

TOWN OF LONGBOAT KEY
CONSOLIDATED RETIREMENT SYSTEM

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2018

CONTRIBUTIONS APPLICABLE TO THE PLAN/
FISCAL YEAR ENDED SEPTEMBER 30, 2020

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2018

February 18, 2019

Board of Trustees
Town of Longboat Key
Consolidated Retirement System
501 Bay Isles Road
Longboat Key, FL 34228

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. 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 conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Fort Walton Beach, 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.

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, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2018 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 meets 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 Town of Longboat Key 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. Dozen, EA, MAAA
Enrolled Actuary #17-7778

By:



Christine M. O'Neal, FSA, EA, MAAA

DHL/Ike

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, 2018, has been completed, and the results are presented in this Report. The results of this valuation are applicable to the plan/fiscal year ended September 30, 2020.

The contribution requirements, compared with those set forth in the October 1, 2017, Actuarial Valuation Report, are as follows:

Valuation Date	10/1/2018	10/1/2017
Applicable Fiscal Year	<u>9/30/2020</u>	<u>9/30/2019</u>
Police Officers	\$634,000	\$654,726
Firefighters	\$2,114,210	\$1,980,448
General Employees	<u>\$670,264</u>	<u>\$758,168</u>
Town Required Contribution ¹	\$3,418,474	\$3,393,342

¹ The Town has access to prepaid contributions (available for the current fiscal year) as follows:

Police - \$8,247

Fire - \$45,315

General - \$33,322

Aggregate experience since the prior valuation was less favorable than expected, based on the actuarial assumptions. The primary source of unfavorable experience is attributable to an investment return (four-year smoothed average, net of investment-related expenses) that fell short of the 7.0% assumption. This loss was partially offset by greater than expected mortality for the Police and General Employees' portion of the consolidated plan.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There were no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

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

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
POLICE OFFICERS

	<u>10/1/2018</u>	<u>10/1/2017</u>
A. Participant Data		
Actives	5	6
Service Retirees	14	15
Beneficiaries	3	3
Disability Retirees	2	2
Terminated Vested	<u>2</u>	<u>1</u>
 Total	 26	 27
 Total Annual Payroll	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A
 Annual Rate of Payments to:		
Service Retirees	651,836	675,979
Beneficiaries	92,905	91,356
Disability Retirees	59,528	59,412
Terminated Vested	27,191	7,863
 B. Assets		
Actuarial Value (AVA)	7,302,500	7,076,693
Market Value (MVA)	7,460,871	7,084,977
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	693,815	799,863
Disability Benefits	46,732	75,046
Death Benefits	3,850	6,204
Vested Benefits	11,322	20,817
Refund of Contributions	0	0
Service Retirees	9,462,189	9,730,574
Beneficiaries	836,153	849,831
Disability Retirees	678,134	683,080
Terminated Vested	<u>259,400</u>	<u>66,430</u>
 Total	 11,991,595	 12,235,446

POLICE OFFICERS

C. Liabilities - (Continued)	<u>10/1/2018</u>	<u>10/1/2017</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)	13,989	15,942
Normal Cost (Death)	704	904
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	14,693	16,846
Present Value of Future Normal Costs	28,252	47,900
Accrued Liability (Retirement)	693,815	799,863
Accrued Liability (Disability)	20,143	30,069
Accrued Liability (Death)	2,187	3,281
Accrued Liability (Vesting)	11,322	20,817
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	<u>11,235,876</u>	<u>11,329,915</u>
Total Actuarial Accrued Liability (EAN AL)	11,963,343	12,187,546
Unfunded Actuarial Accrued Liability (UAAL)	4,660,843	5,110,853
Funded Ratio (AVA / EAN AL)	61.0%	58.1%

POLICE OFFICERS

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2018</u>	<u>10/1/2017</u>
Vested Accrued Benefits		
Inactives	11,235,876	11,329,915
Actives	495,710	517,143
Member Contributions	<u>258,024</u>	<u>379,050</u>
Total	11,989,610	12,226,108
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	11,989,610	12,226,108
Funded Ratio (MVA / PVAB)	62.2%	57.9%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	(242,937)	
Benefits Paid	(820,665)	
Interest	827,104	
Other	<u>0</u>	
Total	(236,498)	

POLICE OFFICERS

Valuation Date	10/1/2018	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2020</u>	<u>9/30/2019</u>
E. Pension Cost		
Normal Cost ¹	\$16,236	\$18,615
Administrative Expenses ¹	24,396	30,553
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 24 years (as of 10/1/2018) ¹	593,368	605,558
Minimum Required Contribution	634,000	654,726
F. Past Contributions		
Plan Years Ending:	<u>9/30/2018</u>	
Town Requirement	664,376	
Actual Contributions Made: Town	664,376	
G. Net Actuarial (Gain)/Loss	(166,495)	

¹ Funding rates include 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>
2018	4,660,843
2019	4,412,528
2020	4,216,109
2025	2,879,907
2030	1,163,548
2035	63,291
2042	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2018	N/A	N/A
Year Ended 9/30/2017	N/A	N/A
Year Ended 9/30/2016	N/A	N/A
Year Ended 9/30/2015	N/A	N/A
Year Ended 9/30/2014	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 9/30/2018	8.04%	5.78%	7.00%
Year Ended 9/30/2017	11.15%	6.25%	7.00%
Year Ended 9/30/2016	8.25%	6.73%	7.00%
Year Ended 9/30/2015	-3.67%	8.46%	7.50%
Year Ended 9/30/2014	9.94%	10.12%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2018	N/A
	10/1/2008	N/A
(b) Total Increase		N/A
(c) Number of Years		0.00
(d) Average Annual Rate		N/A

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
FIREFIGHTERS

	<u>10/1/2018</u>	<u>10/1/2017</u>
A. Participant Data		
Actives	7	7
Service Retirees	31	32
Beneficiaries	0	0
Disability Retirees	3	3
Terminated Vested	<u>4</u>	<u>4</u>
 Total	 45	 46
 Total Annual Payroll	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A
 Annual Rate of Payments to:		
Service Retirees	1,900,155	1,882,817
Beneficiaries	0	0
Disability Retirees	67,055	67,055
Terminated Vested	43,809	43,809
 B. Assets		
Actuarial Value (AVA)	18,079,121	17,196,756
Market Value (MVA)	18,485,235	17,251,626
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	3,179,725	2,875,734
Disability Benefits	92,997	112,444
Death Benefits	12,097	14,734
Vested Benefits	105,322	137,354
Refund of Contributions	0	0
Service Retirees	27,957,474	27,705,564
Beneficiaries	0	0
Disability Retirees	561,370	573,979
Terminated Vested	<u>243,527</u>	<u>227,601</u>
 Total	 32,152,512	 31,647,410

FIREFIGHTERS

C. Liabilities - (Continued)	<u>10/1/2018</u>	<u>10/1/2017</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)	10,411	10,435
Normal Cost (Death)	944	947
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	11,355	11,382
Present Value of Future Normal Costs	33,831	41,877
Accrued Liability (Retirement)	3,179,725	2,875,734
Accrued Liability (Disability)	61,851	73,954
Accrued Liability (Death)	9,412	11,347
Accrued Liability (Vesting)	105,322	137,354
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives)	<u>28,762,371</u>	<u>28,507,144</u>
Total Actuarial Accrued Liability (EAN AL)	32,118,681	31,605,533
Unfunded Actuarial Accrued Liability (UAAL)	14,039,560	14,408,777
Funded Ratio (AVA / EAN AL)	56.3%	54.4%

FIREFIGHTERS

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2018</u>	<u>10/1/2017</u>
Vested Accrued Benefits		
Inactives	28,762,371	28,507,144
Actives	2,825,241	2,572,763
Member Contributions	<u>557,306</u>	<u>557,306</u>
Total	32,144,918	31,637,213
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	32,144,918	31,637,213
Funded Ratio (MVA / PVAB)	57.5%	54.5%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	311,286	
Benefits Paid	(1,949,938)	
Interest	2,146,357	
Other	<u>0</u>	
Total	507,705	

FIREFIGHTERS

Valuation Date	10/1/2018	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2020</u>	<u>9/30/2019</u>
 E. Pension Cost		
Normal Cost ¹	\$12,547	\$12,577
Administrative Expenses ¹	59,411	72,963
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 24 years (as of 10/1/2018) ¹	2,072,252	1,894,908
Minimum Required Contribution	2,144,210	1,980,448
 F. Past Contributions		
Plan Years Ending:	<u>9/30/2018</u>	
Town Requirement	1,876,726	
Actual Contributions Made:		
Town	1,876,726	
G. Net Actuarial (Gain)/Loss	485,646	

¹ Funding rates include 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>
2018	14,039,560
2019	13,015,714
2020	12,107,150
2025	6,890,763
2030	2,033,634
2042	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2018	N/A	N/A
Year Ended	9/30/2017	N/A	N/A
Year Ended	9/30/2016	N/A	N/A
Year Ended	9/30/2015	N/A	N/A
Year Ended	9/30/2014	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	9/30/2018	8.04%	5.89%	7.00%
Year Ended	9/30/2017	11.15%	6.27%	7.00%
Year Ended	9/30/2016	8.25%	6.14%	7.00%
Year Ended	9/30/2015	-3.28%	7.12%	7.50%
Year Ended	9/30/2014	9.60%	7.85%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2018	N/A	
	10/1/2008	N/A	
(b) Total Increase		N/A	
(c) Number of Years		10.00	
(d) Average Annual Rate		N/A	

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS
GENERAL EMPLOYEES

	<u>10/1/2018</u>	<u>10/1/2017</u>
A. Participant Data		
Actives	18	19
Service Retirees	43	43
DROP Retirees	0	3
Beneficiaries	1	0
Disability Retirees	0	0
Terminated Vested	<u>11</u>	<u>11</u>
 Total	 73	 76
 Total Annual Payroll	 N/A	 N/A
Payroll Under Assumed Ret. Age	N/A	N/A
 Annual Rate of Payments to:		
Service Retirees	998,636	915,155
DROP Retirees	0	90,071
Beneficiaries	3,473	0
Disability Retirees	0	0
Terminated Vested	135,614	135,614
 B. Assets		
Actuarial Value (AVA) ¹	10,763,714	10,831,104
Market Value (MVA) ¹	11,022,549	10,909,386
 C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	2,774,279	3,067,126
Disability Benefits	0	0
Death Benefits	32,273	36,352
Vested Benefits	62,859	71,659
Refund of Contributions	0	0
Service Retirees	10,965,388	9,835,201
DROP Retirees ¹	0	1,559,443
Beneficiaries	28,522	0
Disability Retirees	0	0
Terminated Vested	<u>826,530</u>	<u>789,039</u>
 Total	 14,689,851	 15,358,820

GENERAL EMPLOYEES

C. Liabilities - (Continued)	<u>10/1/2018</u>	<u>10/1/2017</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)	2,231	2,272
Normal Cost (Vesting)	0	0
Normal Cost (Refunds)	<u>0</u>	<u>0</u>
Total Normal Cost	2,231	2,272
Present Value of Future Normal Costs	7,545	9,054
Accrued Liability (Retirement)	2,774,279	3,067,126
Accrued Liability (Disability)	0	0
Accrued Liability (Death)	24,728	27,298
Accrued Liability (Vesting)	62,859	71,659
Accrued Liability (Refunds)	0	0
Accrued Liability (Inactives) ¹	<u>11,820,440</u>	<u>12,183,683</u>
Total Actuarial Accrued Liability (EAN AL)	14,682,306	15,349,766
Unfunded Actuarial Accrued Liability (UAAL)	3,918,592	4,518,662
Funded Ratio (AVA / EAN AL)	73.3%	70.6%

GENERAL EMPLOYEES

D. Actuarial Present Value of		
Accrued Benefits	<u>10/1/2018</u>	<u>10/1/2017</u>
Vested Accrued Benefits		
Inactives ¹	11,820,440	12,183,683
Actives	2,320,934	2,586,890
Member Contributions	<u>548,477</u>	<u>588,247</u>
Total	14,689,851	15,358,820
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>
Total Present Value		
Accrued Benefits (PVAB)	14,689,851	15,358,820
Funded Ratio (MVA / PVAB)	75.0%	71.0%
Increase (Decrease) in Present Value of		
Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
New Accrued Benefits	(236,778)	
Benefits Paid	(1,456,337)	
Interest	1,024,146	
Other	<u>0</u>	
Total	(668,969)	

GENERAL EMPLOYEES

Valuation Date	10/1/2018	10/1/2017
Applicable to Fiscal Year Ending	<u>9/30/2020</u>	<u>9/30/2019</u>
 E. Pension Cost		
Normal Cost ²	\$2,465	\$2,511
Administrative Expenses ²	37,564	47,140
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 24 years (as of 10/1/2018) ²	630,235	708,517
Minimum Required Contribution	670,264	758,168
 F. Past Contributions		
Plan Years Ending:	<u>9/30/2018</u>	
Town Requirement	742,489	
Actual Contributions Made:		
Town	742,489	
G. Net Actuarial (Gain)/Loss	(193,320)	

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2018 and 9/30/2017.

² Funding rates include 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>
2018	3,918,592
2019	3,582,619
2020	3,395,514
2025	1,990,609
2030	418,907
2042	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2018	N/A	N/A
Year Ended 9/30/2017	N/A	N/A
Year Ended 9/30/2016	N/A	N/A
Year Ended 9/30/2015	N/A	N/A
Year Ended 9/30/2014	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 9/30/2018	8.04%	6.51%	7.00%
Year Ended 9/30/2017	11.15%	6.87%	7.00%
Year Ended 9/30/2016	8.25%	6.67%	7.00%
Year Ended 9/30/2015	-1.01%	8.05%	7.00%
Year Ended 9/30/2014	9.53%	7.89%	7.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2018	N/A
	10/1/2008	N/A
(b) Total Increase		N/A
(c) Number of Years		10.00
(d) Average Annual Rate		N/A

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 #17-7778

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

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

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
POLICE OFFICERS

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2017	\$5,110,853
(2)	Sponsor Normal Cost developed as of October 1, 2017	16,846
(3)	Expected administrative expenses for the year ended September 30, 2018	27,650
(4)	Expected interest on (1), (2) and (3)	359,907
(5)	Sponsor contributions to the System during the year ended September 30, 2018	664,376
(6)	Expected interest on (5)	23,542
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2018 (1)+(2)+(3)+(4)-(5)-(6)	4,827,338
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(166,495)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2018	4,660,843

<u>Type of</u> <u>Base</u>	<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>10/1/2018</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
	10/1/1991	3	112,446	40,045
	10/1/1996	8	(64,603)	(10,111)
	10/1/1999	11	(125,397)	(15,629)
method change	10/1/2002	14	990,538	105,853
prior losses	10/1/2002	10	861,500	114,634
actuarial gain	10/1/2003	10	(442,076)	(58,824)
actuarial loss	10/1/2004	10	215,072	28,618
actuarial loss	10/1/2005	10	270,158	35,948
actuarial gain	10/1/2006	10	(17,180)	(2,286)
benefit change	10/1/2006	18	782,696	72,719
actuarial loss	10/1/2007	10	508,958	67,724
assum. change	10/1/2007	19	71,699	6,483
benefit change	10/1/2007	19	359,258	32,485
method change	10/1/2008	10	167,735	22,319
actuarial loss	10/1/2009	1	64,746	64,746
actuarial gain	10/1/2010	2	(58,871)	(30,431)
actuarial gain	10/1/2011	3	(22,276)	(7,933)
actuarial gain	10/1/2012	4	(36,088)	(9,957)
assum. change	10/1/2012	14	407,218	43,517

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2018 <u>Amount</u>	Amortization <u>Amount</u>
benefit change	10/1/2012	24	(303,641)	(24,742)
actuarial gain	10/1/2013	5	(68,330)	(15,575)
actuarial gain	10/1/2014	6	(115,039)	(22,556)
assum. change	10/1/2015	17	473,387	45,315
actuarial gain	10/1/2015	7	(256,450)	(44,472)
benefit change	10/1/2015	17	(10,937)	(1,047)
assum. change	10/1/2016	18	622,617	57,847
actuarial loss	10/1/2016	8	99,837	15,626
actuarial loss	10/1/2017	9	1,080	155
actuarial loss	10/1/2017	9	339,281	48,668
actuarial gain	10/1/2018	10	<u>(166,495)</u>	<u>(22,154)</u>
			4,660,843	536,985

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
FIREFIGHTERS

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2017	\$14,408,777
(2)	Sponsor Normal Cost developed as of October 1, 2017	11,382
(3)	Expected administrative expenses for the year ended September 30, 2018	66,030
(4)	Expected interest on (1), (2) and (3)	1,011,722
(5)	Sponsor contributions to the System during the year ended September 30, 2018	1,876,726
(6)	Expected interest on (5)	67,271
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2018 (1)+(2)+(3)+(4)-(5)-(6)	13,553,914
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	485,646
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2018	14,039,560

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2018 Amount</u>	<u>Amortization Amount</u>
	10/1/1997	9	616,934	88,496
	10/1/1998	10	(172,274)	(22,923)
	10/1/1999	11	(342,294)	(42,661)
	10/1/2001	13	1,148,886	128,472
method change	10/1/2002	14	1,839,423	196,569
prior losses	10/1/2002	10	1,594,823	212,212
actuarial loss	10/1/2003	10	142,724	18,991
actuarial loss	10/1/2004	10	1,036,317	137,896
benefit change	10/1/2005	17	1,257,256	120,350
actuarial loss	10/1/2005	10	544,298	72,426
actuarial loss	10/1/2006	10	(173,941)	(23,145)
actuarial loss	10/1/2007	10	1,425,152	189,635
assum. change	10/1/2007	19	700,481	63,340
benefit change	10/1/2007	19	(149,317)	(13,502)
method change	10/1/2008	10	174,436	23,211
actuarial loss	10/1/2009	1	174,720	174,720
actuarial loss	10/1/2010	2	28,400	14,680
actuarial loss	10/1/2011	3	251,311	89,498
actuarial gain	10/1/2012	4	(223,178)	(61,578)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2018 <u>Amount</u>	Amortization <u>Amount</u>
benefit change	10/1/2012	24	(1,419,894)	(115,700)
actuarial loss	10/1/2013	5	114,105	26,009
actuarial loss	10/1/2014	6	61,890	12,135
assum. change	10/1/2014	16	1,157,380	114,502
actuarial loss	10/1/2015	7	93,962	16,294
assum. change	10/1/2015	17	1,445,801	138,399
benefit change	10/1/2015	19	(322,523)	(29,164)
assum. change	10/1/2016	18	1,770,129	164,461
actuarial loss	10/1/2016	8	410,605	64,265
actuarial loss	10/1/2017	9	368,302	52,831
actuarial loss	10/1/2018	10	<u>485,646</u>	<u>64,622</u>
			14,039,560	1,875,341

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES
GENERAL EMPLOYEES

(1)	Unfunded Actuarial Accrued Liability as of October 1, 2017	\$4,518,662
(2)	Sponsor Normal Cost developed as of October 1, 2017	2,272
(3)	Expected administrative expenses for the year ended September 30, 2018	42,661
(4)	Expected interest on (1), (2) and (3)	317,959
(5)	Sponsor contributions to the System during the year ended September 30, 2018	742,489
(6)	Expected interest on (5)	27,153
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2018 (1)+(2)+(3)+(4)-(5)-(6)	4,111,912
(8)	Change to UAAL due to Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(193,320)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2018	3,918,592

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2018 Amount</u>	<u>Amortization Amount</u>
	10/1/1991	3	96,816	34,478
	10/1/1996	8	(110,901)	(17,357)
	10/1/1997	9	75,606	10,845
	10/1/2001	13	200,624	22,434
method change	10/1/2002	14	1,395,032	149,079
prior losses	10/1/2002	10	1,210,439	161,065
actuarial gain	10/1/2003	10	(368,162)	(48,989)
actuarial loss	10/1/2004	10	248,649	33,086
actuarial loss	10/1/2005	10	139,568	18,571
actuarial gain	10/1/2006	10	(22,603)	(3,008)
benefit change	10/1/2006	18	(178,231)	(16,559)
actuarial loss	10/1/2007	10	235,763	31,371
assum. change	10/1/2007	19	233,796	21,141
benefit change	10/1/2007	19	254,044	22,972
method change	10/1/2008	10	96,258	12,808
actuarial loss	10/1/2009	1	161,106	161,106
actuarial gain	10/1/2010	2	(86,636)	(44,783)
actuarial loss	10/1/2011	3	68,212	24,292
actuarial gain	10/1/2012	4	(354,554)	(97,826)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2018 <u>Amount</u>	Amortization <u>Amount</u>
assum. change	10/1/2012	14	10,882	1,163
benefit change	10/1/2012	24	(660,057)	(53,785)
actuarial loss	10/1/2013	5	163,155	37,189
assum. change	10/1/2013	15	890,770	91,404
actuarial gain	10/1/2014	6	(14,707)	(2,884)
actuarial gain	10/1/2015	7	(43,844)	(7,603)
benefit change	10/1/2015	17	(292,492)	(27,999)
assum. change	10/1/2016	18	546,946	50,816
actuarial loss	10/1/2016	8	152,948	23,938
actuarial loss	10/1/2017	9	63,485	9,107
actuarial gain	10/1/2018	10	<u>(193,320)</u>	<u>(25,724)</u>
			3,918,592	570,348

ACTUARIAL ASSUMPTIONS AND METHODS
POLICE OFFICERS

Mortality Rates

Healthy Inactive Lives:

Female: RP 2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy (previously Annuitant) White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar / 90% Combined Healthy (previously Annuitant) Blue Collar, Scale BB

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption 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, 2018 FRS valuation report for special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates

See Table below (1304A). This assumption is consistent with historical Plan experience.

Disability Rates

See Table below (1205). 75% of Disability Retirements are assumed to service-related. These rates are similar to those utilized by other Florida special risk retirement programs.

Retirement Age

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 for the associated Plan provisions.

<u>Interest Rate</u>	7.0% per year, compounded annually, net of investment-related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.
<u>Salary Increases</u>	None.
<u>Early Retirement</u>	None.
<u>Cost of Living Adjustment</u>	3.0% per year, beginning 5 years after retirement.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$22,078 annually, based on the actual Administrative Expenses incurred during the prior fiscal year (pro-rated for the Police portion of total assets).

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	9.2%	0.14%
30	7.3	0.18
40	3.5	0.30
50	0.8	1.00

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 Rates

Healthy Inactive Lives:

Female: RP 2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy (previously Annuitant) White Collar, Scale BB

Male: RP2000 Generational, 10% Combined Healthy (previously Annuitant) White Collar / 90% Combined Healthy (previously Annuitant) Blue Collar, Scale BB

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption 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, 2018 FRS valuation report for special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates

See Table on the following page (1304). This is based on the results of an experience study for the period 2002 to 2007.

Disability Rates

See Table on the following page (1205). 75% of Disability Retirements are assumed to service-related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Retirement Age

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. We feel this assumption is reasonable based on the plan provisions.

<u>Interest Rate</u>	7.0% per year, compounded annually, net of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.
<u>Salary Increases</u>	None.
<u>Early Retirement</u>	None.
<u>Cost of Living Adjustment</u>	3.0% per year, beginning 5 years after retirement.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$53,766 annually, based on the actual Administrative Expenses incurred during the prior fiscal year (pro-rated for the Firefighter portion of total assets).
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.
<u>Asset Valuation Method</u>	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.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.4%	0.14%
30	10.5	0.18
40	5.7	0.30
50	1.5	1.00

ACTUARIAL ASSUMPTIONS AND METHODS
GENERAL EMPLOYEES

Mortality Rates

Healthy Active Lives:

Female: RP2000 Generational, 100% White Collar, Scale BB

Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years

Male: 100% RP2000 Disabled Male setback four years

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2018 FRS actuarial valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates

Table 1305, see sample rates below.

<u>Age</u>	<u>% Terminating During the Year</u>
20	17.2%
30	15.0
40	8.2
50	1.7

Retirement Age

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. We believe this assumption is reasonable based on the plan provisions.

<u>Early Retirement</u>	5% per year, for each your of eligibility, beginning at Age 50 with 15 years of Credited Service. We believe this assumption is reasonable based on the plan provisions.
<u>Interest Rate</u>	7.0% per year, compounded annually, net of investment related expenses.
<u>Salary Increases</u>	None.
<u>Payroll Growth</u>	None.
<u>Administrative Expenses</u>	\$33,995 annually, based on the actual Administrative Expenses incurred during the prior fiscal year (pro-rated for the General Employees' portion of total assets).
<u>Funding Method</u>	Entry Age Normal Actuarial Cost Method. An interest load equal to 1.5 years has been applied for determination of the Total Required Contribution.
<u>Asset Valuation Method</u>	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

GLOSSARY

Total Annual Payroll not applicable.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized over the anticipated number of years of participation, determined as of the entry age.

Individual Entry Age Normal Actuarial Cost Method (Level Dollar) is the method used to determine required contributions under the Plan. The use of this method involves the systematic funding of the Normal Cost (described above) and the Unfunded Accrued (Past Service) Liability. The actuarial accrued liability for active participants is the difference between the present value of future benefits and the present value of future Normal Costs. The actuarial accrued liability for inactive participants is the present value of future benefits.

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.

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.

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>
1998	84,957.68	_____%
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, 2018

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	67,021.90	67,021.90
Prepaid Expenses	120.60	120.60
Money Market	211,085.41	211,085.41
Cash	23,550.00	23,550.00
Total Cash and Equivalents	301,777.91	301,777.91
Receivables:		
From Broker for Investments Sold	10,044.90	10,044.90
Investment Income	41,490.50	41,490.50
Total Receivable	51,535.40	51,535.40
Investments:		
U. S. Bonds and Bills	560,931.91	540,459.26
Federal Agency Guaranteed Securities	409,200.12	404,380.30
Corporate Bonds	821,987.38	785,423.66
Stocks	2,044,007.51	2,448,889.23
Mutual Funds:		
Equity	1,365,828.77	2,284,387.43
Pooled/Common/Commingled Funds:		
Real Estate	644,800.00	659,125.99
Total Investments	5,846,755.69	7,122,665.87
Total Assets	6,200,069.00	7,475,979.18
<u>LIABILITIES</u>		
Payables:		
Administrative Expenses	1,172.35	1,172.35
To Broker for Investments Purchased	5,689.10	5,689.10
Prepaid Town Contribution	8,247.00	8,247.00
Total Liabilities	15,108.45	15,108.45
NET POSITION RESTRICTED FOR PENSIONS	6,184,960.55	7,460,870.73

POLICE OFFICERS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Town 664,376.00

Total Contributions 664,376.00

Investment Income:

Net Realized Gain (Loss) 168,549.17

Unrealized Gain (Loss) 233,103.48

Net Increase in Fair Value of Investments 401,652.65

Interest & Dividends 185,557.47

Less Investment Expense¹ (32,950.19)

Net Investment Income 554,259.93

Total Additions 1,218,635.93

DEDUCTIONS

Distributions to Members:

Benefit Payments 820,664.88

Lump Sum DROP Distributions 0.00

Total Distributions 820,664.88

Administrative Expense 22,077.51

Total Deductions 842,742.39

Net Increase in Net Position 375,893.54

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 7,084,977.19

End of the Year 7,460,870.73

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

POLICE OFFICERS

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2018

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	
09/30/2015	-3.67%	
09/30/2016	8.25%	
09/30/2017	11.15%	
09/30/2018	8.04%	
Annualized Rate of Return for prior four (4) years:		5.78%
(A) 10/01/2017 Actuarial Assets:		\$7,076,693.26
(I) Net Investment Income:		
1. Interest and Dividends		185,557.47
2. Realized Gains (Losses)		168,549.17
3. Change in Actuarial Value		83,016.31
4. Investment Related Expenses		(32,950.19)
	Total	404,172.76
(B) 10/01/2018 Actuarial Assets:		\$7,302,499.63
Actuarial Asset Rate of Return = 2I/(A+B-I):		5.78%
10/01/2018 Limited Actuarial Assets:		\$7,302,499.63
10/01/2018 Market Value of Assets:		\$7,460,870.73
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$85,309.82)

¹Market Value Basis, net of investment related expenses.

POLICE OFFICERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2018
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	664,376.00	
Total Contributions		664,376.00
Earnings from Investments:		
Interest & Dividends	185,557.47	
Net Realized Gain (Loss)	168,549.17	
Change in Actuarial Value	83,016.31	
Total Earnings and Investment Gains		437,122.95

EXPENDITURES

Distributions to Members:		
Benefit Payments	820,664.88	
Lump Sum DROP Distributions	0.00	
Total Distributions		820,664.88
Expenses:		
Investment related ¹	32,950.19	
Administrative	22,077.51	
Total Expenses		55,027.70
Change in Net Assets for the Year		225,806.37
Net Assets Beginning of the Year		7,076,693.26
Net Assets End of the Year ²		7,302,499.63

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

²Net Assets may be limited for actuarial consideration.

POLICE OFFICERS

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2018

(1) Required Town Contributions	\$664,376.00
(2) Less 2017 Prepaid Contribution	(8,247.00)
(3) Less Actual Town Contributions	<u>(664,376.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2018	(\$8,247.00)

FIREFIGHTERS

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	169,264.09	169,264.09
Prepaid Expenses	293.70	293.70
Money Market	523,607.05	523,607.05
Cash	58,416.87	58,416.87
 Total Cash and Equivalents	 751,581.71	 751,581.71
Receivables:		
From Broker for Investments Sold	24,916.84	24,916.84
Investment Income	102,919.10	102,919.10
 Total Receivable	 127,835.94	 127,835.94
Investments:		
U. S. Bonds and Bills	1,391,417.34	1,340,634.00
Federal Agency Guaranteed Securities	1,015,039.67	1,003,083.91
Corporate Bonds	2,038,977.43	1,948,279.45
Stocks	5,070,254.46	6,074,582.14
Mutual Funds:		
Equity	3,388,000.96	5,666,527.90
Pooled/Common/Commingled Funds:		
Real Estate	1,599,456.00	1,634,992.28
 Total Investments	 14,503,145.86	 17,668,099.68
 Total Assets	 15,382,563.51	 18,547,517.33
 <u>LIABILITIES</u>		
Payables:		
Administrative Expenses	2,855.05	2,855.05
To Broker for Investments Purchased	14,112.07	14,112.07
Prepaid Town Contribution	45,315.00	45,315.00
 Total Liabilities	 62,282.12	 62,282.12
 NET POSITION RESTRICTED FOR PENSIONS	 15,320,281.39	 18,485,235.21

FIREFIGHTERS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Town	1,876,726.00	
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Total Contributions		1,876,726.00
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Investment Income:

Net Realized Gain (Loss)	410,471.71	
Unrealized Gain (Loss)	576,515.98	
Net Increase in Fair Value of Investments	986,987.69	
Interest & Dividends	453,843.42	
Less Investment Expense ¹	(80,244.37)	

Net Investment Income		1,360,586.74
-----------------------	--	--------------

Total Additions		3,237,312.74
-----------------	--	--------------

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,949,938.08	
Lump Sum DROP Distributions	0.00	

Total Distributions		1,949,938.08
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Administrative Expense		53,765.92
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Total Deductions		2,003,704.00
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Net Increase in Net Position		1,233,608.74
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		17,251,626.47
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End of the Year		18,485,235.21
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

FIREFIGHTERS

ACTUARIAL ASSET VALUATION SEPTEMBER 30, 2018

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	
09/30/2015	-3.28%	
09/30/2016	8.25%	
09/30/2017	11.15%	
09/30/2018	8.04%	
Annualized Rate of Return for prior four (4) years:		5.89%
(A) 10/01/2017 Actuarial Assets:		\$17,196,756.49
(I) Net Investment Income:		
1. Interest and Dividends	453,843.42	
2. Realized Gains (Losses)	410,471.71	
3. Change in Actuarial Value	225,271.30	
4. Investment Related Expenses	(80,244.37)	
Total		1,009,342.06
(B) 10/01/2018 Actuarial Assets:		\$18,079,120.55
Actuarial Asset Rate of Return = 2I/(A+B-I):		5.89%
10/01/2018 Limited Actuarial Assets:		\$18,079,120.55
10/01/2018 Market Value of Assets:		\$18,485,235.21
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$190,215.57)

¹Market Value Basis, net of investment related expenses.

FIREFIGHTERS

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2018
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	1,876,726.00	
Total Contributions		1,876,726.00
Earnings from Investments:		
Interest & Dividends	453,843.42	
Net Realized Gain (Loss)	410,471.71	
Change in Actuarial Value	225,271.30	
Total Earnings and Investment Gains		1,089,586.43

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,949,938.08	
Lump Sum DROP Distributions	0.00	
Total Distributions		1,949,938.08
Expenses:		
Investment related ¹	80,244.37	
Administrative	53,765.92	
Total Expenses		134,010.29
Change in Net Assets for the Year		882,364.06
Net Assets Beginning of the Year		17,196,756.49
Net Assets End of the Year ²		18,079,120.55

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

²Net Assets may be limited for actuarial consideration.

FIREFIGHTERS

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2018

(1) Required Town Contributions	\$1,876,726.00
(2) Less 2017 Prepaid Contribution	(45,315.00)
(3) Less Actual Town Contributions	<u>(1,876,726.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2018	(\$45,315.00)

GENERAL EMPLOYEES
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	84,298.46	84,298.46
Prepaid Expenses	185.70	185.70
Money Market	312,877.82	312,877.82
Cash	34,906.60	34,906.60
Total Cash and Equivalents	432,268.58	432,268.58
Receivables:		
From Broker for Investments Sold	14,888.89	14,888.89
Investment Income	61,498.60	61,498.60
Total Receivable	76,387.49	76,387.49
Investments:		
U. S. Bonds and Bills	831,431.92	801,086.69
Federal Agency Guaranteed Securities	606,530.02	599,385.93
Corporate Bonds	1,218,377.02	1,164,181.07
Stocks	3,029,695.90	3,629,825.04
Mutual Funds:		
Equity	2,024,476.81	3,385,995.01
Pooled/Common/Commingled Funds:		
Real Estate	955,744.00	976,978.46
Total Investments	8,666,255.67	10,557,452.20
Total Assets	9,174,911.74	11,066,108.27
<u>LIABILITIES</u>		
Payables:		
Administrative Expenses	1,805.19	1,805.19
To Broker for Investments Purchased	8,432.56	8,432.56
Prepaid Town Contribution	33,322.00	33,322.00
Total Liabilities	43,559.75	43,559.75
NET POSITION RESTRICTED FOR PENSIONS	9,131,351.99	11,022,548.52

GENERAL EMPLOYEES

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Town 742,489.00

Total Contributions 742,489.00

Investment Income:

Net Realized Gain (Loss) 259,532.16

Unrealized Gain (Loss) 368,908.77

Net Increase in Fair Value of Investments 628,440.93

Interest & Dividends 283,301.42

Less Investment Expense¹ (50,736.74)

Net Investment Income 861,005.61

Total Additions 1,603,494.61

DEDUCTIONS

Distributions to Members:

Benefit Payments 932,426.57

Lump Sum DROP Distributions 523,910.24

Total Distributions 1,456,336.81

Administrative Expense 33,995.01

Total Deductions 1,490,331.82

Net Increase in Net Position 113,162.79

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 10,909,385.73

End of the Year 11,022,548.52

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

GENERAL EMPLOYEES

ACTUARIAL ASSET VALUATION
SEPTEMBER 30, 2018

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	
09/30/2015	-1.01%	
09/30/2016	8.25%	
09/30/2017	11.15%	
09/30/2018	8.04%	
Annualized Rate of Return for prior four (4) years:		6.51%
(A) 10/01/2017 Actuarial Assets:		\$10,831,104.00
(I) Net Investment Income:		
1. Interest and Dividends		283,301.42
2. Realized Gains (Losses)		259,532.16
3. Change in Actuarial Value		188,356.29
4. Investment Related Expenses		(50,736.74)
Total		680,453.13
(B) 10/01/2018 Actuarial Assets:		\$10,763,714.31
Actuarial Asset Rate of Return = 2I/(A+B-I):		6.51%
10/01/2018 Limited Actuarial Assets:		\$10,763,714.31
10/01/2018 Market Value of Assets:		\$11,022,548.52
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)		(\$51,216.90)

¹Market Value Basis, net of investment related expenses.

GENERAL EMPLOYEES

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2018
 Actuarial Asset Basis

REVENUES

Contributions:		
Town	742,489.00	
Total Contributions		742,489.00
Earnings from Investments:		
Interest & Dividends	283,301.42	
Net Realized Gain (Loss)	259,532.16	
Change in Actuarial Value	188,356.29	
Total Earnings and Investment Gains		731,189.87

EXPENDITURES

Distributions to Members:		
Benefit Payments	932,426.57	
Lump Sum DROP Distributions	523,910.24	
Total Distributions		1,456,336.81
Expenses:		
Investment related ¹	50,736.74	
Administrative	33,995.01	
Total Expenses		84,731.75
Change in Net Assets for the Year		(67,389.69)
Net Assets Beginning of the Year		10,831,104.00
Net Assets End of the Year ²		10,763,714.31

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

²Net Assets may be limited for actuarial consideration.

GENERAL EMPLOYEES
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2017 to September 30, 2018

Beginning of the Year Balance	419,265.40
Plus Additions	82,565.01
Investment Return Earned	22,079.83
Less Distributions	(523,910.24)
End of the Year Balance	0.00

GENERAL EMPLOYEES

RECONCILIATION OF TOWN'S SHORTFALL/(PREPAID) CONTRIBUTION
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2018

(1) Required Town Contributions	\$742,489.00
(2) Less 2017 Prepaid Contribution	(33,322.00)
(3) Less Actual Town Contributions	<u>(742,489.00)</u>
(4) Equals Town's Shortfall/(Prepaid) Contribution as of September 30, 2018	(\$33,322.00)

VALUATION PARTICIPANT RECONCILIATION
POLICE OFFICERS

1. Active lives

a. Number in prior valuation 10/1/2017	6
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>0</u>
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 <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	15	3	2	1	21
Retired	0	0	0	0	0
Vested Deferred	0	0	0	1	1
Death, With Survivor	0	0	0	0	0
Death, No Survivor	(1)	0	0	0	(1)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
b. Number current valuation	14	3	2	2	21

VALUATION PARTICIPANT RECONCILIATION
FIREFIGHTERS

1. Active lives

a. Number in prior valuation 10/1/2017	7
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>0</u>
f. Continuing participants	7
g. New entrants	<u>0</u>
h. Total active life participants in valuation	7

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

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	32	0	3	4	39
Retired	0	0	0	0	0
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	(1)	0	0	0	(1)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
b. Number current valuation	31	0	3	4	38

VALUATION PARTICIPANT RECONCILIATION
GENERAL EMPLOYEES

1. Active lives

a. Number in prior valuation 10/1/2017	19
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>0</u>
g. Continuing participants	18
h. New entrants	<u>0</u>
i. Total active life participants in valuation	18

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested Deferred	<u>Total</u>
a. Number prior valuation	43	3	0	0	11	57
Retired	4	(3)	0	0	0	1
DROP	0	0	0	0	0	0
Vested Deferred	0	0	0	0	0	0
Death, With Survivor	(1)	0	1	0	0	0
Death, No Survivor	(3)	0	0	0	0	(3)
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	43	0	1	0	11	55

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.
<u>Supplemental Benefit</u>	\$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.
<u>Cost of Living Adjustment</u>	Service Retirees receive a 3% annual increase in benefits commencing on the October 1 following the receipt of 5 years of benefit payments.
<u>Vesting (Termination)</u>	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 ¹</u>
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

Satisfaction of Normal Retirement requirements.

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:

<u>Years of Service</u>	<u>Percentage ¹</u>
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.).

STATEMENT OF
FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Benefits	67,022
Prepaid Expenses	121
Money Market	211,085
Cash	23,550
 Total Cash and Equivalents	 301,778
 Receivables:	
From Broker for Investments Sold	10,045
Investment Income	41,490
 Total Receivable	 51,535
 Investments:	
U. S. Bonds and Bills	540,459
Federal Agency Guaranteed Securities	404,380
Corporate Bonds	785,424
Stocks	2,448,889
Equity	2,284,388
Real Estate	659,126
 Total Investments	 7,122,666
 Total Assets	 7,475,979
 <u>LIABILITIES</u>	
Payables:	
Administrative Expenses	1,172
To Broker for Investments Purchased	5,689
 Total Liabilities	 6,861
 NET POSITION RESTRICTED FOR PENSIONS	 7,469,118

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Town	664,376	
Total Contributions		664,376
Investment Income:		
Net Increase in Fair Value of Investments	401,653	
Interest & Dividends	185,557	
Less Investment Expense ¹	(32,950)	
Net Investment Income		554,260
Total Additions		1,218,636

DEDUCTIONS

Distributions to Members:

Benefit Payments	820,665	
Lump Sum DROP Distributions	0	
Total Distributions		820,665
Administrative Expense		22,077
Total Deductions		842,742
Net Increase in Net Position		375,894

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		7,093,224
End of the Year		7,469,118

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

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2018)

Plan Description

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	6
	27
	27

Benefits Provided

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

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

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.

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:

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

¹Members 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 Amount: 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.

Contributions

Member Contributions: None.

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

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.00%
International Equity	15.00%
Fixed Income	25.00%
Real Estate	10.00%
Master Limited Partnerships	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, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 8.04 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.

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, 2018 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 12,205,770
Plan Fiduciary Net Position	\$ (7,469,118)
Sponsor's Net Pension Liability	<u>\$ 4,736,652</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	61.19%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 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: RP 2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

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 2018 the inflation rate assumption of the investment advisor was 2.10%.

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	6.45%
International Equity	5.90%
Fixed Income	2.15%
Real Estate	2.90%
Master Limited Partnerships	5.10%

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	\$ 6,153,635	\$ 4,736,652	\$ 3,559,696

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	18,025	19,241	14,674
Interest	827,736	814,693	797,181
Changes of benefit terms	-	-	(9,211)
Differences between Expected and Actual Experience	(40,037)	176,585	(337,539)
Changes of assumptions	-	-	653,987
Benefit Payments, including Refunds of Employee Contributions	(820,665)	(825,266)	(940,156)
Net Change in Total Pension Liability	(14,941)	185,253	178,936
Total Pension Liability - Beginning	12,220,711	12,035,458	11,856,522
Total Pension Liability - Ending (a)	<u>\$ 12,205,770</u>	<u>\$ 12,220,711</u>	<u>\$ 12,035,458</u>
Plan Fiduciary Net Position			
Contributions - Employer	664,376	594,116	623,019
Contributions - State	-	-	-
Contributions - Employee	-	-	-
Net Investment Income	554,260	715,583	519,859
Benefit Payments, including Refunds of Employee Contributions	(820,665)	(825,266)	(940,156)
Administrative Expense	(22,077)	(27,650)	(39,247)
Net Change in Plan Fiduciary Net Position	375,894	456,783	163,475
Plan Fiduciary Net Position - Beginning	7,093,224	6,636,441	6,472,966
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,469,118</u>	<u>\$ 7,093,224</u>	<u>\$ 6,636,441</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,736,652</u>	<u>\$ 5,127,487</u>	<u>\$ 5,399,017</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	61.19%	58.04%	55.14%
Covered Payroll ¹	N/A	N/A	\$ 429,341
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A	1257.51%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinance 2016-22, adopted and effective July 5, 2016, provided a lump sum cash out option to active Members and prior Vested participants who were due a deferred monthly benefit.

Changes of Assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	28,625	6,496	6,043
Interest	812,505	823,074	835,385
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(4,365)	-	-
Changes of assumptions	570,366	-	-
Benefit Payments, including Refunds of Employee Contributions	(717,957)	(1,267,283)	(744,769)
Net Change in Total Pension Liability	689,174	(437,713)	96,659
Total Pension Liability - Beginning	11,167,348	11,605,061	11,508,403
Total Pension Liability - Ending (a)	<u>\$ 11,856,522</u>	<u>\$ 11,167,348</u>	<u>\$ 11,605,061</u>
Plan Fiduciary Net Position			
Contributions - Employer	621,921	552,573	824,909
Contributions - State	-	81,017	77,298
Contributions - Employee	-	35,601	100,547
Net Investment Income	(246,652)	662,893	785,731
Benefit Payments, including Refunds of Employee Contributions	(717,957)	(1,267,283)	(744,769)
Administrative Expense	(42,386)	(39,110)	(28,794)
Net Change in Plan Fiduciary Net Position	(385,074)	25,691	1,014,922
Plan Fiduciary Net Position - Beginning	6,858,040	6,832,349	5,817,427
Plan Fiduciary Net Position - Ending (b)	<u>\$ 6,472,966</u>	<u>\$ 6,858,040</u>	<u>\$ 6,832,349</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,383,556</u>	<u>\$ 4,309,308</u>	<u>\$ 4,772,713</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	54.59%	61.41%	58.87%
Covered Payroll ¹	\$ 603,217	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	892.47%	N/A	N/A

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of Assumptions:

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.50% to 7.00%.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 664,376	\$ 664,376	\$ -	N/A	N/A
09/30/2017	\$ 585,869	\$ 594,116	\$ (8,247)	N/A	N/A
09/30/2016	\$ 623,019	\$ 623,019	\$ -	\$ 429,341	N/A
09/30/2015	\$ 621,921	\$ 621,921	\$ -	\$ 603,217	N/A
09/30/2014	\$ 633,590	\$ 633,590	\$ -	N/A	N/A
09/30/2013	\$ 902,207	\$ 902,207	\$ -	N/A	N/A

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2016

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:

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.

Amortization Method: Level Dollar.

Remaining Amortization Period: 26 Years (as of 10/01/2015).

Mortality: *Healthy Lives:*
 Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
Disabled Lives:
 Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
 Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
 The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report for special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates: See Table below (1304A). This assumption is consistent with historical Plan experience.

Disability Rates: See Table below (1205). 75% of Disability Retirements are assumed to service-related. These rates are similar to those utilized by other Florida special risk retirement programs.

Retirement Age: 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 for the associated Plan provisions

Interest Rate: 7.0% per year, compounded annually, net of investment-related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Salary Increases: None.

Early Retirement: None.

Cost of Living Adjustment: 3.0% per year, beginning 5 years after retirement.

Payroll Growth: None.

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 deminis bias that is above or below the Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.2%	0.14%
30	7.3%	0.18%
40	3.5%	0.30%
50	0.8%	1.00%

SCHEDULE OF INVESTMENT RETURNS

Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2018	8.04%
09/30/2017	11.15%
09/30/2016	8.25%
09/30/2015	-3.67%
09/30/2014	9.94%
09/30/2013	13.20%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2019)

General Information about the Pension Plan

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	20
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	1
Active Plan Members	6
	27
	27

Benefits Provided

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

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

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.

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:

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

¹Members 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 Amount: 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.

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, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2018 through September 30, 2019.

The Sponsor's Net Pension Liability was measured as of September 30, 2018.

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, 2017 updated to September 30, 2018 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: RP 2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

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 2018 the inflation rate assumption of the investment advisor was 2.10%.

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.00%	6.45%
International Equity	15.00%	5.90%
Fixed Income	25.00%	2.15%
Real Estate	10.00%	2.90%
Master Limited Partnerships	5.00%	5.10%
Total	100.00%	

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, 2018	\$ 12,220,711	\$ 7,093,224	\$ 5,127,487
Changes for a Year:			
Service Cost	18,025	-	18,025
Interest	827,736	-	827,736
Differences between Expected and Actual Experience	(40,037)	-	(40,037)
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	664,376	(664,376)
Net Investment Income	-	554,260	(554,260)
Benefit Payments, including Refunds of Employee Contributions	(820,665)	(820,665)	-
Administrative Expense	-	(22,077)	22,077
Net Changes	(14,941)	375,894	(390,835)
Reporting Period Ending September 30, 2019	\$ 12,205,770	\$ 7,469,118	\$ 4,736,652

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	\$ 6,153,635	\$ 4,736,652	\$ 3,559,696

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, 2018**

For the year ended September 30, 2018, the Sponsor has recognized a Pension Expense of \$631,104. On September 30, 2018, 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	11,847	-
Employer contributions subsequent to the measurement date	664,376	-
Total	\$ 676,223	\$ -

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, 2018. 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:		
2019	\$	48,428
2020	\$	83,300
2021	\$	(67,863)
2022	\$	(52,018)
2023	\$	-
Thereafter	\$	-

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2019**

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$373,149.

On September 30, 2019, 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	-	87,761
Employer contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 87,761

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, 2019.

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:	
2020	\$ 70,505
2021	\$ (80,658)
2022	\$ (64,813)
2023	\$ (12,795)
2024	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2019	09/30/2018	09/30/2017
Measurement Date	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	18,025	19,241	14,674
Interest	827,736	814,693	797,181
Changes of benefit terms	-	-	(9,211)
Differences between Expected and Actual Experience	(40,037)	176,585	(337,539)
Changes of assumptions	-	-	653,987
Benefit Payments, including Refunds of Employee Contributions	(820,665)	(825,266)	(940,156)
Net Change in Total Pension Liability	(14,941)	185,253	178,936
Total Pension Liability - Beginning	12,220,711	12,035,458	11,856,522
Total Pension Liability - Ending (a)	<u>\$ 12,205,770</u>	<u>\$ 12,220,711</u>	<u>\$ 12,035,458</u>
Plan Fiduciary Net Position			
Contributions - Employer	664,376	594,116	623,019
Contributions - State	-	-	-
Contributions - Employee	-	-	-
Net Investment Income	554,260	715,583	519,859
Benefit Payments, including Refunds of Employee Contributions	(820,665)	(825,266)	(940,156)
Administrative Expense	(22,077)	(27,650)	(39,247)
Net Change in Plan Fiduciary Net Position	375,894	456,783	163,475
Plan Fiduciary Net Position - Beginning	7,093,224	6,636,441	6,472,966
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,469,118</u>	<u>\$ 7,093,224</u>	<u>\$ 6,636,441</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,736,652</u>	<u>\$ 5,127,487</u>	<u>\$ 5,399,017</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	61.19%	58.04%	55.14%
Covered Payroll ¹	N/A	N/A	\$ 429,341
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A	1257.51%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinance 2016-22, adopted and effective July 5, 2016, provided a lump sum cash out option to active Members and prior Vested participants who were due a deferred monthly benefit.

Changes of Assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2016	09/30/2015	09/30/2014
Measurement Date	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	28,625	6,496	6,043
Interest	812,505	823,074	835,385
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	(4,365)	-	-
Changes of assumptions	570,366	-	-
Benefit Payments, including Refunds of Employee Contributions	(717,957)	(1,267,283)	(744,769)
Net Change in Total Pension Liability	689,174	(437,713)	96,659
Total Pension Liability - Beginning	11,167,348	11,605,061	11,508,403
Total Pension Liability - Ending (a)	\$ 11,856,522	\$ 11,167,348	\$ 11,605,061
Plan Fiduciary Net Position			
Contributions - Employer	621,921	552,573	824,909
Contributions - State	-	81,017	77,298
Contributions - Employee	-	35,601	100,547
Net Investment Income	(246,652)	662,893	785,731
Benefit Payments, including Refunds of Employee Contributions	(717,957)	(1,267,283)	(744,769)
Administrative Expense	(42,386)	(39,110)	(28,794)
Net Change in Plan Fiduciary Net Position	(385,074)	25,691	1,014,922
Plan Fiduciary Net Position - Beginning	6,858,040	6,832,349	5,817,427
Plan Fiduciary Net Position - Ending (b)	\$ 6,472,966	\$ 6,858,040	\$ 6,832,349
Net Pension Liability - Ending (a) - (b)	\$ 5,383,556	\$ 4,309,308	\$ 4,772,713
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	54.59%	61.41%	58.87%
Covered Payroll ¹	\$ 603,217	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	892.47%	N/A	N/A

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of Assumptions:

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.50% to 7.00%.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 664,376	\$ 664,376	\$ -	N/A	N/A
09/30/2017	\$ 585,869	\$ 594,116	\$ (8,247)	N/A	N/A
09/30/2016	\$ 623,019	\$ 623,019	\$ -	\$ 429,341	N/A
09/30/2015	\$ 621,921	\$ 621,921	\$ -	\$ 603,217	N/A
09/30/2014	\$ 633,590	\$ 633,590	\$ -	N/A	N/A
09/30/2013	\$ 902,207	\$ 902,207	\$ -	N/A	N/A

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2016

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:

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.

Amortization Method: Level Dollar.

Remaining Amortization Period: 26 Years (as of 10/01/2015).

Mortality: *Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years /40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS actuarial valuation report for special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates: See Table below (1304A). This assumption is consistent with historical Plan experience.

Disability Rates: See Table below (1205). 75% of Disability Retirements are assumed to service-related. These rates are similar to those utilized by other Florida special risk retirement programs.

Retirement Age: 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 for the associated Plan provisions

Interest Rate: 7.0% per year, compounded annually, net of investment-related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Salary Increases: None.

Early Retirement: None.

Cost of Living Adjustment: 3.0% per year, beginning 5 years after retirement.

Payroll Growth: None.

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 deminis bias that is above or below the Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	9.20%	0.14%
30	7.30%	0.18%
40	3.50%	0.30%
50	0.80%	1.00%

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, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 5,399,017	\$ 133,124	\$ 1,047,605	\$ -
Employer Contributions made after 09/30/2017	-	-	664,376	-
Total Pension Liability Factors:				
Service Cost	19,241	-	-	19,241
Interest	814,693	-	-	814,693
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	176,585	-	176,585	-
Current year amortization of experience difference	-	-	(176,585)	176,585
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	(825,266)	-	-	-
Net change	<u>185,253</u>	<u>-</u>	<u>664,376</u>	<u>1,010,519</u>
Plan Fiduciary Net Position:				
Contributions - Employer	594,116	-	(594,116)	-
Projected Net Investment Income	455,493	-	-	(455,493)
Difference between projected and actual earnings on Pension Plan investments	260,090	260,090	-	-
Current year amortization	-	(102,735)	(151,163)	48,428
Benefit Payments, including Refunds of Employee Contributions	(825,266)	-	-	-
Administrative Expenses	(27,650)	-	-	27,650
Net change	<u>456,783</u>	<u>157,355</u>	<u>(745,279)</u>	<u>(379,415)</u>
Ending Balance	<u>\$ 5,127,487</u>	<u>\$ 290,479</u>	<u>\$ 966,702</u>	<u>\$ 631,104</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 5,127,487	\$ 290,479	\$ 966,702	\$ -
Employer Contributions made after 09/30/2018	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	18,025	-	-	18,025
Interest	827,736	-	-	827,736
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(40,037)	40,037	-	-
Current year amortization of experience difference	-	(40,037)	-	(40,037)
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	(820,665)	-	-	-
Net change	<u>(14,941)</u>	<u>-</u>	<u>-</u>	<u>805,724</u>
Plan Fiduciary Net Position:				
Contributions - Employer	664,376	-	(664,376)	-
Projected Net Investment Income	490,283	-	-	(490,283)
Difference between projected and actual earnings on Pension Plan investments	63,977	63,977	-	-
Current year amortization	-	(115,532)	(151,163)	35,631
Benefit Payments, including Refunds of Employee Contributions	(820,665)	-	-	-
Administrative Expenses	(22,077)	-	-	22,077
Net change	<u>375,894</u>	<u>(51,555)</u>	<u>(815,539)</u>	<u>(432,575)</u>
Ending Balance	<u>\$ 4,736,652</u>	<u>\$ 238,924</u>	<u>TBD</u>	<u>\$ 373,149</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2018 but made on or before September 30, 2019 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)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2014	\$ (174,362)	5	\$ (34,872)	\$ (34,872)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 755,814	5	\$ 151,163	\$ 151,163	\$ 151,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (79,225)	5	\$ (15,845)	\$ (15,845)	\$ (15,845)	\$ (15,845)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (260,090)	5	\$ (52,018)	\$ (52,018)	\$ (52,018)	\$ (52,018)	\$ (52,018)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (63,977)	5	\$ -	\$ (12,797)	\$ (12,795)	\$ (12,795)	\$ (12,795)	\$ (12,795)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 48,428	\$ 35,631	\$ 70,505	\$ (80,658)	\$ (64,813)	\$ (12,795)	\$ -	\$ -	\$ -	\$ -	\$ -

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 Ending	Differences Between		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Expected and Actual Experience	Recognition Period (Years)											
2017	\$	176,585	\$ 176,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$	(40,037)	\$ -	\$ (40,037)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 176,585	\$ (40,037)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Benefits	169,264
Prepaid Expenses	294
Money Market	523,607
Cash	58,417
Total Cash and Equivalents	751,582
Receivables:	
From Broker for Investments Sold	24,917
Investment Income	102,919
Total Receivable	127,836
Investments:	
U. S. Bonds and Bills	1,340,634
Federal Agency Guaranteed Securities	1,003,084
Corporate Bonds	1,948,279
Stocks	6,074,582
Mutual Funds:	
Equity	5,666,528
Pooled/Common/Commingled Funds:	
Real Estate	1,634,992
Total Investments	17,668,099
Total Assets	18,547,517
<u>LIABILITIES</u>	
Payables:	
Administrative Expenses	2,855
To Broker for Investments Purchased	14,112
Total Liabilities	16,967
NET POSITION RESTRICTED FOR PENSIONS	18,530,550

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Town	1,876,726	
Total Contributions		1,876,726
Investment Income:		
Net Increase in Fair Value of Investments	986,988	
Interest & Dividends	453,843	
Less Investment Expense ¹	(80,244)	
Net Investment Income		1,360,587
Total Additions		3,237,313

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,949,938	
Lump Sum DROP Distributions	0	
Total Distributions		1,949,938
Administrative Expense		53,766
Total Deductions		2,003,704
Net Increase in Net Position		1,233,609

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		17,296,941
End of the Year		18,530,550

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

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2018)

Plan Description

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	35
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	7
	46

Benefits Provided

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

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

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.

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) or Normal Retirement Date. The applicable Vested Percentage is determined by the following table:

<u>Years of Service</u>	<u>Percentage¹</u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

¹Members 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.

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.

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).

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.00%
International Equity	15.00%
Fixed Income	25.00%
Real Estate	10.00%
<u>Master Limited Partnerships</u>	<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, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 8.04 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, 2018 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 31,811,912
Plan Fiduciary Net Position	\$ (18,530,550)
Sponsor's Net Pension Liability	<u>\$ 13,281,362</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	58.25%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions:

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

Mortality Rate Healthy Inactive Lives:

Female: RP 2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

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 2018 the inflation rate assumption of the investment advisor was 2.10%.

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.03%
International Equity	6.40%
Fixed Income	2.45%
Real Estate	3.30%
Master Limited Partnerships	5.60%

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	\$ 17,215,300	\$ 13,281,362	\$ 10,035,176

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	11,382	12,384	7,140
Interest	2,127,614	2,077,039	2,005,250
Changes of benefit terms	-	-	(349,443)
Differences between Expected and Actual Experience	264,783	566,726	79,615
Changes of assumptions	-	-	1,696,399
Benefit Payments, including Refunds of Employee Contributions	(1,949,938)	(1,915,362)	(3,620,803)
Net Change in Total Pension Liability	453,841	740,787	(181,842)
Total Pension Liability - Beginning	31,358,071	30,617,284	30,799,126
Total Pension Liability - Ending (a)	<u>\$ 31,811,912</u>	<u>\$ 31,358,071</u>	<u>\$ 30,617,284</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,876,726	1,705,515	1,758,137
Contributions - State	-	-	-
Contributions - Employee	-	-	-
Net Investment Income	1,360,587	1,720,301	1,308,231
Benefit Payments, including Refunds of Employee Contributions	(1,949,938)	(1,915,362)	(3,620,803)
Administrative Expense	(53,766)	(66,030)	(35,696)
Net Change in Plan Fiduciary Net Position	1,233,609	1,444,424	(590,131)
Plan Fiduciary Net Position - Beginning	17,296,941	15,852,517	16,442,648
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,530,550</u>	<u>\$ 17,296,941</u>	<u>\$ 15,852,517</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,281,362</u>	<u>\$ 14,061,130</u>	<u>\$ 14,764,767</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.25%	55.16%	51.78%
Covered Payroll ¹	N/A	N/A	\$ 893,374
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A	1652.70%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinance 2016-22, adopted and effective July 5, 2016, provided a lump sum cash out option to active Members and prior Vested participants who were due a deferred monthly benefit.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	16,994	17,183	15,910
Interest	2,089,626	2,082,208	2,046,450
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	82,293	-	-
Changes of assumptions	1,573,612	1,446,265	-
Benefit Payments, including Refunds of Employee Contributions	(1,616,182)	(1,806,573)	(1,426,754)
Net Change in Total Pension Liability	2,146,343	1,739,083	635,606
Total Pension Liability - Beginning	28,652,783	26,913,700	26,278,094
Total Pension Liability - Ending (a)	<u>\$ 30,799,126</u>	<u>\$ 28,652,783</u>	<u>\$ 26,913,700</u>
Plan Fiduciary Net Position			
Contributions - Employer	2,906,549	1,526,725	1,542,566
Contributions - State	-	-	269,818
Contributions - Employee	-	-	259,097
Net Investment Income	(507,354)	1,384,179	1,401,812
Benefit Payments, including Refunds of Employee Contributions	(1,616,182)	(1,806,573)	(1,426,754)
Administrative Expense	(47,913)	(60,183)	(54,125)
Net Change in Plan Fiduciary Net Position	735,100	1,044,148	1,992,415
Plan Fiduciary Net Position - Beginning	15,707,548	14,663,400	12,670,985
Plan Fiduciary Net Position - Ending (b)	<u>\$ 16,442,648</u>	<u>\$ 15,707,548</u>	<u>\$ 14,663,400</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 14,356,478</u>	<u>\$ 12,945,234</u>	<u>\$ 12,250,300</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	53.39%	54.82%	54.48%
Covered Payroll ¹	\$ 1,491,476	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	962.57%	N/A	N/A

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of assumptions:

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.50% to 7.00%.

For measurement date 09/30/2014, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 8.00% to 7.50%.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 1,876,726	\$ 1,876,726	\$ -	N/A	N/A
09/30/2017	\$ 1,660,200	\$ 1,705,515	\$ (45,315)	N/A	N/A
09/30/2016	\$ 1,758,137	\$ 1,758,137	\$ -	\$ 893,374	196.80%
09/30/2015	\$ 1,638,549	\$ 2,906,549	\$ (1,268,000)	\$ 1,491,476	194.88%
09/30/2014	\$ 1,526,725	\$ 1,526,725	\$ -	N/A	N/A
09/30/2013	\$ 1,812,384	\$ 1,812,384	\$ -	N/A	N/A

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2016

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:

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.

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 26 Years (as of 10/01/2016).

Mortality: *Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

Termination Rates: See table on following page (1304). This is based on the results of an experience study for the period 2002 to 2007.

Disability Rates: See Table on the following page (1205). 75% of Disability Retirements are assumed to service-related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Retirement Age: 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. We feel this assumption is reasonable based on the plan provisions.

Interest Rate: 7.0% per year, compounded annually, net of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Salary Increases: None.

Early Retirement: None.

Cost of Living Adjustment: 3.0% per year, beginning 5 years after retirement.

Payroll Growth: None.

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 deminis bias that is above or below the Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.4%	0.14%
30	10.5%	0.18%
40	5.7%	0.30%
50	1.5%	1.00%

SCHEDULE OF INVESTMENT RETURNS

Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2018	8.04%
09/30/2017	11.15%
09/30/2016	8.25%
09/30/2015	-3.28%
09/30/2014	9.60%
09/30/2013	10.62%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2019)

General Information about the Pension Plan

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	35
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	4
Active Plan Members	7
	46
	46

Benefits Provided

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

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

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.

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%

¹Members 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.

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.

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, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2018 through September 30, 2019.

The Sponsor's Net Pension Liability was measured as of September 30, 2018.

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, 2017 updated to September 30, 2018 using the following actuarial assumptions:

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

Mortality Rate Healthy Inactive Lives:

Female: RP 2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP 2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Mortality Rate Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

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 2018 the inflation rate assumption of the investment advisor was 2.10%.

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.00%	7.03%
International Equity	15.00%	6.40%
Fixed Income	25.00%	2.45%
Real Estate	10.00%	3.30%
Master Limited Partnerships	5.00%	5.60%
Total	100.00%	

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, 2018	\$ 31,358,071	\$ 17,296,941	\$ 14,061,130
Changes for a Year:			
Service Cost	11,382	-	11,382
Interest	2,127,614	-	2,127,614
Differences between Expected and Actual Experience	264,783	-	264,783
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,876,726	(1,876,726)
Net Investment Income	-	1,360,587	(1,360,587)
Benefit Payments, including Refunds of Employee Contributions	(1,949,938)	(1,949,938)	-
Administrative Expense	-	(53,766)	53,766
Net Changes	453,841	1,233,609	(779,768)
Reporting Period Ending September 30, 2019	\$ 31,811,912	\$ 18,530,550	\$ 13,281,362

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	\$ 17,215,300	\$ 13,281,362	\$ 10,035,176

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, 2018**

For the year ended September 30, 2018, the Sponsor has recognized a Pension Expense of \$2,642,833.

On September 30, 2018, 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	17,424	-
Employer contributions subsequent to the measurement date	1,876,726	-
Total	\$ 1,894,150	\$ -

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, 2018.

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:	
2019	\$ 132,666
2020	\$ 177,608
2021	\$ (168,794)
2022	\$ (124,056)
2023	\$ -
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2019**

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$1,353,020.

On September 30, 2019, 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	-	238,638
Employer contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 238,638

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, 2019.

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:					
2020			\$	146,759	
2021			\$	(199,643)	
2022			\$	(154,905)	
2023			\$	(30,849)	
2024			\$	-	
Thereafter			\$	-	

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2019	09/30/2018	09/30/2017
Measurement Date	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	11,382	12,384	7,140
Interest	2,127,614	2,077,039	2,005,250
Changes of benefit terms	-	-	(349,443)
Differences between Expected and Actual Experience	264,783	566,726	79,615
Changes of assumptions	-	-	1,696,399
Benefit Payments, including Refunds of Employee Contributions	(1,949,938)	(1,915,362)	(3,620,803)
Net Change in Total Pension Liability	453,841	740,787	(181,842)
Total Pension Liability - Beginning	31,358,071	30,617,284	30,799,126
Total Pension Liability - Ending (a)	<u>\$ 31,811,912</u>	<u>\$ 31,358,071</u>	<u>\$ 30,617,284</u>
Plan Fiduciary Net Position			
Contributions - Employer	1,876,726	1,705,515	1,758,137
Contributions - State	-	-	-
Contributions - Employee	-	-	-
Net Investment Income	1,360,587	1,720,301	1,308,231
Benefit Payments, including Refunds of Employee Contributions	(1,949,938)	(1,915,362)	(3,620,803)
Administrative Expense	(53,766)	(66,030)	(35,696)
Net Change in Plan Fiduciary Net Position	1,233,609	1,444,424	(590,131)
Plan Fiduciary Net Position - Beginning	17,296,941	15,852,517	16,442,648
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,530,550</u>	<u>\$ 17,296,941</u>	<u>\$ 15,852,517</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,281,362</u>	<u>\$ 14,061,130</u>	<u>\$ 14,764,767</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.25%	55.16%	51.78%
Covered Payroll ¹	N/A	N/A	\$ 893,374
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A	1652.70%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinance 2016-22, adopted and effective July 5, 2016, provided a lump sum cash out option to active Members and prior Vested participants who were due a deferred monthly benefit.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2016 09/30/2015	09/30/2015 09/30/2014	09/30/2014 09/30/2013
Total Pension Liability			
Service Cost	16,994	17,183	15,910
Interest	2,089,626	2,082,208	2,046,450
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	82,293	-	-
Changes of assumptions	1,573,612	1,446,265	-
Benefit Payments, including Refunds of Employee Contributions	(1,616,182)	(1,806,573)	(1,426,754)
Net Change in Total Pension Liability	2,146,343	1,739,083	635,606
Total Pension Liability - Beginning	28,652,783	26,913,700	26,278,094
Total Pension Liability - Ending (a)	\$ 30,799,126	\$ 28,652,783	\$ 26,913,700
Plan Fiduciary Net Position			
Contributions - Employer	2,906,549	1,526,725	1,542,566
Contributions - State	-	-	269,818
Contributions - Employee	-	-	259,097
Net Investment Income	(507,354)	1,384,179	1,401,812
Benefit Payments, including Refunds of Employee Contributions	(1,616,182)	(1,806,573)	(1,426,754)
Administrative Expense	(47,913)	(60,183)	(54,125)
Net Change in Plan Fiduciary Net Position	735,100	1,044,148	1,992,415
Plan Fiduciary Net Position - Beginning	15,707,548	14,663,400	12,670,985
Plan Fiduciary Net Position - Ending (b)	\$ 16,442,648	\$ 15,707,548	\$ 14,663,400
Net Pension Liability - Ending (a) - (b)	\$ 14,356,478	\$ 12,945,234	\$ 12,250,300
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	53.39%	54.82%	54.48%
Covered Payroll ¹	\$ 1,491,476	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	962.57%	N/A	N/A

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of assumptions:

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 7.50% to 7.00%.

For measurement date 09/30/2014, amounts reported as changes of assumptions were resulted from lowering the investment rate of return from 8.00% to 7.50%.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 1,876,726	\$ 1,876,726	\$ -	N/A	N/A
09/30/2017	\$ 1,660,200	\$ 1,705,515	\$ (45,315)	N/A	N/A
09/30/2016	\$ 1,758,137	\$ 1,758,137	\$ -	\$ 893,374	196.80%
09/30/2015	\$ 1,638,549	\$ 2,906,549	\$ (1,268,000)	\$ 1,491,476	194.88%
09/30/2014	\$ 1,526,725	\$ 1,526,725	\$ -	N/A	N/A
09/30/2013	\$ 1,812,384	\$ 1,812,384	\$ -	N/A	N/A

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2016

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:

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.

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 26 Years (as of 10/01/2016).

Mortality: *Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

Termination Rates: See table on following page (1304). This is based on the results of an experience study for the period 2002 to 2007.

Disability Rates: See Table on the following page (1205). 75% of Disability Retirements are assumed to service-related. This assumption was developed from those used by other plans containing Florida municipal Firefighters.

Retirement Age: 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. We feel this assumption is reasonable based on the plan provisions.

Interest Rate: 7.0% per year, compounded annually, net of investment-related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

Salary Increases: None.

Early Retirement: None.

Cost of Living Adjustment: 3.0% per year, beginning 5 years after retirement.

Payroll Growth:

None.

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 demeris bias that is above or below the Market Value of Assets.

Termination and Disability Rate Table:

Age	% Terminating During the Year	% Becoming Disabled During the Year
20	12.40%	0.14%
30	10.50%	0.18%
40	5.70%	0.30%
50	1.50%	1.00%

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, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 14,764,767	\$ 268,835	\$ 3,632,729	\$ -
Employer Contributions made after 09/30/2017	-	-	1,876,726	-
Total Pension Liability Factors:				
Service Cost	12,384	-	-	12,384
Interest	2,077,039	-	-	2,077,039
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	566,726	-	566,726	-
Current year amortization of experience difference	-	-	(606,534)	606,534
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(848,200)	848,200
Benefit Payments, including Refunds of Employee Contributions	(1,915,362)	-	-	-
Net change	<u>740,787</u>	<u>-</u>	<u>988,718</u>	<u>3,544,157</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,705,515	-	(1,705,515)	-
Projected Net Investment Income	1,100,020	-	-	(1,100,020)
Difference between projected and actual earnings on Pension Plan investments	620,281	620,281	-	-
Current year amortization	-	(213,736)	(346,402)	132,666
Benefit Payments, including Refunds of Employee Contributions	(1,915,362)	-	-	-
Administrative Expenses	(66,030)	-	-	66,030
Net change	<u>1,444,424</u>	<u>406,545</u>	<u>(2,051,917)</u>	<u>(901,324)</u>
Ending Balance	<u><u>\$ 14,061,130</u></u>	<u><u>\$ 675,380</u></u>	<u><u>\$ 2,569,530</u></u>	<u><u>\$ 2,642,833</u></u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 14,061,130	\$ 675,380	\$ 2,569,530	\$ -
Employer Contributions made after 09/30/2018	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	11,382	-	-	11,382
Interest	2,127,614	-	-	2,127,614
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	264,783	-	264,783	-
Current year amortization of experience difference	-	-	(264,783)	264,783
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	(1,949,938)	-	-	-
Net change	<u>453,841</u>	<u>-</u>	<u>-</u>	<u>2,403,779</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,876,726	-	(1,876,726)	-
Projected Net Investment Income	1,206,342	-	-	(1,206,342)
Difference between projected and actual earnings on Pension Plan investments	154,245	154,245	-	-
Current year amortization	-	(244,585)	(346,402)	101,817
Benefit Payments, including Refunds of Employee Contributions	(1,949,938)	-	-	-
Administrative Expenses	(53,766)	-	-	53,766
Net change	<u>1,233,609</u>	<u>(90,340)</u>	<u>(2,223,128)</u>	<u>(1,050,759)</u>
Ending Balance	<u>\$ 13,281,362</u>	<u>\$ 585,040</u>	<u>TBD</u>	<u>\$ 1,353,020</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2018 but made on or before September 30, 2019 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)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2014	\$ (224,708)	5	\$ (44,942)	\$ (44,942)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 1,732,012	5	\$ 346,402	\$ 346,402	\$ 346,402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (223,688)	5	\$ (44,737)	\$ (44,738)	\$ (44,738)	\$ (44,738)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (620,281)	5	\$ (124,057)	\$ (124,056)	\$ (124,056)	\$ (124,056)	\$ (124,056)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (154,245)	5	\$ -	\$ (30,849)	\$ (30,849)	\$ (30,849)	\$ (30,849)	\$ (30,849)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 132,666	\$ 101,817	\$ 146,759	\$ (199,643)	\$ (154,905)	\$ (30,849)	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Longboat Key Firefighters' 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	Changes of Assumptions	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2016	\$ 1,696,399	2	\$ 848,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 848,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Longboat Key Firefighters' 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 Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2016	\$ 79,615	2	\$ 39,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 566,726	1	\$ 566,726	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 264,783	1	\$ -	\$ 264,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 606,534	\$ 264,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2018

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Benefits	84,298
Prepaid Expenses	186
Money Market	312,878
Cash	34,907
Total Cash and Equivalents	432,269
Receivables:	
From Broker for Investments Sold	14,889
Investment Income	61,499
Total Receivable	76,388
Investments:	
U. S. Bonds and Bills	801,087
Federal Agency Guaranteed Securities	599,386
Corporate Bonds	1,164,181
Stocks	3,629,825
Mutual Funds:	
Equity	3,385,995
Real Estate	976,978
Total Investments	10,557,452
Total Assets	11,066,109
<u>LIABILITIES</u>	
Payables:	
Administrative Expenses	1,805
To Broker for Investments Purchased	8,433
Total Liabilities	10,238
NET POSITION RESTRICTED FOR PENSIONS	11,055,871

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2018
Market Value Basis

ADDITIONS

Contributions:

Town	742,489	
Total Contributions		742,489
Investment Income:		
Net Increase in Fair Value of Investments	628,441	
Interest & Dividends	283,302	
Less Investment Expense ¹	(50,737)	
Net Investment Income		861,006
Total Additions		1,603,495

DEDUCTIONS

Distributions to Members:

Benefit Payments	932,427	
Lump Sum DROP Distributions	523,910	
Refunds of Member Contributions	0	
Total Distributions		1,456,337
Administrative Expense		33,995
Total Deductions		1,490,332
Net Increase in Net Position		113,163

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		10,942,708
End of the Year		11,055,871

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

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2018)

Plan Description

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	46
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	11
Active Plan Members	19
	76

Benefits Provided

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

The Plan provides retirement, termination, and death benefits.

Normal Retirement:

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.

Early Retirement:

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.

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	10%

Members are 100% vested on September 30, 2013.

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, as per Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	45.00%
International Equity	15.00%
Fixed Income	25.00%
Real Estate	10.00%
Master Limited Partnerships	5.00%
<u>Total</u>	<u>100.00%</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, 2018, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 8.04 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, 2018 is \$0.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2018 were as follows:

Total Pension Liability	\$ 14,919,372
Plan Fiduciary Net Position	\$ (11,055,871)
Sponsor's Net Pension Liability	<u>\$ 3,863,501</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	74.10%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 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: RP2000 Generational, 100% White Collar, Scale BB.
 Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Mortality Rate Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.
 Male: 100% RP2000 Disabled Male setback four years.

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 2018 the inflation rate assumption of the investment advisor was 2.10%.

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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.03%
International Equity	6.40%
Fixed Income	2.45%
Real Estate	3.30%
Master Limited Partnerships	5.60%

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	\$ 5,443,021	\$ 3,863,501	\$ 2,535,413

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	2,272	4,174	753
Interest	1,020,110	1,020,584	988,019
Changes of benefit terms	-	-	(327,798)
Differences between Expected and Actual Experience	54,437	240,109	51,519
Changes of assumptions	-	-	508,618
Benefit Payments, including Refunds of Employee Contributions	(1,456,337)	(1,083,136)	(1,091,116)
Net Change in Total Pension Liability	(379,518)	181,731	129,995
Total Pension Liability - Beginning	15,298,890	15,117,159	14,987,164
Total Pension Liability - Ending (a)	<u>\$ 14,919,372</u>	<u>\$ 15,298,890</u>	<u>\$ 15,117,159</u>
Plan Fiduciary Net Position			
Contributions - Employer	742,489	712,431	738,676
Contributions - Employee	-	-	-
Net Investment Income	861,006	1,114,680	797,582
Benefit Payments, including Refunds of Employee Contributions	(1,456,337)	(1,083,136)	(1,091,116)
Administrative Expense	(33,995)	(42,661)	(37,853)
Net Change in Plan Fiduciary Net Position	113,163	701,314	407,289
Plan Fiduciary Net Position - Beginning	10,942,708	10,241,394	9,834,105
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,055,871</u>	<u>\$ 10,942,708</u>	<u>\$ 10,241,394</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,863,501</u>	<u>\$ 4,356,182</u>	<u>\$ 4,875,765</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.10%	71.53%	67.75%
Covered Payroll ¹	N/A	N/A	\$ 1,198,776
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A	406.73%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinance 2016-22, adopted and effective July 5, 2016, provided a lump sum cash out option to active Members and prior Vested participants who were due a deferred monthly benefit.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2015	09/30/2014	09/30/2013
Total Pension Liability			
Service Cost	2,151	2,197	2,053
Interest	1,008,600	999,070	976,287
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	34,090	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(928,199)	(801,953)	(504,068)
Net Change in Total Pension Liability	116,642	199,314	474,272
Total Pension Liability - Beginning	14,870,522	14,671,208	14,196,936
Total Pension Liability - Ending (a)	<u>\$ 14,987,164</u>	<u>\$ 14,870,522</u>	<u>\$ 14,671,208</u>
Plan Fiduciary Net Position			
Contributions - Employer	704,515	597,459	986,240
Contributions - Employee	-	-	153,500
Net Investment Income	(101,832)	896,778	865,756
Benefit Payments, including Refunds of Employee Contributions	(928,199)	(801,953)	(504,068)
Administrative Expense	(44,104)	(49,855)	(23,491)
Net Change in Plan Fiduciary Net Position	(369,620)	642,429	1,477,937
Plan Fiduciary Net Position - Beginning	10,203,725	9,561,296	8,083,359
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,834,105</u>	<u>\$ 10,203,725</u>	<u>\$ 9,561,296</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,153,059</u>	<u>\$ 4,666,797</u>	<u>\$ 5,109,912</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	65.62%	68.62%	65.17%
Covered Payroll ¹	\$ 1,763,906	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	292.14%	N/A	N/A

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 742,489	\$ 742,489	\$ -	N/A	N/A
09/30/2017	\$ 679,109	\$ 712,431	\$ (33,322)	N/A	N/A
09/30/2016	\$ 738,676	\$ 738,676	\$ -	\$ 1,198,776	61.62%
09/30/2015	\$ 704,515	\$ 704,515	\$ -	\$ 1,763,906	39.94%
09/30/2014	\$ 597,459	\$ 597,459	\$ -	N/A	N/A
09/30/2013	\$ 986,240	\$ 986,240	\$ -	N/A	N/A

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2016

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:

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.

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 26 Years (as of 10/01/2016).

Mortality: *Healthy Lives:*

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS valuation report for other than special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates: Table 1305, see sample rates below.

Age	% Terminating During the Year
20	17.2%
30	15.0%
40	8.2%
50	1.7%

Retirement Age: 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. We believe this assumption is reasonable based on the plan provisions.

Early Retirement:	5% per year, for each year of eligibility, beginning at Age 50 with 15 years of Credited Service. We believe this assumption is reasonable based on the plan provisions.
Interest Rate:	7.0% per year, compounded annually, net of investment related expenses.
Salary Increases:	None.
Payroll Growth:	None.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

SCHEDULE OF INVESTMENT RETURNS

Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2018	8.04%
09/30/2017	11.15%
09/30/2016	8.25%
09/30/2015	-1.01%
09/30/2014	9.53%
09/30/2013	10.30%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2019)

General Information about the Pension Plan

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, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	46
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	11
Active Plan Members	19
	76
	76

Benefits Provided

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

The Plan provides retirement, termination, and death benefits.

Normal Retirement:

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.

Early Retirement:

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.

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:

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

Members are 100% vested on September 30, 2013.

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, as per Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2018.

The measurement period for the pension expense was October 1, 2017 to September 30, 2018.

The reporting period is October 1, 2018 through September 30, 2019.

The Sponsor's Net Pension Liability was measured as of September 30, 2018.

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, 2017 updated to September 30, 2018 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: RP2000 Generational, 100% White Collar, Scale BB.

Male: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB

Mortality Rate Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

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 2018 the inflation rate assumption of the investment advisor was 2.10%.

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	45.00%	7.03%
International Equity	15.00%	6.40%
Fixed Income	25.00%	2.45%
Real Estate	10.00%	3.30%
Master Limited Partnerships	5.00%	5.60%
Total	100.00%	

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, 2018	\$ 15,298,890	\$ 10,942,708	\$ 4,356,182
Changes for a Year:			
Service Cost	2,272	-	2,272
Interest	1,020,110	-	1,020,110
Differences between Expected and Actual Experience	54,437	-	54,437
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	742,489	(742,489)
Net Investment Income	-	861,006	(861,006)
Benefit Payments, including Refunds of Employee Contributions	(1,456,337)	(1,456,337)	-
Administrative Expense	-	(33,995)	33,995
Net Changes	(379,518)	113,163	(492,681)
Reporting Period Ending September 30, 2019	\$ 14,919,372	\$ 11,055,871	\$ 3,863,501

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	\$ 5,443,021	\$ 3,863,501	\$ 2,535,413

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, 2018**

For the year ended September 30, 2018, the Sponsor has recognized a Pension Expense of \$783,520.

On September 30, 2018, 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	120,055	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	128,103
Employer Contributions subsequent to the measurement date	742,489	-
Total	\$ 862,544	\$ 128,103

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, 2018. 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:

2019	\$ 127,100
2020	\$ 54,323
2021	\$ (107,021)
2022	\$ (82,450)
2023	\$ -
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2019**

For the year ended September 30, 2019, the Sponsor will recognize a Pension Expense of \$446,641.

On September 30, 2019, 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	27,219	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	232,100
Employer Contributions subsequent to the measurement date	<u>TBD</u>	<u>-</u>
Total	<u><u>TBD</u></u>	<u><u>\$ 232,100</u></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, 2019.

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:					
2020			\$	57,304	
2021			\$	(131,259)	
2022			\$	(106,688)	
2023			\$	(24,238)	
2024			\$	-	
Thereafter			\$	-	

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending	09/30/2019	09/30/2018	09/30/2017
Measurement Date	09/30/2018	09/30/2017	09/30/2016
Total Pension Liability			
Service Cost	2,272	4,174	753
Interest	1,020,110	1,020,584	988,019
Changes of benefit terms	-	-	(327,798)
Differences between Expected and Actual Experience	54,437	240,109	51,519
Changes of assumptions	-	-	508,618
Benefit Payments, including Refunds of Employee Contributions	(1,456,337)	(1,083,136)	(1,091,116)
Net Change in Total Pension Liability	(379,518)	181,731	129,995
Total Pension Liability - Beginning	15,298,890	15,117,159	14,987,164
Total Pension Liability - Ending (a)	<u>\$ 14,919,372</u>	<u>\$ 15,298,890</u>	<u>\$ 15,117,159</u>
Plan Fiduciary Net Position			
Contributions - Employer	742,489	712,431	738,676
Contributions - Employee	-	-	-
Net Investment Income	861,006	1,114,680	797,582
Benefit Payments, including Refunds of Employee Contributions	(1,456,337)	(1,083,136)	(1,091,116)
Administrative Expense	(33,995)	(42,661)	(37,853)
Net Change in Plan Fiduciary Net Position	113,163	701,314	407,289
Plan Fiduciary Net Position - Beginning	10,942,708	10,241,394	9,834,105
Plan Fiduciary Net Position - Ending (b)	<u>\$ 11,055,871</u>	<u>\$ 10,942,708</u>	<u>\$ 10,241,394</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 3,863,501</u>	<u>\$ 4,356,182</u>	<u>\$ 4,875,765</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.10%	71.53%	67.75%
Covered Payroll ¹	N/A	N/A	\$ 1,198,776
Net Pension Liability as a percentage of Covered Payroll	N/A	N/A	406.73%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from Ordinance 2016-22, adopted and effective July 5, 2016, provided a lump sum cash out option to active Members and prior Vested participants who were due a deferred monthly benefit.

Changes of assumptions:

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System.

The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2016 09/30/2015	09/30/2015 09/30/2014	09/30/2014 09/30/2013
Total Pension Liability			
Service Cost	2,151	2,197	2,053
Interest	1,008,600	999,070	976,287
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	34,090	-	-
Changes of assumptions	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(928,199)	(801,953)	(504,068)
Net Change in Total Pension Liability	116,642	199,314	474,272
Total Pension Liability - Beginning	14,870,522	14,671,208	14,196,936
Total Pension Liability - Ending (a)	\$ 14,987,164	\$ 14,870,522	\$ 14,671,208
Plan Fiduciary Net Position			
Contributions - Employer	704,515	597,459	986,240
Contributions - Employee	-	-	153,500
Net Investment Income	(101,832)	896,778	865,756
Benefit Payments, including Refunds of Employee Contributions	(928,199)	(801,953)	(504,068)
Administrative Expense	(44,104)	(49,855)	(23,491)
Net Change in Plan Fiduciary Net Position	(369,620)	642,429	1,477,937
Plan Fiduciary Net Position - Beginning	10,203,725	9,561,296	8,083,359
Plan Fiduciary Net Position - Ending (b)	\$ 9,834,105	\$ 10,203,725	\$ 9,561,296
Net Pension Liability - Ending (a) - (b)	\$ 5,153,059	\$ 4,666,797	\$ 5,109,912
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	65.62%	68.62%	65.17%
Covered Payroll ¹	\$ 1,763,906	N/A	N/A
Net Pension Liability as a percentage of Covered Payroll	292.14%	N/A	N/A

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2018	\$ 742,489	\$ 742,489	\$ -	N/A	N/A
09/30/2017	\$ 679,109	\$ 712,431	\$ (33,322)	N/A	N/A
09/30/2016	\$ 738,676	\$ 738,676	\$ -	\$ 1,198,776	61.62%
09/30/2015	\$ 704,515	\$ 704,515	\$ -	\$ 1,763,906	39.94%
09/30/2014	\$ 597,459	\$ 597,459	\$ -	N/A	N/A
09/30/2013	\$ 986,240	\$ 986,240	\$ -	N/A	N/A

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/2016

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:

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.

Amortization Method: Level Percentage of Pay, Closed.

Remaining Amortization Period: 26 Years (as of 10/01/2016).

Mortality: *Healthy Lives:*
 Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
 Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue
Disabled Lives:
 Female: 100% RP2000 Disabled Female set forward two years.
 Male: 100% RP2000 Disabled Male setback four years.
 The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2015 FRS valuation report for other than special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.

Termination Rates: Table 1305, see sample rates below.

Age	% Terminating During the Year
20	17.2%
30	15.0%
40	8.2%
50	1.7%

Retirement Age: 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. We believe this assumption is reasonable based on the plan provisions.

Early Retirement:	5% per year, for each year of eligibility, beginning at Age 50 with 15 years of Credited Service. We believe this assumption is reasonable based on the plan provisions.
Interest Rate:	7.0% per year, compounded annually, net of investment related expenses.
Salary Increases:	None.
Payroll Growth:	None.
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

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, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,875,765	\$ 192,840	\$ 1,487,895	\$ -
Employer Contributions made after 09/30/2017	-	-	742,489	-
Total Pension Liability Factors:				
Service Cost	4,174	-	-	4,174
Interest	1,020,584	-	-	1,020,584
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	240,109	-	240,109	-
Current year amortization of experience difference	-	-	(157,177)	157,177
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(254,309)	254,309
Benefit Payments, including Refunds of Employee Contributions	(1,083,136)	-	-	-
Net change	<u>181,731</u>	<u>-</u>	<u>571,112</u>	<u>1,436,244</u>
Plan Fiduciary Net Position:				
Contributions - Employer	712,431	-	(712,431)	-
Projected Net Investment Income	702,430	-	-	(702,430)
Difference between projected and actual earnings on Pension Plan investments	412,250	412,250	-	-
Current year amortization	-	(154,299)	(161,344)	7,045
Benefit Payments, including Refunds of Employee Contributions	(1,083,136)	-	-	-
Administrative Expenses	(42,661)	-	-	42,661
Net change	<u>701,314</u>	<u>257,951</u>	<u>(873,775)</u>	<u>(652,724)</u>
Ending Balance	<u>\$ 4,356,182</u>	<u>\$ 450,791</u>	<u>\$ 1,185,232</u>	<u>\$ 783,520</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,356,182	\$ 450,791	\$ 1,185,232	\$ -
Employer Contributions made after 09/30/2018	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	2,272	-	-	2,272
Interest	1,020,110	-	-	1,020,110
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	54,437	-	54,437	-
Current year amortization of experience difference	-	-	(147,273)	147,273
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	(1,456,337)	-	-	-
Net change	(379,518)	-	(92,836)	1,169,655
Plan Fiduciary Net Position:				
Contributions - Employer	742,489	-	(742,489)	-
Projected Net Investment Income	739,815	-	-	(739,815)
Difference between projected and actual earnings on Pension Plan investments	121,191	121,191	-	-
Current year amortization	-	(178,538)	(161,344)	(17,194)
Benefit Payments, including Refunds of Employee Contributions	(1,456,337)	-	-	-
Administrative Expenses	(33,995)	-	-	33,995
Net change	113,163	(57,347)	(903,833)	(723,014)
Ending Balance	\$ 3,863,501	\$ 393,444	TBD	\$ 446,641

* Employer Contributions subsequent to the measurement date made after September 30, 2018 but made on or before September 30, 2019 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)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2014	\$ (236,389)	5	\$ (47,278)	\$ (47,278)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 806,720	5	\$ 161,344	\$ 161,344	\$ 161,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (122,855)	5	\$ (24,571)	\$ (24,571)	\$ (24,571)	\$ (24,571)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (412,250)	5	\$ (82,450)	\$ (82,450)	\$ (82,450)	\$ (82,450)	\$ (82,450)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (121,191)	5	\$ -	\$ (24,239)	\$ (24,238)	\$ (24,238)	\$ (24,238)	\$ (24,238)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 7,045	\$ (17,194)	\$ 30,085	\$ (131,259)	\$ (106,688)	\$ (24,238)	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Longboat Key General Employees' 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	Changes of Assumptions	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2016	\$ 508,618	2	\$ 254,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 254,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Longboat Key General Employees' 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 Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2015	\$ 34,090	3	\$ 11,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 51,519	2	\$ 25,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 240,109	2	\$ 120,054	\$ 120,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 54,437	2	\$ -	\$ 27,218	\$ 27,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 157,177	\$ 147,273	\$ 27,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -