855</u>
Plan Fiduciary Net Position:				
Contributions - Employer	420,842	-	(420,842)	-
Projected Net Investment Income	776,260	-	-	(776,260)
Difference between projected and actual earnings on Pension Plan investments	1,586,216	1,586,216	-	-
Current year amortization	-	(423,932)	(106,626)	(317,306)
Benefit Payments, including Refunds of Employee Contributions	(1,016,606)	-	-	-
Administrative Expenses	(26,313)	-	-	26,313
Net change	<u>1,740,399</u>	<u>1,162,284</u>	<u>(527,468)</u>	<u>(1,067,253)</u>
Ending Balance	<u>\$ 1,102,579</u>	<u>\$ 1,324,150</u>	<u>TBD</u>	<u>\$ (276,398)</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2021 but made on or before September 30, 2022 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	\$ (1,586,216)	5	\$ -	\$ (317,244)	\$ (317,243)	\$ (317,243)	\$ (317,243)	\$ (317,243)	\$ -	\$ -	\$ -
2020	\$ 76,866	5	\$ 15,374	\$ 15,373	\$ 15,373	\$ 15,373	\$ 15,373	\$ -	\$ -	\$ -	\$ -
2019	\$ 456,263	5	\$ 91,253	\$ 91,253	\$ 91,253	\$ 91,253	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (121,191)	5	\$ (24,238)	\$ (24,238)	\$ (24,238)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (412,250)	5	\$ (82,450)	\$ (82,450)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (122,855)	5	\$ (24,571)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (24,632)	\$ (317,306)	\$ (234,855)	\$ (210,617)	\$ (301,870)	\$ (317,243)	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ (30,620)	2	\$ (15,310)	\$ (15,310)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (15,310)	\$ (15,310)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	\$ (61,880)	2	\$ -	\$ (30,940)	\$ (30,940)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (266,891)	2	\$ (133,445)	\$ (133,446)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (253,661)	2	\$ (126,831)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (260,276)	\$ (164,386)	\$ (30,940)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -