



Town of Longboat Key

RFP 26-004

Actuary Services for the OPEB Program
and the Consolidated Retirement System

Submitted By:

The Howard E. Nyhart Co., Inc.

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Indianapolis, IN 46250

General (317) 845-3500

Toll-Free (800) 428-7106

Website www.nyhart.com

Proposal Contact

Giovanni Gomez, ASA, EA, MAAA

(317) 845-3623

giovanni.gomezperez@nyhart.com

April 28, 2026

Town of Longboat Key
501 Bay Isles Road
Longboat Key, Florida 34228

Re: RFP 26-004 – Actuary Services for the OPEB Program and the Consolidated Retirement System

The Howard E. Nyhart Company, Inc. (“Nyhart”) is pleased to submit this proposal in response to RFP 26-004 – Actuary Services for the OPEB Program and the Consolidated Retirement System for the Town of Longboat Key. Nyhart is a nationally recognized actuarial consulting firm with extensive experience providing actuarial services to public-sector pension and OPEB plans.

Legal Name and Mailing Address

The Howard E. Nyhart Company, Inc.
5750 Castle Creek Parkway, STE 245 Indianapolis, IN 46250

Primary Contact for Discussions or Negotiations

Lawrence Watts, Jr., FSA, EA, FCA, CFA, MAAA
National Practice Leader of Defined Benefit
P (770) 405-0757 | E lawrence.watts@nyhart.com

Service Location: Nyhart is based in Indianapolis with staff nationwide. Since 2020, we've operated fully hybrid/virtual, replacing in-person meetings without sacrificing service quality. We also travel for consultations as needed. Our consultants and support staff are accessible by email, phone, or virtual meetings throughout your engagement.

Nyhart confirms it is properly licensed and qualified to operate in Florida and perform all RFP services. Our credentialed actuaries meet all relevant state requirements, including Section 112.625, Florida Statutes, and hold membership in the Society of Actuaries and/or American Academy of Actuaries. We attest that both Nyhart and our proposed team meet all qualification requirements and are prepared to fully support the Town's project needs and deadlines.

Nyhart has received all addenda and understands that the award depends on compliance with the RFP and the Town's discretion. By submitting this proposal, we accept the Town's right to reject any proposal or waive technicalities. Please contact us with any questions.

Sincerely,



Lawrence Watts, Jr., FSA, EA, FCA, CFA, MAAA*
National Practice Leader of Defined Benefit
P (770) 405-0757 | E lawrence.watts@nyhart.com

*Lawrence Watts is authorized to bind the firm and comments made herein. Please find supporting documentation in the appendix.

Tab 2 – Proposer Experience and Qualifications

Firm Description

Howard E. Nyhart Co. Inc. (Nyhart) is a distinguished actuarial and employee benefits consulting firm based in Indianapolis, Indiana. Founded in 1943 by Howard E. Nyhart, the firm evolved from a modest family enterprise into a national leader within the actuarial and benefits consulting industry. Nyhart serves over 1,100 actuarial clients nationwide and manages client assets exceeding \$20 billion. The firm's alignment with Ascensus at the end of 2019 marks a significant milestone, continuing the steady growth achieved through service excellence and industry expertise.

In December 2019, Nyhart joined FuturePlan by Ascensus, the nation's largest retirement third-party administrator. Ascensus delivers local service with the strength of an industry leader, employing over 5,400 associates—including more than 1,700 supporting Retirement. The “Center of Excellence” model leverages shared and dedicated resources to support clients efficiently and offer cross-functional expertise.

Nyhart’s partnership with Ascensus provides robust financial and operational support, drawing on the scale and stability of its parent company. Ascensus demonstrates industry leadership and strong financial health through its large client base, retirement plan administration, and ongoing innovation. In recognition, *With Intelligence* named Ascensus the 2026 Retirement Leader of the Year and inducted it into their Hall of Fame.

Our team of more than 75 credentialed actuaries and 400 consultants delivers tailored solutions nationwide. We help plan sponsors manage DB and healthcare plan complexities, comply with regulations, manage risk, and achieve sustainability.

Choosing Nyhart gives you a partner with deep actuarial expertise and the backing of Ascensus’s strong infrastructure. You receive personalized service and the reliability of a nationally recognized leader.

Firm Demographics

Structure: Incorporated in 1955 - 100% owned by parent organization, Ascensus

Primary Business: Actuarial Consulting

Customer-Centered Service

Nyhart’s management philosophy is grounded in Ascensus’ *I-Client* service philosophy, which emphasizes acting in the client’s best interest, viewing all work through the client’s perspective, and building mutually successful, long-term partnerships. Our core values—People Matter, Quality First, and Integrity Always—guide team communication and project management.

Dedicated client teams, selected by experience, expertise, and workload, remain personally accessible throughout the engagement. Clients speak directly with their actuarial team—never automated systems—and receive same-day responses to inquiries, proactive issue identification, and clear explanations of complex actuarial results in practical, decision-focused terms.

Nyhart emphasizes continuous communication as a form of client education, ensuring plan sponsors understand not only the results we deliver, but the drivers, implications, and future considerations behind them. Ongoing client feedback, including formal satisfaction surveys, is used to measure effectiveness and drive continuous improvement. Our goal is to function as an extension of our clients’ staff and a trusted advisor supporting informed, confident decision-making.

Qualifications and Experience

Nyhart has provided actuarial services for more than 80 years, including over four decades dedicated to the public sector. We serve plan sponsors nationwide and combine deep industry knowledge with proven tools, including our nyPAS pension administration system, to deliver practical and sustainable solutions. Our credentialed actuaries translate complex concepts into actionable insights for plan administrators with expert analysis, risk transfer strategies, and sustainability advice.

Our Commitment to Public Pension Plans

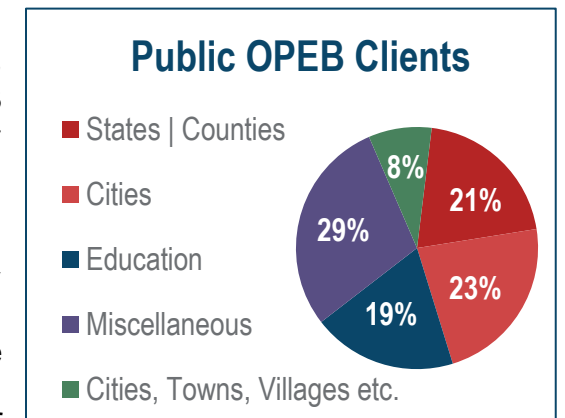
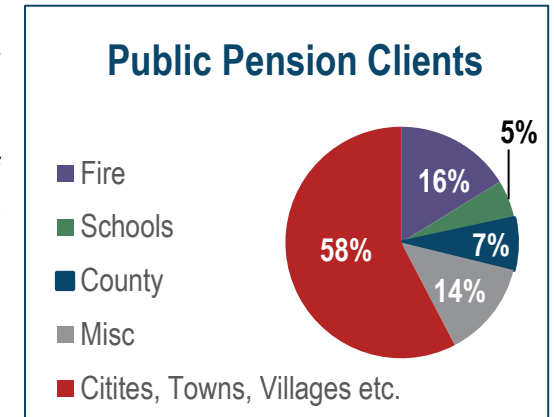
Nyhart supports more than 225 public pension systems nationwide, including plans sponsored by municipalities, counties, fire and police departments, utilities, school districts, and other governmental entities. Our work spans funding and accounting valuations, GASB 67 and 68 reporting, experience and assumption studies, asset-liability modeling, plan design analysis, and ongoing advisory support for governing boards and plan sponsors. This depth of experience allows us to address the unique funding, governance, and regulatory challenges of public pension systems with actuarial advice that is compliant, technically sound, and focused on long-term sustainability.

While many firms have reduced their defined benefit practices, Nyhart continues to expand in the public-pension space. Our ability to support complex plans and provide expanded administration and advisory services for our largest clients has driven sustained growth and high client satisfaction.

Expertise with GASB 74/75

Nyhart has supported OPEB valuations and reporting since GASB first introduced formal guidance for postemployment benefits and has continued to evolve our services as standards have changed. We have completed thousands of OPEB valuations under successive GASB requirements, including GASB 45 and the current GASB 74 and 75 standards. Today, our actuarial team supports more than 750 employers nationwide that provide OPEB benefits, with over 85% representing government entities.

Our dedicated healthcare actuaries produce more than 500 OPEB disclosure reports annually using proprietary tools, templates, and training resources designed to ensure consistent, auditable results. We emphasize clear, non-technical reporting and responsive communication, enabling plan sponsors and auditors to understand results and implications without unnecessary complexity—an approach clients consistently cite as a key strength of our services.



Targeted Florida Experience

Nyhart is the incumbent consultant for the Town’s OPEB plan and brings extensive experience across Florida with public retirement plans similar in size and complexity to the Town of Longboat Key’s programs. For more than forty years, we have advised Florida governmental plans and developed deep familiarity with Chapter 112, Department of Management Services staff, and state legislation affecting public plans. Our Florida pension clients include the City of Miami Fire and Police System, the City of St. Petersburg’s Fire, Police, and General plans, the City of Orlando Fire Plan, the City of Pompano Beach Fire and Police System, and the City of Ocala Fire Plan, among others. Building on our established OPEB relationship, our proposed actuary team offers the continuity, local expertise, and proven capability to assume the Town’s pension work seamlessly while continuing to deliver high-quality OPEB services. **Bolded clients in the engagement tables below are served by members of the Town’s proposed actuarial team**

Pension Engagements

City of Boca Raton	City of Ocala (Firefighters Retirement Plan)	City of St. Petersburg (Fire, Police, & General)
City of Hollywood	City of Orlando (Firefighters Retirement Plan)	City of Sunrise
City of Miami (Fire & Police System-FIPO)	City of Pompano Beach (Firefighters’ & Police)	Town of Jupiter Island

OPEB Engagements

Brevard County	City of Fort Lauderdale	IAFF Local 587 Health Ins. Fund	Pinellas Suncoast Transit Authority
Broward County FL	City of Port St. Lucie	Lake County	Pompano Beach Firefighters VEBA
Children's Services Council of Broward County	City of Sanford	Lake County Sheriff's Office	Sebring Airport Authority
City of Bonita Springs	City of St. Petersburg	Osceola County FL	Town of Longboat Key
City of Fernandina Beach	City of West Palm Beach	Pinellas Suncoast Fire & Rescue	Village of Estero

Certifying Statements RE: Minimum Qualifications

- Nyhart certifies that it is technically qualified under state and federal laws and competent to provide the services required. Nyhart also affirms that all Senior Actuaries assigned to work with the plan shall be enrolled actuaries, as defined by Section 112.625, Florida Statutes, and who are a members of the Society of Actuaries or the American Academy of Actuaries.
- Nyhart has deep familiarity with the laws of the State of Florida governing public employee retirements systems and has served in this space for more than 40 years.
- Nyhart acknowledges the fiduciary requirements set forth in Section 112.656, Florida Statutes, and understands that actuaries providing services to a Florida public retirement system are included as fiduciaries with respect to advice provided to the plan. Consistent with this statute, Nyhart is willing to act as a fiduciary solely within the scope and confines of Section 112.656, discharging its duties in accordance with applicable actuarial standards and Florida law. Nyhart’s fiduciary responsibility would apply only to actuarial advice and services provided under the engagement and would not extend to discretionary authority over plan assets, benefit administration, or investment decisions.
- Proposers must provide proof of at least \$1 million professional liability insurance.

Representative Sampling of Public-Sector Actuarial Wins and Losses

Nyhart’s actuarial practice has experienced net growth, supported by long-standing client relationships, high retention rates, and continued success in competitive procurements.

Clients Gained*

Over the last three years, Nyhart has added numerous public-sector pension and OPEB actuarial clients through competitive procurements and direct engagements. New clients have included municipalities, special districts, and public agencies seeking GASB-compliant actuarial services, often following RFP awards or expansion of existing relationships. These gains reflect Nyhart’s strong reputation for technical accuracy, responsive service, and continuity of consulting teams.

Healthcare Engagements			
Alta Irrigation District, CA	City of Pomona, CA	Muni. Water Dist. of Orange County, CA	Town of Hilton Head, SC
City of Algonac, MI	City of Santa Ana, CA	PACE Bus, IL	Town of Longboat Key, FL
City of Freeport, IL	City of St. Charles, IL	Purdue University, IN	Town of Portsmouth, RI
City of Ft. Lauderdale	City of Sun Prairie, WI	Research Corp. of the Univ. of Hawaii , HI	Valley Stream UFSD, NY
City of Lancaster, CA	County of Merced, CA	San Elijo Joint Powers Authority, CA	Village of Bloomingdale, IL
City of Livonia, MI	East Valley Water Dist., CA	San Jose State University, CA	Western Muni. Water Dist., CA
City of Pasadena, CA	Jackson County, MO	Town of East Greenwich, RI	Town of Hilton Head, SC
Defined Benefit Engagements			
City of Rockford, IL	City of Freeport, IL	City of Livonia, MI	Province of St. Albert the Great, IL
Brazos River Authority, TX	City of Germantown, TN	City of St. Charles, IL	San Elijo Joint Powers Auth., CA
City of Bay City, MI	City of Lake Forest, IL	City of Sunrise, FL	Town of Collierville, TN
City of Boca Raton, FL	City of Lancaster, CA	Highwood FPF, IL	Town of Portsmouth, RI

**This table reflects a representative sample of public-sector actuarial engagements documented in the firm’s current tracking systems over approximately the past three years and is not intended to be an exhaustive listing.*

Clients Lost*

Nyhart enjoys client-retention statistics well above industry standards. Reasons for client loss have included plan termination or benefit freezes eliminating the need for actuarial services; organizational consolidation or restructuring; mandatory consultant rotation policies; or the selection of another firm through a competitive procurement process driven primarily by fee considerations or scope changes. In several instances, Nyhart has later been reengaged by former clients for subsequent actuarial or related consulting services.

Healthcare Engagement	Reason	Healthcare Engagement	Reason
City of Charleston, WV	RFP Process	Foster-Glocester RSD, RI	RFP Process
Shasta County, CA	RFP Process	Lassen County, CA	Unresponsive in 2023
Shelby Township, MI	RFP Process	San Ramon Valley USD, CA	Unresponsive in 2023
Hardee County, FL	RFP Process	County of Campbell & Schools, VA	Moved as part of VA co-op due to budget timing
City of Woodstock, IL	RFP Process	City of Sun Prairie, WI	Auditors waived future GASB 75 valuations after 2024 results
City of Dover, DE	RFP Process	Town of North Providence, RI	UPS failure to deliver bid. Proposal not considered.
Defined Benefit Engagement	Reason	Defined Benefit Engagement	Reason
City of Dover, DE	RFP Process	City of Woodstock, IL	RFP Process
Town of Thomaston, CT	RFP Process	Town of North Providence, RI	UPS failure to deliver bid. Proposal not considered.

**This table reflects a representative sample of public-sector actuarial engagements documented in the firm's current tracking systems over approximately the past three years and is not intended to be an exhaustive listing.*

Data Security Policies, Procedures, and Safeguards

Nyhart maintains comprehensive administrative, technical, and physical safeguards designed to protect client data and information systems from unauthorized access, alteration, fraud, theft, misuse, or damage. These controls are governed by Ascensus and are regularly reviewed and updated in accordance with industry best practices and evolving cybersecurity risks.

Administrative Controls

- Formal written information security and data protection policies enforced firmwide
- Background checks and confidentiality agreements for all employees with system access
- Role-based access controls limiting data access to authorized personnel only
- Ongoing staff training on data privacy, cybersecurity awareness, and phishing prevention

Technical Safeguards

- Encryption of sensitive data both at rest and in transit using industry-standard encryption protocols
- Secure, access-controlled network environments with firewalls, intrusion detection, and malware protection
- Multi-factor authentication for remote and cloud-based system access
- Regular vulnerability scanning, patch management, and system updates
- Secure file transfer methods for all client data exchanges

Physical Security

- Controlled access to office facilities, including locked server rooms and secure workstations
- Policies restricting the use of portable storage devices and requiring encryption when permitted
- Secure disposal of paper and electronic records in accordance with document retention policies

System Backup, Security, and Disaster Recovery

Nyhart maintains enterprise-level backup, security, and disaster recovery controls through Ascensus, designed to protect client data, ensure system availability, and support timely recovery from disruptions.

Client data and system files are backed up on a regular schedule and archived in secure, encrypted, off-site locations that are geographically separate from primary operations. Backup environments are access-restricted and monitored to protect data integrity and confidentiality.

Ascensus maintains documented disaster recovery and business continuity procedures, including periodic testing of data restoration and system recovery processes. Full-scale disaster recovery testing has been performed, with results reviewed to validate system recoverability and identify opportunities for continuous improvement.

Detailed privacy, security, backup, and disaster recovery policies and procedures are provided in Appendix.

Quality Assurance

Internal Quality Control and Management Procedures

Nyhart's internal quality control and project management procedures are described below. Adherence to these protocols produces results that are consistent and comprehensively accurate.

Project Definition: A mutual understanding of the work expectation is critical to execution of a successful project; therefore, the project-definition phase is emphasized in our procedure. Nyhart and the client will clearly define the project, incorporating previous actuarial efforts, expectations for the current project, and key project deadlines.

Data Quality: The census information provided by the Town will be reviewed for accuracy and completeness.

Data problems will be identified and resolved with the client. Examples of data tests include:

- Missing dates of birth and hire or changes to dates previously reported
- Salary increases/decreases outside of a standard range
- Unusual changes in the total number of active or inactive participants

Assumption Setting: Prior actuarial assumptions will be reviewed for appropriateness and reasonableness. Any assumptions outside of this standard will be discussed and recommendations made for new assumptions.

Programming: Plan provisions and actuarial assumptions are coded in our valuation system by the actuarial analyst assigned to the project. The initial programming is reviewed and changed as necessary by the project manager to be consistent with the substantive plan provisions.

Calculations and Report Drafting: All calculations and actuarial reports are initially done by the actuarial analyst and then reviewed by the project manager and technical actuary. All reports are reviewed by at least two credentialed actuaries.

Peer Review: The core team members are in constant communication throughout the valuation and internal audit process to ensure results are reviewed at each stage; data reconciliation, valuation system programming, draft report production, and final report audit.

Senior Staff Engagement for Quality: We prefer to present valuation results personally. This allows our clients to have an open, productive meeting to ensure we have provided the information they need and have answered all questions. When we present valuation results, we consider them to be in draft form until we have gathered feedback from our clients.

Additional Quality-Control Processes

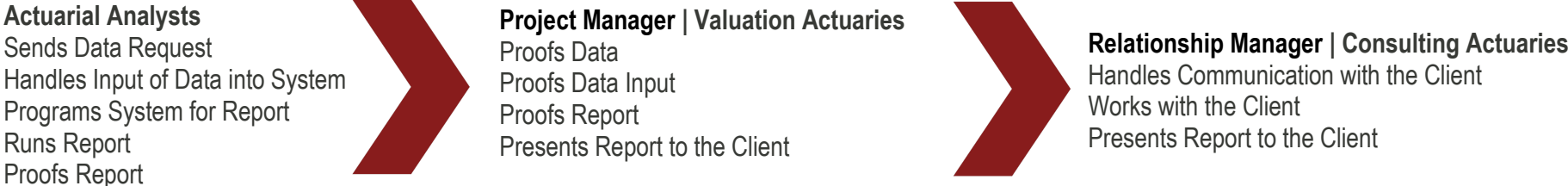
- Reconciliation of census information and health costs
- Detailed actuarial gain-and-loss analysis by source
- Uniformity tests between client-provided data and Nyhart-generated content

Peer Review Procedure

Organization Approach; Org Chart by Responsibility

Your Nyhart team is equipped with a full set of complementary skills to meet and exceed project goals. We ensure quality and accuracy through efficient procedures and rigorous peer review. The Town is assigned an OPEB and Pension Relationship Manager who will act as primary contacts. The Project Managers are responsible for ensuring that services are executed accurately and in a timely manner while the Actuarial Analysts input data and run the first draft reports.

The report is reviewed several times during its compilation. Once drafted, the report will be reviewed by at least two highly credentialed actuaries before it is finalized. Once we have the Town’s comments and requested changes, the report is updated and again reviewed by your team of actuaries.



Compliance with Regulatory Environment

Nyhart affirms it is not presently in violation of any statutes or regulatory rules that might have an impact on our operations.

Fiduciary Acknowledgement

Nyhart acknowledges the fiduciary requirements set forth in Section 112.656, Florida Statutes, and understands that actuaries providing services to a Florida public retirement system are included as fiduciaries with respect to advice provided to the plan. Consistent with this statute, Nyhart is willing to act as a fiduciary solely within the scope and confines of Section 112.656, discharging its duties in accordance with applicable actuarial standards and Florida law. Nyhart’s fiduciary responsibility would apply only to actuarial advice and services provided under the engagement and would not extend to discretionary authority over plan assets, benefit administration, or investment decisions.

References

Client	Contact	Services and Key Personnel
<p>The City of St. Petersburg Fire, Police, & General EE Plans P. O. Box 2842 St. Petersburg, FL 33731</p> <p>2024 Survey: 10/10</p> <p><i>Our team at Nyhart, Lawrence Watts, Kerry Sipe and Allan Reyes have been great partners with the City of St. Petersburg and the three pension boards as well. Sometimes our requests can be challenging (i.e. CBA negotiations, experience studies and numerous impact statements to mention a few) but we can always count on great client service from our team. We look forward to working with Nyhart going forward.</i></p> <p>2025 Survey: 10/10</p> <p><i>Lawrence Watts and his team including fellow actuary Kerry Sipe and Allan Reyes truly partner with us here at the City of St. Petersburg. Whether it is annual actuarial valuation reports, experience studies, benefit recalculations, present value calcs, death audits, FL Division of Retirement information/filing, impact statement requests, special collective bargaining requests, they are great partners in helping us assist the various groups (HR Dept, Finance Dept, all three pension boards (Police, Fire and General) stay educated, informed and overall successful.</i></p>	<p>Stephen A. Carnegie 727- 893-7415 Stephen.Carnegie@stpete.org</p>	<p>Pension and OPEB Actuarial Services Since 2015 Pension: Lawrence Watts, Kerry Sipe OPEB: Cody Kocher</p>
<p>City of Miami Fire Fighters' and Police Officers' Retirement Trust 1895 SW 3rd Avenue Miami, FL 33129</p> <p>2024 Survey: 10/10</p> <p><i>Our team, Danielle Winegardner and Lawrence Watts are amazing. The experience, knowledge and insight they provide for our Plan is invaluable. They are always ready to answer questions and address issues in an expedient fashion. We could not be more pleased with their services.</i></p>	<p>Dania Orta Pension Administrator 305-858-6006 dania@miamifipo.org</p>	<p>Pension Actuarial Services Since 2011 Lawrence Watts</p>
<p>City of Orlando Firefighter Pension Fund 400 South Orange Avenue, 7th FL Orlando, FL 32801</p>	<p>Katrina Laudeman Treasurer 407-246-2685 Katrina.Laudeman@orlando.gov</p>	<p>Pension Actuarial Services Since 2004 Lawrence Watts, Kerry Sipe</p>
<p>Sebring Airport Authority 128 Authority Lane Sebring, FL 33870</p>	<p>Colleen Plonsky Director of Finance 863-314-1302 cplonsky@sebring-airport.com</p>	<p>OPEB Actuarial Services Since 2015 Giovanni Gomez</p>

Client	Contact	Services and Key Personnel
<p>City of Boca Raton General EE's Pension Plan 201 W. Palmetto Park Road, Suite 230 Boca Raton, FL 33432</p> <p>2026 Survey: 10/10</p>	<p>Stephen Timberlake Board Chair 561-367-7084 stimmerlake@myboca.us</p>	<p>Pension Actuarial Services Since 2023 Lawrence Watts, Kerry Sipe</p> <p><i>Our actuarial team has demonstrated a strong understanding of pension plan regulations and funding requirements and communicated complex concepts in a clear and accessible way. Kerry and Lawrence's attention to detail and accuracy, particularly when preparing actuarial valuations and explaining assumptions is fantastic. Turnaround times are reliable, and they were responsive when clarification or additional analysis was needed. More importantly, they are able to translate technical actuarial concepts into practical insights for decision-making which is invaluable. Thank you for all you do Nyhart team!</i></p>
<p>City of Ocala Firefighters Retirement Plan 3001 Northeast 21st Street Ocala, FL 34470</p> <p>2024 Survey: 10/10</p> <p>2025 Survey: 10/10</p> <p>2026 Survey: 10/10</p>	<p>Rob Davis Chairperson 351-401-6915 rdavis@ocalafl.org</p>	<p>Pension Actuarial Services Since 2011 Lawrence Watts, Kerry Sipe</p> <p><i>Questions are answered quick and accurate. Always friendly.</i></p> <p><i>I've had a great experience working with Nyhart. The team has been consistently professional, responsive, and knowledgeable. They make complex processes easy to understand and always provide clear, helpful guidance. I truly appreciate the level of support and customer service provided—thank you!</i></p> <p><i>They have been absolutely wonderful to work with. They consistently respond to all of our requests and questions in a timely manner and are always thorough in their explanations. The materials they provide for meetings are well-prepared, clear, and presented in a very professional manner. Their team is knowledgeable, responsive, and easy to work with, which makes the process smooth and efficient. Overall, we've had a very positive experience and greatly appreciate their reliability, professionalism, and high level of service.</i></p>
<p>City of Pompano Beach Police & Firefighters' Retirement Systems 2335 E. Atlantic Boulevard STE 400 Pompano Beach, FL 33062</p> <p>2024 Survey: 10/10</p> <p>2025 Survey: 10/10</p> <p>2026 Survey: 10/10</p>	<p>Debra Tocarchick Executive Dir. 954-782-4161 debbie@pbpfrs.org</p>	<p>Actuarial Services Since 2012 Lawrence Watts</p> <p><i>We are very pleased with the level of service we receive from Lawrence Watts and Samantha Olson. The work quality is excellent, and they are very responsive to our needs.</i></p> <p><i>We have been steadfastly pleased with the level of service we receive from Lawrence Watts and his team.</i></p>

Tab 3 – Key Personnel

The Town of Longboat Key’s Actuarial Team

Our consulting actuaries do not work in silos. We leverage our collective experience and expertise through internal training and brainstorming sessions for complex client situations. This ensures we bring the best and brightest ideas to our clients for their consideration.

Two highly experienced actuaries, identified as Relationship Manager below, will act as primary contacts and lead the Town’s teams in support of pension and OPEB related projects. They will be supported by a professional staff comprised of actuaries, administration experts, and attorneys. Our partnership with Ascensus affords Nyhart the additional support of a deep bench of credentialed actuaries with significant industry experience.

Single Point of Contact and Team Structure

To ensure clear accountability and streamlined communication, Giovanni Gomez, ASA, EA, MAAA will serve as the Town’s single point of contact for this engagement.

Given the distinct technical requirements of the Consolidated Retirement System (DB) and the OPEB Program, the Project Manager will be supported by two dedicated subject-matter leads:

- Defined Benefit Lead – Kerry Sipe, ASA, EA, responsible for all DB actuarial valuations, GASB 67/68 and Florida Statute 112.664 reporting, Board presentations, and benefit consulting.
- OPEB Lead Giovanni Gomez, ASA, EA, MAAA, responsible for OPEB actuarial valuations, GASB 75 reporting, assumptions, disclosures, and coordination with the Town’s finance staff.

Team Table

Consultant	Project Role	Industry Experience	Location
Pension Team			
Kerry Sipe, ASA, EA	Relationship Manager	15 years	North Carolina
Lawrence Watts, FSA, CFA, EA, MAAA	Technical Resource Actuary	16 years	Georgia
Taylor Fireoved, ASA, EA	Project Manager	15 years	New Jersey
OPEB Team			
Giovanni Gomez, ASA, EA, MAAA	Relationship Manager	21 years	Texas
Cody Kocher, FSA, MAAA	Project Manager	8 years	Indiana

Defined Benefit Team Resumes

Kerry Sipe, ASA, EA

Actuarial Consultant

Email: kerry.sipe@nyhart.com

Phone: (770) 405-0749 |

Remote – North Carolina

Professional Summary

Experienced actuarial consultant with 15 years in the retirement plan industry, specializing in defined benefit plans. Expertise includes large plan funding and accounting valuations, benefit administration, and plan design. Adept at supporting organizations in navigating the complexities of retirement plan management and compliance.

Professional Experience

Nyhart (FuturePlan by Ascensus) | Actuarial Consultant, Defined Benefit Team | 2019 – Present

- Provides actuarial consulting services to clients in the eastern region
- Specializes in defined benefit plan funding, accounting valuations, benefit administration, and plan designs
- Supports organizations with retirement plan management and compliance
- Contributes to technical RFP responses for defined benefit pension actuarial services, including drafting answers to technical questions
- Provides actuarial consulting for large and mid-sized pension plans, including experience studies, DROP benefit analysis, and contribution volatility assessments
- Collaborates with team members on management summaries, valuation and GASB reports, and client deliverables
- Delivers internal training on Form 5500 and PBGC premium processes, and manages workflow for actuarial reporting and compliance
- Serves as a technical resource for both client-facing and internal projects, ensuring timely and accurate completion of actuarial deliverables

Willis Towers Watson | Actuarial Analyst | 2011 – 2019

- Project manager for large private sector pension plans; managed timelines, budgets, and project plans for actuarial valuation work and special projects involving coordination with multiple lines of business and actuarial service center
- Managed direct reports; identified developmental needs and completed performance evaluations

Education

- University of Oregon – Master of Science in Mathematics
- City University of New York – Bachelor of Science in Mathematics

Actuarial Credentials

- Associate of the Society of Actuaries (ASA)
- Enrolled Actuary (EA)

Defined Benefit Team Resumes

Lawrence Watts, FSA, CFA, EA, MAAA, FCA

National Actuarial Consulting Leader

Email: lawrence.watts@nyhart.com

Phone: (770) 405-0757 | (800) 428-7106

Location: Remote – Georgia

Professional Summary

Lawrence Watts is a Consulting Actuary with more than 15 years of experience leading public-sector retirement plan engagements across the Southeast region. He has expertise in pension policy, financial modeling, and retirement system legislation. He is also skilled in communicating complex actuarial concepts clearly to stakeholders.

Professional Experience

Nyhart (FuturePlan by Ascensus) | National Defined Benefit Practice Leader

- Leads defined benefit consulting for public-sector clients nationwide
- Focuses on Northeast and Southeast leadership, with deep engagement in Florida and Georgia public pension plans

Ascensus | Director, Southeast Defined Benefit Operations

- Managed operations and client portfolio in Southeast region

Osborn, Carreiro & Associates | Actuary / Consultant

- Public plan consulting, financial modeling, and administrative support

Education

- Quantic School of Business and Technology – Master of Business Administration
- Princeton University – Bachelor of Arts in Mathematics

Actuarial Certifications

- Fellow of the Society of Actuaries (FSA)
- Chartered Financial Analyst (CFA)
- Enrolled Actuary (EA)
- Member of the American Academy of Actuaries (MAAA)
- Fellow of the Conference of Consulting Actuaries (FCA)

Skills

- Public pensions and financial modeling
- Retirement policy analysis
- Leadership in national practice
- Languages: English (native), German (limited), Russian (elementary)

Defined Benefit Team Resumes

Taylor Fireoved, ASA, EA

Actuary

Email: taylor.fireoved@nyhart.com

Phone: (317) 845-3639 | (800) 428-7106

Location: Remote – New Jersey

Professional Summary

Taylor Fireoved, ASA, EA, is an actuary with 15 years' experience supporting defined benefit pension plans in both public and private sectors. She specializes in actuarial valuations, compliance, benefit calculations, and technical consulting for plan sponsors and boards. As a consulting actuary and senior resource at the IRS, she reviewed plan designs, advised on compliance, and provided training. Taylor offers strong technical and regulatory expertise backed by practical client service.

Nyhart (FuturePlan by Ascensus) | Actuary

- Conducts actuarial valuations for pension and retirement plans
- Prepares client reports and compliance documentation under ERISA regulations
- Provides consulting support to plan sponsors and trustees

Internal Revenue Service | Manager | December 2023 – March 2025

- Led a team of 10–12 staff in Employee Plans, Rulings and Agreements.
- Managed operations to balance inventory, projects, and training.
- Hired, trained, and coached members in technical skills and customer service.
- Reviewed and approved Favorable Determination Letters for all qualified plans.
- Acted as actuarial expert on defined benefit plans, including complex cash balance and variable annuity designs; resolved department-wide issues.

Internal Revenue Service | Pension Actuary | August 2018 – December 2023

- Supported Revenue Agents with calculations for participation, coverage, and nondiscrimination testing in benefit plan combinations
- Advised Revenue Agents on plan compliance and corrections under EPCRS
- Provided internal training to Employee Plans Revenue Agents on defined benefit topics via classroom and webinars
- Worked with Revenue Agents and Counsel to offer actuarial insight for addressing abusive plan designs

Nyhart | Pension Actuary | June 2011 – August 2018

- Prepared and reviewed annual valuations and disclosures for various defined benefit plans
- Supported consulting services such as plan terminations, de-risking, experience studies, and design analysis
- Managed accurate plan administration, including benefit calculations and participant communications
- Acted as main client contact, presenting technical findings in customized formats and board meetings

Education: Purdue University – Bachelor of Science in Actuarial Science and Applied Statistics

Actuarial Credentials: Associate of the Society of Actuaries (ASA)

Healthcare Team Resumes

Giovanni Gomez, ASA, EA, MAAA

Actuarial Consultant

Email: giovanni.gomezperez@nyhart.com

Phone: (317) 845-3623 | (800) 428-7106

Location: Remote – Texas

Professional Summary

Giovanni Gomez is an actuarial professional with over 20 years of experience in retirement and healthcare consulting. He has proven success in project and client management, pension plan design, and post-retirement medical valuations. He is multi-lingual in English, Spanish, and Portuguese. He is currently serving as a Healthcare Actuarial Consultant at Nyhart, delivering strategic actuarial solutions for public and private-sector clients.

Professional Experience

Nyhart (FuturePlan by Ascensus) | Actuarial Consultant | June 2022 – Present

- Leads actuarial valuations for GASB 75 and other post-employment benefit plans
- Provides consulting on healthcare actuarial issues for municipalities and government entities
- Collaborates with clients on plan design, funding strategies, and regulatory compliance
- Actively involved in the actuarial community through conferences and continuing education

Willis Towers Watson | Consulting Actuary | July 2004 – June 2022

- Led annual pension and post-retirement medical plan valuations
- Designed pension plans and conducted forecasting and experience studies
- Managed large-scale projects including plan terminations and bulk lump sum distributions
- Conducted asset/liability modeling and regulatory filings (PBGC 4022, 4044, 4010)
- Spearheaded new business initiatives domestically and internationally

Allianz Financial Analyst | May 2002 – June 2004

- Developed a new risk management area
- Reported financial statements under US GAAP, IAS, and Mexican GAAP
- Evaluated portfolio risk and performance

Asociación Mexicana de Instituciones de Seguros (Intern – Life Insurance Practice) | January 2001 – July 2001

- Assisted in mortality table development and market reporting

Grupo Nacional Provincial | Claims Controller | January 2000 – December 2000

- Managed auto policies

Education: Instituto Tecnológico Autónomo de México (ITAM) – Bachelor of Science in Actuarial Science

Actuarial Credentials: Associate of the Society of Actuaries (ASA) , Enrolled Actuary (EA), Member of the American Academy of Actuaries (MAAA)

Healthcare Team Resumes

Cody Kocher, FSA, MAAA

Actuarial Manager

Email: cody.kocher@nyhart.com

Phone: (317) 845-3603 | (800) 428-7106

Location: Remote – Indiana

Professional Summary

Cody is an experienced Actuarial Manager with eight years in the industry, specializing in retiree healthcare and employee benefit plans for both public and private sector clients. He is a key contributor to project execution, staff development, and client relationship management. He is recognized for delivering high-quality, data-driven insights and strategic solutions to optimize employee benefit programs.

Professional Experience

Nyhart (FuturePlan by Ascensus) | Actuarial Manager | 2017 – Present

- Consults with clients on retiree healthcare and employee benefit plans, including both insured and self-insured plans
- Conducts actuarial valuations and prepares financial reports in compliance with GASB standards (GASB 74/75, ASC 715, ASC 965)
- Leads plan design projects, including changes in retirement eligibility, benefit structures, and funding policies
- Performs per capita cost development, asset liability studies, and experience studies for assumption setting
- Develops and maintains report writing programs to support operational efficiency
- Provides annual and mid-year experience reporting, cost projections, and IBNR reserve calculations
- Delivers Medicare Part D attestation and creditable coverage determination
- Actively involved in the actuarial community through conferences and continuing education

Education

- Ball State University - Bachelor of Science in Actuarial Science

Actuarial Credentials

- Fellow of the Society of Actuaries (FSA)
- Member of the American Academy of Actuaries (MAAA)

Skills

- Actuarial Valuations and Reporting
- Employee Benefit Plan Consulting
- OPEB and Health Plan Analysis
- Data Analysis and Report Automation
- Project Management
- Client Relationship Building

Assigned Clients and Services Provided

Services provided by the Florida team include actuarial valuations, GASB 67/68 and GASB 75 compliance, state-mandated actuarial reporting requirements, benefit calculations, assumption analysis, and consulting support for plan sponsors, Boards of Trustees, finance departments, and governing bodies. The team operates under a structured project management approach to ensure consistent methodology, regulatory compliance, quality control, and timely delivery of all actuarial work products.

Please see the *Targeted Experience* section on page 3 and *References* on page 8 of our proposal for Florida engagements led by your actuarial team.

Role and Responsibilities

The proposed team will provide actuarial services to support the Town's Consolidated Retirement System and OPEB Program, including preparation of actuarial valuations, GASB-compliant reporting, and required statutory and disclosure deliverables. The team will work closely with Town staff, Boards, and finance personnel to ensure accurate analysis, timely completion of reports, and clear communication of results. Responsibilities include data review and validation, benefit calculations, assumption analysis, consulting support on plan design and funding matters, and presentation of actuarial results as requested. The team will operate under a structured project management approach to ensure responsiveness, quality control, and consistency across all work products.

Please see *Organization Approach; Org Chart by Responsibility* on page 7 for project role description and responsibilities.

Workload and Ability to Provide Responsive Services

The team balances workloads across its public-sector clients to deliver timely services. Actuarial tasks are scheduled around statutory reporting deadlines, with internal reviews supporting punctual completion.

Team depth and redundancy allow flexible work allocation during busy periods or unexpected events, ensuring consistent service for the Town throughout the contract, including addressing questions, attending meetings, and providing ad hoc consulting support.

Plan Name	Actuary	10/10 Survey Comments RE: Responsiveness and Communication
Albemarle County, VA	Gomez, Giovanni	<i>The group is great, responsive and was able to expedite our report upon request. Thanks to the team very much. Quin</i>
Urschell Labs, IN	Gomez, Giovanni	<i>Andy Buetow and Giovanni Gomez are excellent to work with. Very responsive and communicate well.</i>
Louisa County, IA	Kocher, Cody	<i>Highly recommend Nyhart as the representatives always are quick to respond and very helpful,</i>
Marshall County, IA	Kocher, Cody	<i>Great communication, and email response the same day.</i>
Macon Water Auth., GA	Sipe, Kerry Watts, Lawrence	<i>I truly enjoy working with Kerry and Lawrence. They are always responsive, professional, and a pleasure to work with. Their support consistently exceeds expectations, and they make every interaction seamless and positive. I'm very grateful for the partnership!</i>

Tab 4 – Approach and Methodology to Services

Statement of Project Understanding

The Town of Longboat Key requires an actuarial review of their pension plans and OPEB trust in accordance with Governmental Accounting Standards Board (GASB) Statements. This report will implement the most recent GASB compliance standards regulating OPEB accounting.

Nyhart has proven technology and procedures in place to assure the Town addresses the necessary GASB requirements. Using data that the Town provides, our responsibility will be to deliver the consulting services and information necessary to meet its reporting obligations in an accurate and timely manner.

Deliverables

The primary work product will be the actuarial reports, which provides the necessary disclosure information for Town of Longboat Key to complete its financial reporting

- Onsite or virtual presentation
- Project-management calls or communication via emails with Town staff to address status
- Year-end summary of key financial information for the Town's use

In general, the Town is free to use our actuarial products as they see fit. Examples of possible uses include; in support of OPEB bond financing efforts, union negotiations, multi-year budgeting and OPEB trust prefunding. Please note, Nyhart should be notified prior to use so we may verify the calculations are appropriate for the intended purpose. In our experience, using GASB reporting results for alternate purposes often requires an adjustment, or assumption revisions, to align with the intended secondary use.

Reports and Meetings

As part of our annual in-person presentation to the Board(s), we will complete funding projections modeling your liabilities and assets to project the future funding needs of your plan that considers various asset return scenarios as well as alternative assumptions and funding policies. These annual funding projections are included in the annual valuation fee. We also prepare a management summary report of the plans to review with the City. This is our opportunity to ensure we are addressing any concerns you have with the plan, long-term viability, and/or need to review plan design.

Chapter 112.664 Florida Statutes Compliance Report

Nyhart will prepare the Chapter 112.664 Florida Statutes Compliance Report and submit all required actuarial data to the Florida Department of Management Services website, as well as fulfill any additional obligations necessary to ensure compliance with Florida law.

Ongoing Consultation and Compliance Support

- Comprehensive technical consulting and feedback on actuarial valuation methodologies, the selection of appropriate assumptions, and expert guidance concerning the operation of the pension system.
- Teleconferencing support for ongoing and anticipated issues, ensuring timely interaction and effective resolution
- Timely and complete responses to questions from the State of Florida regarding the actuarial valuation reports
- Updates to keep the Pension Board and City informed of developments that may impact the plan's future operation

Pension Scope of Services

Our pension team will provide separate reports for GASB 67/68 and the valuations for each plan, both with actuarial certifications. Our GASB 67/68 reports will include:

- Statement of Fiduciary Net Position and Changes to the Fiduciary Net Position
- Schedule of changes in the Net Pension Liability and Related Ratios
- Pension Expenses
- Deferred Outflows/Inflows of Resources Related to Pensions
- Rate of Return
- Discount Rate and Net Pension Liability
- Schedule of Contributions
- Actuarial assumptions and plan provisions
- Any additional requirements needed per GASB Statements 67/68

The pension valuation reports will include:

- Summary of results and changes since prior valuations
- Valuation Summary, including Risks and Plan measures
- Actuarial liabilities: present value of future benefits, entry age accrued liability, and a low default risk measure of accrued liabilities.
- Asset information and reconciliation of gains and losses
- Liability information, including reconciliation of gains and losses
- Demographic information after a thorough review/reconciliation, including participant summary and age/service distribution table(s)
- Actuarial assumptions and plan provisions

OPEB Scope of Services

We will provide an actuarially certified, comprehensive annual report that meets the requirements of GASB 74/75 and serves as the valuation report. This report provides information for disclosure in the notes to the financial statements as required by GASB 74/75:

- Total OPEB Liability, Fiduciary Net Position, Net OPEB Liability, Funded Ratio
- OPEB Expenses
- Deferred Outflows / Inflows of Resources
- Actuarially Determined Contribution (ADC), Schedule of Employer Contributions, and Asset Information/Reconciliation
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Sensitivity Results

Description of:

- Substantive plan provisions
- Actuarial methods and assumptions
- Demographic information: Summary of Plan participation, including age/service distribution table(s)
- Discount rate development and cash flow projections

This report includes information pertaining to the actuarial valuation:

- Analysis of data to address inconsistencies and make recommendations for enhancing data quality
- Determination of the implicit rate subsidy
- A gain/loss analysis to determine reasons for changes in the unfunded liability
- Separately identifying actuarial value of benefit amounts for actives and retirees, including:
 - Present Value of Future Benefits
 - Total OPEB Liability, Fiduciary Net Position and Net OPEB Liability

An interim valuation report, issued every two years, relies on the previous year's full report unless significant changes require a new full valuation. Adjustments are made for the current discount rate and updated premiums or contributions. The report provides GASB 74/75 details and outlines modifications since the last full valuation. Our fee covers the annual report, a conference call, or one in-person meeting, including a management summary for the annual meeting.

Project Approach

Nyhart's approach to conduct each actuarial valuation will include the following steps:

- Translate the data file into a format as necessary to load it into our valuation software.
- Load the data file into our valuation and run systematic queries to identify any missing information or anomalies relative to the prior year's data. As part of this process a reconciliation will be automatically created identifying movements in participants from one status to another.
- Run current year liabilities as well as our gain/loss tool that highlights changes in liabilities due to demographic changes relative to expected liabilities.
- If the gain/loss looks reasonable, use the liability results and asset information provided to calculate the recommended minimum contributions under the Plans' funding policies
- Create both GASB 67/68 and Funding valuation reports for both Plans
- First signing actuary reviews the draft report with a close look at the following:
 - Actuarial Value of Assets Calculation
 - Contribution Calculation
 - Funded Percentage Calculation
 - Contribution Reconciliation
 - Funded Percentage Reconciliation
 - Summarized Demographics relative to the input file
- Second signing actuary reviews the report and finalizes upon approval.

More importantly, we also prepare a Board Management Summary Report for all plans to review with you. This is our opportunity to ensure we are addressing any concerns you have with the plan, long-term viability, and/or need to review plan design.

We consistently monitor the regulatory landscape, and should any reporting requirements change under Connecticut regulations, we will inform you of the changes, how they impact the plan, and modify our reports as needed to ensure compliant reporting.

Theory and Methodology for Actuarial Assumptions

Assumptions that we use are based on the specifics of each plan. When assessing the assumptions for a plan, we look to a number of factors (plan provisions, asset allocation, historical returns, past pay increases, etc.) to help set a reasonable range for each assumption. We then work collaboratively with client to determine the best estimate and recommend reviewing the assumptions every 3-5 years to ensure assumptions remain reasonable.

It is our responsibility to recommend appropriate and reasonable methods and assumptions. We believe the determination of appropriate actuarial assumptions is best achieved through the explicit analysis of historical experience and trends, current employer policies (contracts, staffing forecasts, etc.), and reliable future trends and forecasts. Once each individual assumption is determined, the set of assumptions should be checked for consistency and overall reasonableness.

A basic tenet of public pension policy is that the burden of pension costs borne by current and future generations of taxpayers should be as equal as possible. For contributory plans, this tenet should be extended to the generations of contributing members. Generational inequalities can be avoided by using reasonable and experience-based assumptions and methods. Our approach includes periodic experience studies resulting in recommendations that are each expected to minimize inequalities.

Working with Town Staff

Nyhart relieves as much responsibility from our clients as possible. The Town's responsibility is to provide accurate census data, to be prepared to discuss different actuarial assumptions (with our guidance) and to assist with third-party vendors, as needed.



Collection of Data and Documents

A formal data request (samples in the appendix) will be prepared and discussed with staff to clarify what is needed and in what format. *It is our policy to allow clients to use whatever systems and programs they are comfortable with rather than forcing them to comply with our internal standards.*



Project Management

Key project deadlines are defined by the client and agreed upon early in the engagement. The client is responsible for providing timely data to Nyhart. The data will be screened for errors and issues promptly resolved.



Assumption Setting

The Town will be asked to participate in the assumption-setting process to help create modeling assumptions that are experience-based and appropriate for retiree health care purposes. Our data request will include specific historical information that will help Nyhart develop appropriate assumptions.



Calculations

ProVal: Industry-leading software for pension/OPEB plans
Claros Actuarial Assistant: Used for healthcare relative values
Windsor Strategy Solutions: Actuarial/underwriting software for health plan design
Automated Report Writer: Expedited production of GASB 67/68 and 74/75 reports



Review of Results

Town staff will be able to review and discuss the GASB results following Nyhart's release of the report. After this discussion, questions will be addressed, and any requested amendments or clarifications will be included in the report.



Auditors

Auditors are welcome to ask questions or request documentation necessary for their due diligence efforts.

Timelines

We consistently and reliably meet all deadlines outlined by our clients. Each client has their own unique timing requirements which frequently change year-to-year. Your dedicated service team will be responsible for meeting any needed timing requirements you may have. We are committed to open communication with our clients to determine any timing requirements and strive to exceed those expectations.

The annual pension valuation process can vary from client to client, but we typically expect preliminary valuation results to be complete around 8 weeks after receiving all required data. The valuation timeline is determined by the Town’s specific needs. The following outlines the typical valuation process:

Sample Transition Timeline

We do not charge for transition services. This enhances client trust and ensures accuracy.

Timing*	Task	Important Comments
Week 1	Conference Call	<u>Relationship Kick-Off</u> <ul style="list-style-type: none"> Clarify the client’s specific needs Identify notable changes (amendments assumptions) Define deliverables and timing
Weeks 2-5	Confirm Accuracy	<u>Match Prior Actuarial Results</u> <ul style="list-style-type: none"> Complete full replication of prior year’s valuation <ul style="list-style-type: none"> Reconcile significant differences directly with the prior actuary Identify items which warrant further review with the client
Week 6	Present Results	<u>Produce Audit Results</u> <ul style="list-style-type: none"> Confirm replication match and/or reconciliation efforts Review areas flagged for further discussion during the replication

*Timeline may overlap with valuation timeframe.

Sample Valuation Timeline

Working within our clients’ timelines is a hallmark of our commitment to service. Given that we receive timely and accurate data, we ensure deadlines are met.

Timing	Task	Important Comments
Week 1-3*	Gather Data	<ul style="list-style-type: none"> Define data requirements Collect participant data and asset information Collect and confirm asset manager input on future expected investment returns Complete comprehensive data reconciliation <ul style="list-style-type: none"> Check data for reasonableness Clarify questions

Timing	Task	Important Comments
Weeks 4-5	Actuarial Valuation	<ul style="list-style-type: none"> Complete liability calculations & actuarial value of assets Determine & validate gain loss Trace liability and cost fluctuations Explain causes of increases/decreases in plan costs
Week 6	Develop Reports	<ul style="list-style-type: none"> Prepare Funding Valuation & GASB 67/68 Report(s) Documents calculations, assumptions, and participant data
Week 7	Present Results	<ul style="list-style-type: none"> Nyhart provides results and a clear summary to assist in understanding. We consider these draft results until we have gathered client feedback.
Week 8	Final Report	<ul style="list-style-type: none"> Issue final report(s) with any adjustments identified during the presentation of results. Issue statement/letter to accompany the annual report, stating the status of the Plan(s)

*This can take up to four weeks based on accuracy of initial data collection and the client's responsiveness.

OPEB Valuation

Timing	Task	Responsibility
Week 1-2	Kick-off: Meet to discuss GASB requirements, actuarial assumptions, and confirm expectations and deadline	Nyhart & Client
Week 2-3	Data Request: Collect necessary information, resolve questions about missing data or unexpected changes in key fields	Client & Nyhart
Week 4-5	Valuation Preparation: Prepare draft report, data preparation, programming, testing, and peer review	Nyhart
Week 6-7	Report: Deliver report to Client and response to any client questions	Nyhart & Client
Week 7-8	Communication of Results: Present results/Answer questions	Nyhart & Client
Week 7-8	Feedback: De-brief for potential improvements	Client & Nyhart

Our process from the time we receive the data until we provide the funding report is typically six to eight to weeks for a plan like the Town's.

Assuming we receive the necessary data when requested, you may be assured we will meet or precede your deadline annually. If we do not receive the necessary data in a timely manner, we will still make every attempt to meet your deadline.

We work closely internally and with our client contact to ensure that we stay on track throughout the valuation process to avoid any delays at the end.

Tab 5 – Fee Schedule

Tab 5 – Surveys of Past Performance

Client Satisfaction Surveys

Nyhart conducts an annual client satisfaction survey across its public-sector actuarial client base to assess service quality, responsiveness, communication, and overall client experience. Survey feedback is used internally to monitor performance, identify opportunities for improvement, and ensure consistent service delivery by the assigned actuarial team.

Rather than issuing ad hoc surveys as part of individual procurements, Nyhart relies on this standardized, recurring survey process. Results are reflected in our current client references and directly support the Responsiveness and Communication ratings of the proposed actuarial team. The Town may obtain additional confirmation of client experience and service quality through the references provided in this proposal.

Tab 6 – Forms

Submitted Proposal Form;
Public Entity Crimes Form;
Acknowledgment of Firm;
Drug Free Workplace Certification Form;
Equal Employment Opportunity Form;
Participation in E-Verify Certification
Anti-Human Trafficking Affidavit
Scrutinized Companies Certification
Compliance with Foreign Entity Laws
Current and Signed W9;

TOWN OF LONGBOAT KEY FLORIDA

RFP 26-004 ACTUARY SERVICES FOR THE OPEB PROGRAM AND THE CONSOLIDATED RETIREMENT SYSTEM

SUBMITTED PROPOSAL FORM

The undersigned proposer declares that the only person or parties interested in this RFP as principals are those named herein, that this proposal is made without any understanding, contract, or connection with any other person, firm, or corporation providing a proposal for the same purpose and that this proposal is in all respects fair and without collusion or fraud. The proposer understands that this proposal must be manually signed in ink, otherwise it will be considered unresponsive and subject to rejection.

The undersigned proposer represents that the proposer accepts, and that this proposal complies with, the RFP Documents; that proposer has carefully examined the RFP Documents for the requested services. Proposer affirms that proposer has carefully examined the location of the requested services and, from its own investigations, is satisfied as to the nature and location of the services, the character, quality, and the quantity of materials, the kind and extent of equipment and other facilities needed for the performance of the services, the general and local conditions and all difficulties that may be encountered, and all other items which may, in any way, affect the services or its performance.

The undersigned proposer proposes, and agrees if this proposal is accepted, that it will contract with the Town to provide all necessary machinery, tools, software, labor, apparatus, and other means necessary to do all the services, and furnish all the materials and equipment specified or referred to in the RFP Documents in the manner and time herein prescribed, and according to the requirements of the Town as therein set forth.

Under provisions of Chapter 112, Florida Statutes, proposer must disclose with proposal the name of any officer, director, or agent who is also an employee of the Town of Longboat Key. Proposer must disclose on an attachment (provided by proposer) entitled "Submitted Bid Conflict of Interest" the name of any Town employee who owns, directly or indirectly, a five percent (5%) or more interest in the proposer's firm or any of its branches, or in the firm of any subcontractor to this proposal. Absence of such an attachment represents proposer's certification of no such employee.

Proposer acknowledges receipt of the following addenda issued during the solicitation period; the cost of which, if any, is included in proposal pricing. If an addendum is issued, the addendum acknowledgement below must be completed or the issued addendum must be signed and submitted with the proposal package at the time and due date of the proposal.

Addendum # <u>NA</u>	Addendum Date: _____	Addendum # _____	Addendum Date: _____
Addendum # _____	Addendum Date: _____	Addendum # _____	Addendum Date: _____
Addendum # _____	Addendum Date: _____	Addendum # _____	Addendum Date: _____

The undersigned proposer understands that the Town reserves the right to reject any or all proposals and to waive any informalities and minor irregularities in any proposal. The proposer agrees that this proposal shall be good and may not be withdrawn for a period of one hundred twenty (120) days after the scheduled RFP opening.

Having carefully examined the RFP Documents, proposer agrees to the terms contained therein and proposes to furnish all labor, material, and equipment for the entire services (including mobilization and demobilization, if applicable), and to execute an agreement for services and any and all bonds, insurance certifications, and other instruments or documents as specified or included in the RFP Documents and will completely perform the services in strict accordance with the terms of the RFP Documents.

The undersigned proposer acknowledges that services to be performed shall conform to all Town codes and regulations. Services must be accomplished in a professional manner and meet all standards of any professional trade requiring a license and or permit.



(Authorized Signature)

Lawrence Watts, Jr

(Printed name)

Name of Proposer: The Howard E. Nyhart Co., Inc. Db a Nyhart

Address: 5750 Castle Creek Parkway, STE 245 Indianapolis, IN 46250

City: _____ State: _____ Zip: _____

Phone: (770) 405-0757

Email: lawrence.watts@nyhart.com

A current and signed W9 should be submitted with this proposal under Tab 6.

Type of Organization:

_____ Sole Proprietorship _____ Partnership _____ Non-Profit _____ Sub-Chapter

_____ Joint Venture Corporation _____ LLC _____ LLP

_____ Publicly Traded _____ Employee Owned

State of Incorporation: IN

PUBLIC ENTITY CRIMES FORM
(MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL)

**SWORN STATEMENT UNDER SECTION 287.144(4)(A), FLORIDA
STATUTES, ON PUBLIC ENTITY CRIMES**

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted to Town of Longboat Key [print
name of public entity]

by John Lee, National Healthcare Director [print
individual's name and title]

For The Howard E. Nyhart Co., Inc. Db a Nyhart, part of FuturePlan by Ascensus [print
name of entity submitting sworn statement]

whose business address is: 5750 Castle Creek Pkwy STE 245

City, State and Zip Indianapolis, IN 46250

and (if applicable) its Federal Employer Identification Number (FEIN) is 35-0966414

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement:
_____.)

2. I understand that a "public entity crime" as defined in Paragraph 287.144(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentations.

4. I understand that "convicted" or "conviction" as defined in Paragraph 287.144(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.144(1)(a), Florida Statutes, means:

1. A predecessor or successor of a person convicted of a public entity crime: or

2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 46 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.144(1)(e), Florida Statutes, means any natural

person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement, which I have marked below, is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies.)

Neither the entity submitting this sworn statement, nor any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order)

I UNDERSTAND THAT THE SUBMISSION OF THE FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH 1 (ONE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Signed by: John Lee 4/6/2026
D08A5D48DC05429... (Authorized Signature) (Date)

State of Minnesota, County of Crow Wing

The foregoing instrument was acknowledged before me by means of ~~physical presence~~ online this 4/6/2026 day of 4/6/2026, 2026, By John Lee, National Healthcare Director, who is personally known to me ~~or has produced~~ as identification and who acknowledged before me they executed their signature in the space provided.

Notary Public Signature: Patti Harriet DeYoung
10545A2156504AC...
Typed Name: Patti Harriet DeYoung

Commission Expires (Seal): 

ACKNOWLEDGEMENT OF FIRM, IF A CORPORATION

STATE OF Minnesota COUNTY OF Crow Wing

The foregoing instruments was acknowledged before me this

4/6/2026 By: John Lee, National Healthcare Director
(Date) (Name of officer or agent, title of officer or agent)

On behalf of the corporation, pursuant to the powers conferred upon said officer or agent by the corporation. He/she personally appeared before me at the time of notarization and is personally known to me ~~or has produced~~ as identification and did certify to have knowledge of the matters stated in the foregoing instrument and certified the same to be true in all respects.

Subscribed and sworn to (or affirmed) before me this 4/6/2026

Patti Harriet DeYoung
(Official Notary Signature and Notary Seal)

Commission Number: 20064552



Patti Harriet DeYoung Commission expiration date: January 31, 2030
(Name of Notary typed, printed or stamped)

ACKNOWLEDGEMENT OF FIRM, IF A PARTNERSHIP

STATE OF _____ COUNTY OF _____

The foregoing instruments was acknowledged before me this

_____ By: _____
(Date) (Name of acknowledging partner or agent)

On behalf of the partnership, pursuant to the powers conferred upon said officer or agent by the corporation. He/she personally appeared before me at the time of notarization and is personally known to me or has produced _____ as identification and did certify to have knowledge of the matters stated in the foregoing instrument and certified the same to be true in all respects.

Subscribed and sworn to (or affirmed) before me this _____

_____ Commission Number: _____
(Official Notary Signature and Notary Seal)

_____ Commission expiration date: _____
(Name of Notary typed, printed or stamped)

ACKNOWLEDGEMENT OF FIRM, IF AN INDIVIDUAL

STATE OF _____ COUNTY OF _____

The foregoing instruments was acknowledged before me this

_____ By: _____
(Date) (Name acknowledging)

Who personally appeared before me at the time of notarization and is personally known to me or has produced _____ as identification and did certify to have knowledge of the matters stated in the foregoing instrument and certified the same to be true in all respects.

Subscribed and sworn to (or affirmed) before me this _____

_____ Commission Number: _____
(Official Notary Signature and Notary Seal)

_____ Commission expiration date: _____
(Name of Notary typed, printed or stamped)

DRUG FREE WORKPLACE CERTIFICATION
(MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL)

In order to have a drug free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the action that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug free workplace, and available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
4. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 894 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this business complies fully with the above requirements.

PROPOSER: The Howard E. Nyhart Co., Inc.

Signed by: _____
Print Name of Proposer

By: 

D08A5D48DC06420...
Authorized Signature

John Lee, National Healthcare Director

Print Name & Title

4/6/2026

Date

Drug Free Workplace Certification, page 2 of 2

State of Minnesota, County of Crow Wing

The foregoing instrument was acknowledged before me by means of ~~physical presence~~ online this _____ day of 4/6/2026, 2026, By John Lee, who is personally known to me ~~or has produced~~ _____ as identification and who acknowledged before me they executed their signature in the space provided.

DocuSigned by:

Notary Public Signature: 

10545A2156504AC...

Typed Name: Patti Harriet DeYoung

Commission Expires (Seal):



EQUAL EMPLOYMENT OPPORTUNITY
(MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL)

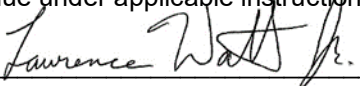
The Town of Longboat Key is an Equal Opportunity/Affirmative Action Employer.

Pursuant to Executive Order 11446 as amended, you are advised that under the provisions of government contracting, Contractors and Subcontractors are obliged to take affirmative action to provide equal employment opportunity without regard to race, creed, color, national origin, age or sex.

**CERTIFICATION BY PROPOSED PRIME OR SUBCONTRACTOR
REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

This certification is authorized pursuant to Executive Order 11246, Part II, Section 204(b), (40 F. R. 12419-15). Any proposer or prospective contractor, or any of the proposed subcontractors, shall state as an initial part of the bid or negotiations of the contract whether it has participated in any previous contract or subcontract to the equal opportunity clause; and, if so, whether it has filed all compliance reports due under applicable instructions.

Where the certification indicated that the prime or subcontractor has not filed a compliance report due under applicable instruction, such contractor shall be required to submit a compliance report.



Authorized Signature

Printed Name

Phone: _____ Email: _____

Address: _____

1. Proposer has participated in a previous contract or subcontract, subject to the Equal Opportunity Clause: YES___ NO___

2. Compliance Reports were required to be filed in connection with such contract or subcontract: YES___ NO___

If YES, state what reports were filed and with what agency.

3. Proposer has filed all compliance reports due under applicable instructions: YES ___ NO___

PARTICIPATION IN E-VERIFY PROGRAM
(MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL)

Consultant hereby certifies compliance with the following:

Pursuant to State of Florida Executive Order No.: 11-116, Consultant shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by Consultant while performing work or providing services for the Town of Longboat Key, FL. Consultant shall also include in any related subcontracts a requirement that subcontractors performing work or providing services for the Town of Longboat Key, FL, on its behalf utilize the E-Verify system to verify employment of all new employees hired by subcontractor.

CONSULTANT:

Consultant Name

By: 

Authorized Signature

Name: _____
Printed

Title: _____
Printed

Date: _____

Company ID Number:19959

Client Company ID Number:1843856

Employer Ascensus LLC	
Name (Please Type or Print) Shawn McGuigan	Title
Signature Electronically Signed	Date June 22, 2022
E-Verify Employer Agent TALX Corporation	
Name (Please Type or Print) Robert Fister	Title
Signature Electronically Signed	Date June 22, 2022
Department of Homeland Security - Verification Division	
Name USCIS Verification Division	Title
Signature Electronically Signed	Date June 22, 2022

TOWN OF LONGBOAT KEY, FLORIDA
HUMAN TRAFFICKING AFFIDAVIT - S. 787.06, FLORIDA STATUTES

Before me, the undersigned authority, personally appeared John Lee, hereinafter referred to as the "Affiant," who after being duly sworn hereby swears or affirms as follows:

1. Affiant is over eighteen years of age. The following information is given from Affiant's own personal knowledge.
2. Affiant is an officer or representative of The Howard E. Nyhart Co., Inc., a non-governmental entity, hereinafter referred to as the "Entity." Affiant is authorized to provide this affidavit on behalf of the Entity.
3. Affiant hereby attests, under penalty of perjury, that the Entity does not use coercion for labor or services as defined in s.787.06, Florida Statutes.

FURTHER AFFIANT SAYETH NOT.

Signed by: John Lee
D06A5D48DC00429...
 Signature of Affiant

By: John Lee
 For: The Howard E. Nyhart Co., Inc.
 As its: National Healthcare Director
 Dated: 4/6/2026

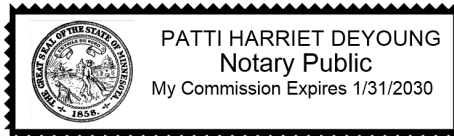
State of Minnesota, County of Crow Wing

The foregoing instrument was acknowledged before me by means of ~~physical presence or~~ online this _____ day of 4/6/2026, 2026, By John Lee, who is personally known to me ~~or has produced~~ _____ as identification and who acknowledged before me they executed their signature in the space provided.

Notary Public Signature: Patti Harriet DeYoung
DocuSigned by: 10545A2156504AC...

Typed Name: Patti Harriet DeYoung

Commission Expires (Seal):



SCRUTINIZED COMPANIES CERTIFICATION
(MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL)
(Florida Statutes, Section 287.135 and 215.476)

SOLICITATION NUMBER: **RFP 26-004**

PROJECT NAME: **RFP 26-004 ACTUARY SERVICES FOR THE OPEB PROGRAM AND THE CONSOLIDATED RETIREMENT SYSTEM**

The undersigned, as Lawrence Watts, Jr. of Nyhart (the "Consultant"), a National DB Practice Leader, hereby certifies the following to the Town of Longboat Key, Florida, a political subdivision of the State of Florida, by and on behalf of the Consultant in accordance with the requirements of Florida Statutes, Sections 287.135 and 215.476:

- (i) the Consultant is not on the Scrutinized Companies with Activities in Sudan List, and
- (ii) the Consultant is not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List

(as both such lists are created pursuant to Florida Statutes, Section 215.473); and
- (iii) the Consultant does not have business operations (as that term is defined in Florida Statutes, Section 287.135) in Cuba and Syria; and
- (iv) the Consultant was not on either of the foregoing lists or conducting business operations in Cuba or Syria; and
- (v) the Consultant is not on the Scrutinized Companies that Boycott Israel List (pursuant to Florida Statutes, Section 215.4725); and
- (v) the Consultant is fully aware of the penalties that may be imposed upon the Consultant for submitting false certification to the Town regarding the foregoing matters; and
- (vi) the undersigned is duly authorized to execute this Certification.

CONSULTANT: The Howard E. Nyhart Co., Inc. Dba Nyhart

Consultant Name

By: 
Authorized Signature

Name: Lawrence Watts, Jr.
Printed

Title: Lawrence Watts, Jr.
Printed

Date: 4/28/2026


AFFIDAVIT OF COMPLIANCE WITH FOREIGN ENTITY LAWS
(MUST BE COMPLETED AND SUBMITTED WITH PROPOSAL)

The undersigned, on behalf of the consultant listed below ("Entity"), hereby attests under penalty of perjury as follows:

1. Entity is not owned by the government of a foreign country of concern as defined in Section 287.138, Florida Statutes. (Source: § 287.138(2)(a), Florida Statutes)
2. The government of a foreign country of concern does not have a controlling interest in Entity. (Source: § 287.138(2)(b), Florida Statutes)
3. Entity is not organized under the laws of, and does not have a principal place of business in, a foreign country of concern. (Source: § 287.138(2)(c), Florida Statutes)
4. Entity is not owned or controlled by the government of a foreign country of concern, as defined in Section 692.201, Florida Statutes. (Source: § 288.007(2), Florida Statutes)
5. Entity is not a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, as defined in Section 692.201, Florida Statutes, or a subsidiary of such entity. (Source: § 288.007(2), Florida Statutes)
6. Entity is not a foreign principal, as defined in Section 692.201, Florida Statutes. (Source: § 692.202(5)(a)(1), Florida Statutes)
7. Entity is in compliance with all applicable requirements of Sections 692.202, 692.203, and 692.204, Florida Statutes.
8. (Only applicable if purchasing real property) Entity is not a foreign principal prohibited from purchasing the subject real property. Entity is either (a) not a person or entity described in Section 692.204(1)(a), Florida Statutes, or (b) authorized under Section 692.204(2), Florida Statutes, to purchase the subject property. Entity is in compliance with the requirements of Section 692.204, Florida Statutes. (Source: §§ 692.203(6)(a), 692.204(6)(a), Florida Statutes)

9. The undersigned is authorized to execute this affidavit on behalf of the Entity.

Date: 4/6/2026, 2026

Signature: 
D06A5D48DC00429...

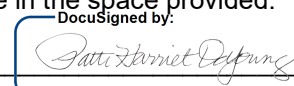
Entity: The Howard E. Nyhart Co., Inc.

Name: John Lee

Title: National Healthcare Director

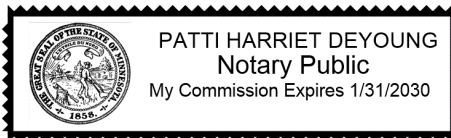
State of Minnesota, County of Crow Wing

The foregoing instrument was acknowledged before me by means of physical presence or online this _____ day of 4/6/2026, 2026, By John Lee, who is personally known to me ~~or has produced~~ _____ as identification and who acknowledged before me they executed their signature in the space provided.

Notary Public Signature: 
DocuSigned by: 10545A2156504AC...

Typed Name: Patti Harriet DeYoung

Commission Expires (Seal):



Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1	Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) The Howard E. Nyhart Company, Incorporated
	2	Business name/disregarded entity name, if different from above.
	3a	Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) _____
	3b	If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions <input type="checkbox"/>
	4	Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ <i>(Applies to accounts maintained outside the United States.)</i>
	5	Address (number, street, and apt. or suite no.). See instructions. 5750 Castle Creek Parkway, Suite 245
	6	City, state, and ZIP code Indianapolis, IN 46250
	7	List account number(s) here (optional)
		Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number												
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3	5	-	0	9	6	6	4	1	4			

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person <i>Michael R. Folmer</i>	Date <i>1.5.2026</i>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Appendix

Written Consent of Board Signatory

Ascensus Business Continuity - Program Overview

Ascensus Information Security and Privacy Controls

Sample Data Requests

Sample Reports

Written Consent of Board Signatory

UNANIMOUS WRITTEN CONSENT OF
THE BOARD OF DIRECTORS OF
THE HOWARD E. NYHART COMPANY, INCORPORATED
February 26, 2026

The undersigned, being all of the members of the board of directors (the “Board”) of The Howard E. Nyhart Company, Incorporated, an Indiana corporation (the “Company”), do hereby authorize and adopt the following resolutions by unanimous written consent in lieu of a meeting:

BE IT RESOLVED, that, on behalf of the Company, Lawrence Watts, Jr., Danielle Winegardner, and John Lee are hereby authorized to execute all Company requests for proposal, proposal certifications or bids, and commit the Company contractually in connection therewith;

RESOLVED, that the officers of the Company or their designees be and hereby are directed to take all actions which any such officer or their designee shall determine to be necessary or advisable to effect these resolutions, as conclusively evidenced by any such officer or their designees taking such action;

RESOLVED, that any and all actions taken to date by the Board and the officers of the Company or their designees with respect to these resolutions be, and they hereby are, ratified, approved and confirmed as the act and deed of the Company;


RESOLVED, that this Consent may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same, including facsimile, pdf, or other electronic method; and

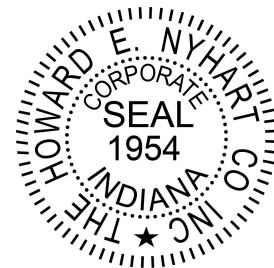
RESOLVED, that the execution copy of this Consent shall be filed with the minutes of the proceedings of the Company.

IN WITNESS WHEREOF, the undersigned has executed this Consent as of the date first written above.


Phillip Gillespie, Director / Secretary


Marc Mehlman, Director / Treasurer


Kasey Price, President



IT Policy Documents

Ascensus Business Continuity - Program Overview

Ascensus Information Security and Privacy Controls

Business Continuity Program Overview



Updated: December 17, 2025

1) Plan Introduction

Ascensus provides market-leading technology, services, and expertise that help millions of people save for a better future. The company is a premier savings program service provider, third-party administrator, and government savings facilitator. Its platforms, industry knowledge, and data-based insights enhance the growth and success of its partners, their clients, and savers through co-branded, private-labeled, and governmental partnerships.

The Ascensus Business Continuity Plan (“BCP”) and Disaster Recovery (“DR”) plan involves the (i) assessment of a variety of risks to organizational processes; and (ii) creation of policies, plans and procedures to minimize the impact a disruption may have on Ascensus, our partners, and our clients.

The comprehensive BCP and DR plans, to be utilized by Ascensus leaders in response to certain BCP and DR scenarios, outline the processes by which Ascensus will maintain critical servicing capabilities in the event of a significant business disruption. It includes declaration and communication procedures as well as description of mission critical functions and target recovery times.

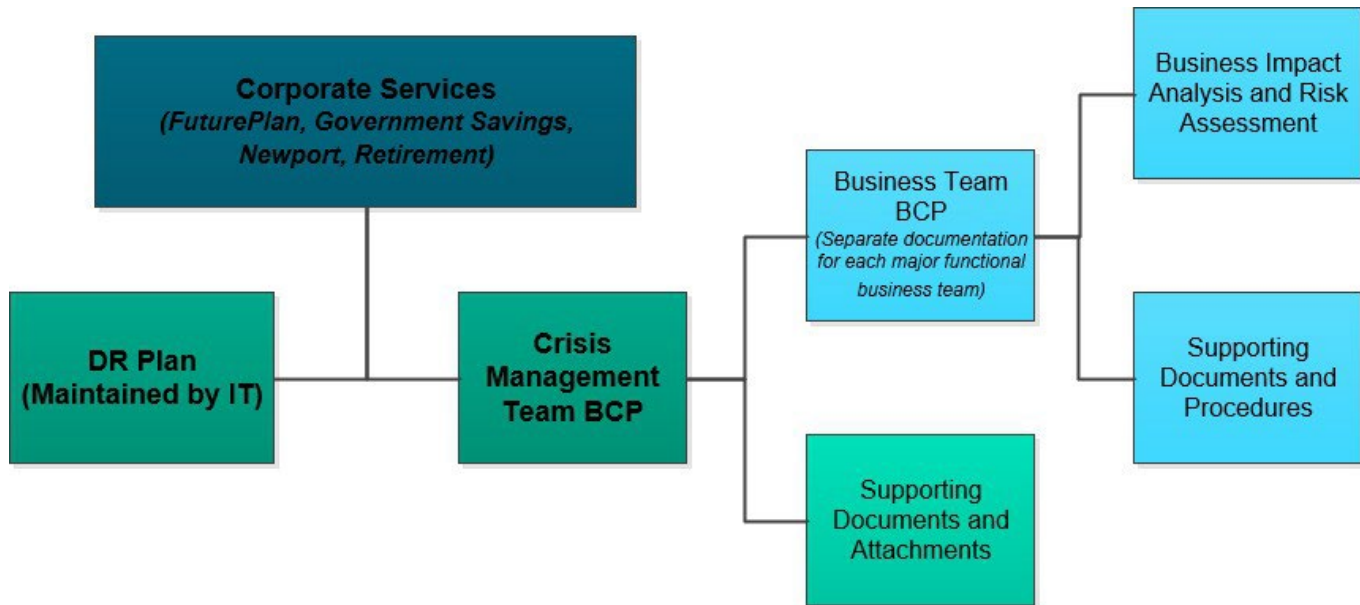
The BCP makes accommodation for staff resources, voice and data networks, computing resources, data availability, and the integrity of business processes. Business continuity will be achieved through layers of redundancy in Ascensus voice and data networks, mirrored copies of business data and a redundant, full-capacity infrastructure at Ascensus’ backup DR. site. Ascensus’ policy is to respond to a significant disruption by safeguarding associate’s lives and the firm’s property, making financial and operational assessments, quickly recovering and resuming operations, protecting all the firm’s books and records and allowing clients to transact business. In the event Ascensus determines it is unable to continue normal business operations, clients will be assured of prompt access to their account assets and notification will be made to regulators, partners, states and vendors as appropriate. See the Ascensus Policy Manual for additional details.

Ascensus will maintain copies of the BCP electronically via a third-party document storage source, Box

Ascensus’ BCP is inclusive of all its divisional products and subsidiaries. A key parameter of the BCP is to ensure new business entities that become part of the Ascensus organization are effectively incorporated into the plan.

Program Structure

Each functional business team has developed a BCP document specifically addressing their strategy for the applicable scenario(s). The documents are written to support the recovery of critical business functions in the event of an interruption of service. Below is an illustration of the organization's BCP structure.



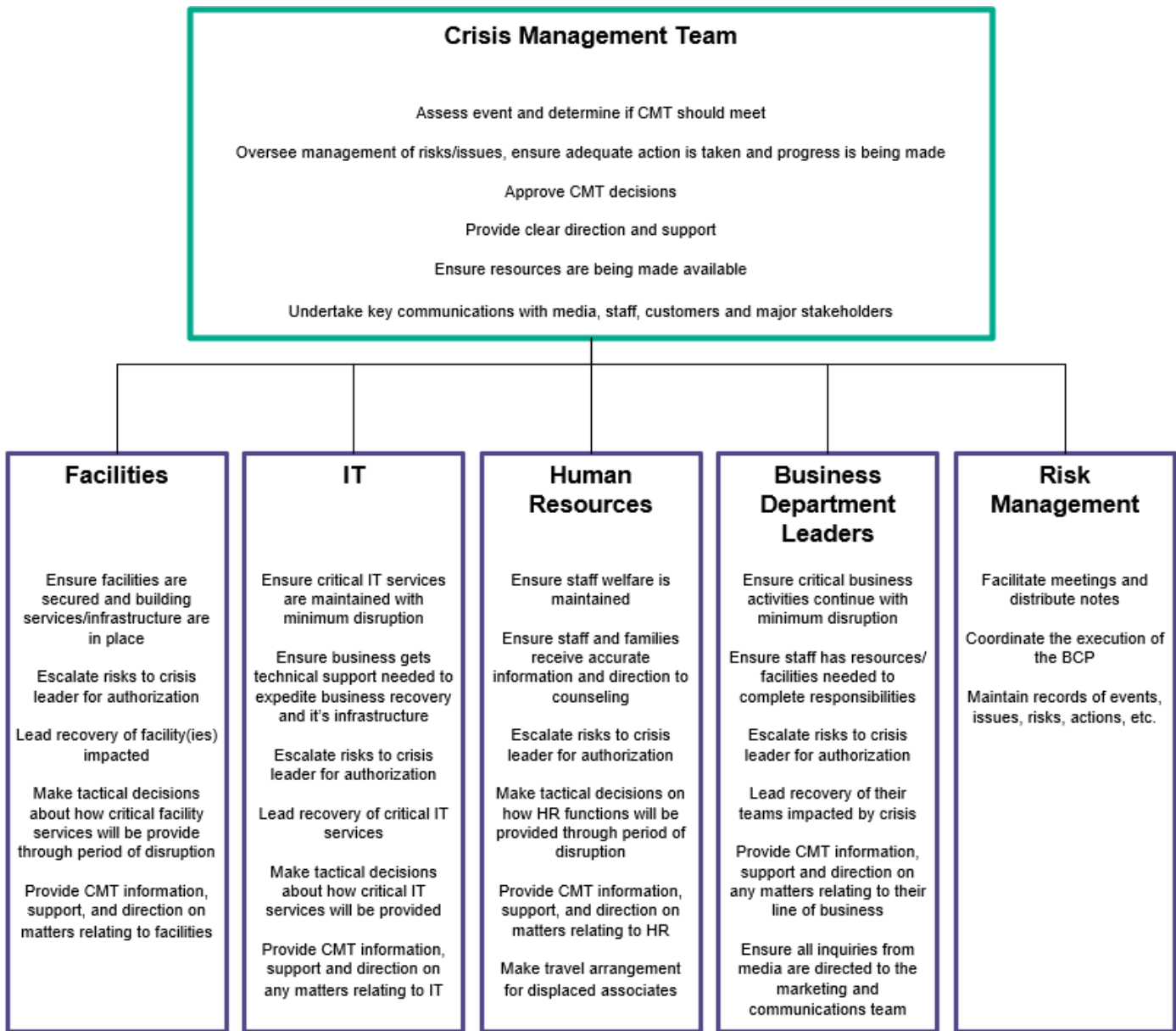
Administration (Crisis Management Team)

There is a designated team responsible for the oversight and administration of the implementation of BCP. This team is referred to as the Crisis Management Team (CMT). The CMT is the central point of business recovery response, activation and management following a serious disruption to the Ascensus business operations. The team consists of appointed Senior Management representatives from each major operation group.

The CMT will analyze the situation and determine if a disaster will be declared. The team provides a common coordination and communication focal point for all business response and subsequent business recovery activities. The team must minimize the potential impact of an incident during the recovery period and prevent it from becoming a crisis.

Roles and Responsibilities

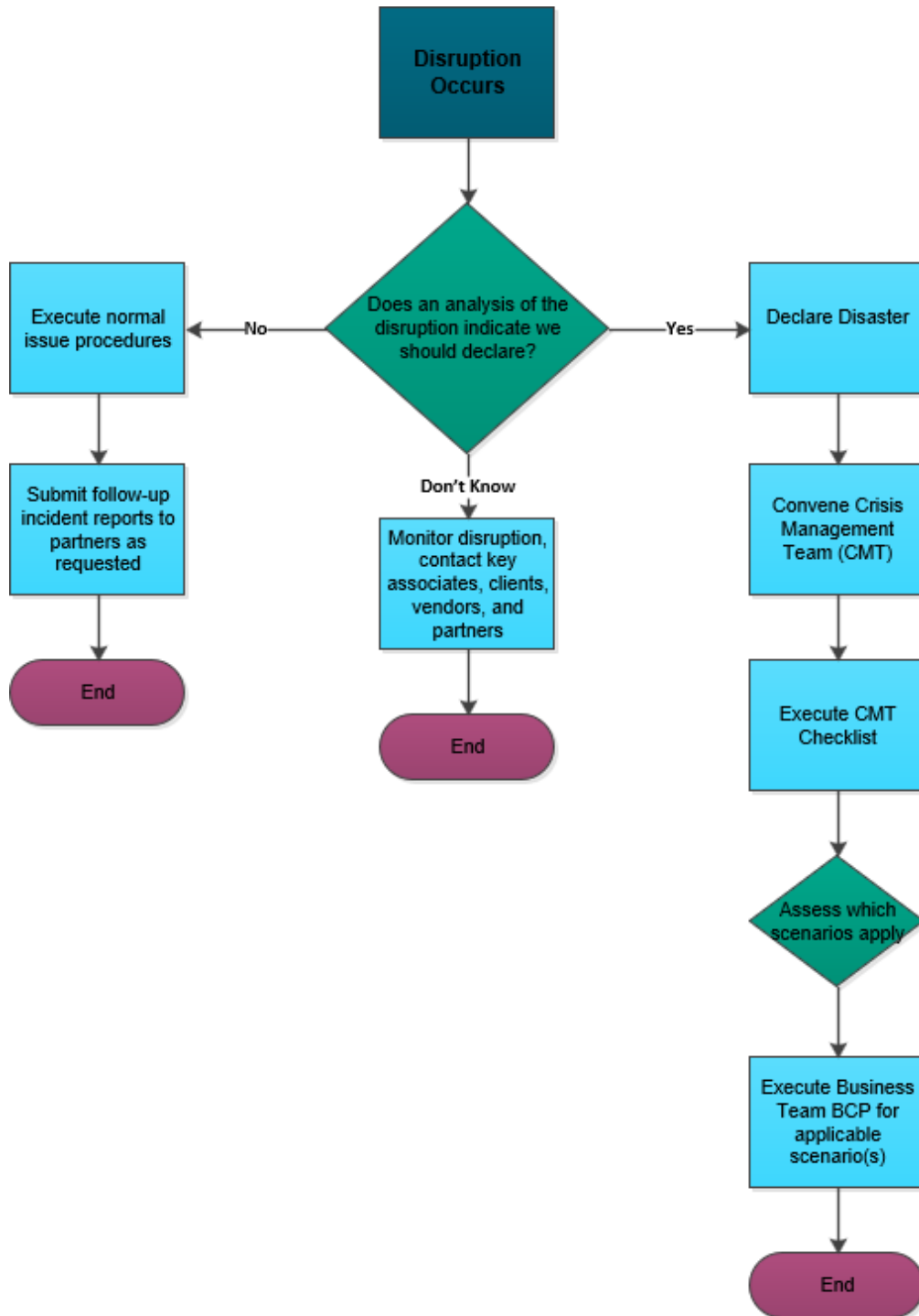
This chart represents the organization and associated responsibilities of the CMT during a BCP event.



This chart summarizes the roles & responsibilities of all stakeholders that are involved in the crisis management process.

Process Overview

The following flow chart outlines the high-level procedures for declaration and execution of business continuity procedures.



Business Product Lines

Newport

The suite of insurance services offered by Newport, an Ascensus company, is provided by a responsive, experienced team of specialists who work closely with independent advisors and their clients to develop unbiased strategies and deliver programs that help meet each client's specific financial objectives.

- **BOLI** (Bank-owned life insurance)
- **COLI** (Corporate-owned life insurance)
- **ICOLI** (Insurance company-owned life insurance)
- **CUOLI** (Credit union-owned life insurance)
- **NQDC** (Nonqualified Deferred Compensation)

FuturePlan

The FuturePlan national model preserves local TPA relationships, expertise, and entrepreneurial ingenuity—all backed by the strength and security of Ascensus.

- Administration, compliance and client services for a variety of employer-sponsored retirement plans, including:
 - 3(16) fiduciary services
 - cash balance
 - defined benefit
 - defined contribution plans

FuturePlan is responsible for common administrative tasks including plan document maintenance, Form 5500 preparation, calculations, and performing non-discrimination testing. Some departments work directly with plan participants facilitating loans and distributions.

Government Savings

We make saving for education simple and affordable through accessible 529 education savings plans and Coverdell education savings accounts. Beyond education, we also provide program management and support services for ABLE programs nationwide allowing individuals with disabilities and their families to save for the resources they need today and the future without jeopardizing their current benefits. In addition, we provide key services to help support State-Facilitated Retirement Savings Programs, ensuring more people can save for their future.

- **529 Plans**
- **Coverdell Solutions**
- **ABLE Plans**
- **State-Facilitated Retirement Savings Programs**

Retirement

As the largest independent retirement services provider, we offer retirement plans through partnerships with top financial institutions, banks, credit unions, and advisors. Working with advisors, we help organizations, from recently conceived startups to well-established brands, offer retirement plans to their employees at a low cost to make saving for retirement more manageable.

Defined Contribution

- Individual(k)
- Traditional 401(k)
- Multiple and Pooled Employer Plans (MEPs and PEPs)
- 403(b) ERISA
- 403(b) non-ERISA
- Government 457(b)
- Prevailing Wage

Defined Benefit

- Cash Balance
- Traditional Defined Benefit

Other Retirement Plan Designs

- SEP & SIMPLE IRAs
- Profit Sharing
- IRAs for banks, credit unions, and financial institutions
- Money Purchase Pension
- State-Facilitated Retirement Savings Programs

Trust & Custody Services

2) Back-Up and Recovery

Data Center Recovery

Ascensus maintains rigorous processes with respect to backup and retention of critical business records. Ascensus production systems and facilities are fault tolerant and highly available, with no single point of failure throughout the sites.

All Ascensus managed Data Centers are configured to fail over to our backup data center located in Las Vegas, NV. Aside from the daily backups, Ascensus also replicates the current copy of core production data to Switch in real-time. The real-time copy of our data exists as a fast and reliable tapeless recovery option. The Ascensus **RPO is 15 minutes**. While Ascensus will make all best efforts to keep the RPO at 15 minutes and has deployed/tested technology to help ensure we can meet this goal, depending on the cause of the disruption and its impact on the integrity of the data, Ascensus reserves the right to utilize an alternate strategy for security or data integrity reasons that extends the RPO period.

Ascensus' backup procedures are driven by two objectives: (1) minimize downtime if a disruptive event requires the restoration of files from backup and (2) adhere to all regulations with respect to data retention.

With these objectives in mind, a backup system has been installed with operational procedures for daily, weekly, and monthly backups and supporting processes for moving critical tapes to off-site storage. A high-level overview of procedures (and their frequencies) follows.

- Daily - Incremental changes to Ascensus core databases and systems are backed up to disk daily. These incremental backups are retained on disk for two weeks.
- Weekly - All critical elements of the Ascensus production infrastructure are backed up to disk on a weekly basis. These backups are retained on disk for two weeks.
- Monthly - All critical elements of the Ascensus production infrastructure will be stored on magnetic tape, databases, system configurations, etc. These tapes will be shipped off-site and retained for seven years.

Data archives are stored off-site in a fireproof records storage vault with Vital Records, Inc., a leader in records management and data storage. Tapes can be requested on an emergency basis for immediate retrieval on a per diem basis.

All data centers have redundant internet connections, security parameters, fire suppression, and backup power supplies. Data centers are monitored 24 hours a day, 365 days a year.

Ascensus also utilizes Cloud providers such as AWS, Azure, Oracle, and SAAS providers in various areas of our business. With any of those providers, we maintain an encrypted secure connection and review recovery plans for those solutions. Services are reviewed as part of our vendor oversight and due diligence program.

Disaster Recovery Declaration

The procedure for declaring a disaster is part of the Ascensus DR plan maintained by IT. If a disaster is declared, IT has a **targeted 6-hour** (with goal to be as quick as possible) window to recover its core hardware and software operations, as instructed by the business requirements. The DR plan includes detailed documentation of all hardware platforms and is maintained as part of Ascensus' day-to-day administration and change-control process. The plan is based on providing in-house recovery services in conjunction with our third-party data center providers and addresses all core technologies.

Following the recovery of the IT systems, business operations will initiate their business resumption procedures as documented in the BCP to complete the restoration of our services.

Mission-Critical Business Processes

Ascensus relies upon the daily operation of the following mission-critical business processes:

- Self-Service Options (i.e. websites, IVR, etc.)
- Client Servicing via phones and email
- Client Financial Processing (i.e. investments, liquidations, exchanges and transfers)
- Trading
- Compliance and Required Reporting or Filings
- Mail Operations (ability to send and receive mail, faxes, etc.)

Recovery Time Objective

Ascensus is committed to restoring operations on all Mission Critical Business Processes within **24 hours** of a declared disaster. The Recovery Time Objective (RTO) is the timeframe in which a business process can be ideally recovered. Each business team may have a slightly different RTO depending on risk factors such as inter-process dependencies, client impact, financial impact etc. While each business team has identified an ideal RTO, they have also defined their Maximum Tolerable Downtime (MTD). The MTD defines the total amount of time that a business process can be disrupted without causing unacceptable consequences.

3) Event Scenarios

Each impact scenario follows a standard initial set of steps including the convening of Ascensus' CMT, declaration of disaster, communication protocols, and assessment procedures. Each scenario follows a different roadmap to ensure business continuity.

The business teams have accounted for the following scenarios below (as applicable). Their specific recovery strategies/requirements are located within their plans. The business leaders are responsible for invoking and communicating the requirements of their plan to the CMT and to their associates as applicable.

Loss of Systems	Loss of data center, or connectivity to data center. May also include the loss of critical systems
Loss of Facility	Loss of access to a building or site due to specific event (i.e. fire) or regional disaster (i.e. hurricane, tornado)
Loss of Staff	Loss of staff availability to report to work, or loss of key staff.
Loss of Vendor	Key vendor experiences a business disruption
Pandemic	Loss of staff availability due to illness or inability to report to work.

4) Preparedness Assurance Activities

A number of preparedness activities are conducted across the organization:

- Human Resources provides new hires with critical phone numbers which includes the **Announcement Line** and the **BCP Helpline**
- Testing of the automated call cascade system (AlertMedia) is conducted quarterly
- An employee contact information report is available for leaders and their reports through Workday
- An employee contact information report is available to Human Resources and Risk Management through Workday
- In addition to corporate conference line technologies, a backup conference bridge is available
- Plans and reference documents are reviewed at least annually and approved
- Copy of the plans and reference documents are shared with leadership (including applicable trust boards of directors)
- DR testing is completed at least annually to ensure the ability to restore servers and applications
- Tabletop testing is conducted at least annually with a simulated scenario

**Upon completion of any of the prescribed tests, results are distributed to all appropriate parties, action items tracked and applicable plan updates made accordingly.*



Information Security and Privacy

Protecting the personal information of our clients is something we take very seriously at Ascensus. This statement shares how we protect your personal information. This applies to both current and former customer information.

- Ascensus maintains and regularly reviews/updates a comprehensive array of Data Privacy and Information Security policies that govern our approach to protecting data.
- All client data inclusive of databases, files, and other information provided by a client for use with Ascensus services remain the confidential property of the client. All information is retained, and subsequently securely destroyed, in accordance with Ascensus' data retention standards.
- Ascensus only maintains the information required to provide our services.
- Client data is not shared with third parties except to approved subservice organizations (vendors) or business partners strictly limited to the purpose of supporting client's contracted services with Ascensus, or as required by law.
- It is Ascensus' policy to require its vendors and business partners having access to client files to keep this information confidential, including a requirement for security specific parameters to be included in all vendor contracts. Compliance with this requirement is actively monitored by our Vendor Risk Management Program.
- Ascensus maintains and monitors appropriate security policies, procedures, and practices to protect client files from risks of loss, misuse, alteration, or unauthorized access.
- Ascensus requires its Associates having access to client files to keep this information confidential by using the same care and discretion that Ascensus uses with respect to its own confidential information and regularly trains associates on these standards.
- Ascensus offers secure data transfer methods to entities we interact with. As we offer and recommend use of Ascensus's secure standard data transmission methods Ascensus is not responsible for the risk of loss, misuse, alteration, or unauthorized access to information sent using methods other than those either maintained or recommended by Ascensus.
- Ascensus reserves the right to change policies and procedures from time to time to improve security and privacy controls and respond to emerging threats.

Below is a summary of controls Ascensus maintains to protect client information:

External Audits

Ascensus has been certified as ISO27001 compliant, attesting to our high Information Security standards. We have also successfully completed annual SOC1 and SOC2 (*based on the SOC2's Security and Availability Principals*) audits conducted by leading audit firms that test the operating effectiveness of our controls, including many of the controls summarized in this document.

Logical Access Controls

Ascensus uses various mechanisms to restrict Associates' access to operating systems, data files, databases, and programs in production and development environments. Access to computer resources is based upon an individual's job duties. An electronic request form within our corporate ticketing system must be completed and approved by the Associate's manager before granting system access. Access reviews are conducted quarterly to ensure that access rights remain appropriate.

Firewall Protection

Ascensus maintains both network and application firewalls to protect our systems from unauthorized network, application, and database activity. These firewalls are layered to provide the highest level of perimeter security and are configured to allow only network traffic that is recognizable as safe. Also, redundancy has been built into this architecture in the event that there is a failure.

Intrusion Detection and Prevention System

In addition to the firewall technology described above, Ascensus has implemented network Intrusion Detection Systems (IDS) that provide a sophisticated real-time detection mechanism, accomplished by monitoring network in and out of Ascensus. Our solution also blocks malicious activity in some situations such as an Intrusion Prevention System (IPS).

Encryption

We use encryption technologies in selected telecommunications channels. Ascensus policy prohibits clear-text transmissions of client data over the Internet. Ascensus deploys and supports common encryption methods, including, but not limited to: PGP, (S)FTP, TLS, and VPN.

Data Loss Prevention

Ascensus leverages a Data Loss Prevention (DLP) solution that provides insights into information flows both within and out of our environment. It allows us to block unauthorized or unsecured transfers of sensitive information outside of our environment. It also restricts/controls the ability to print materials outside of our secure environments.

SIEM (*Security Incident Event Management System*)

Ascensus employs a SIEM tool that facilitates automated detection of suspicious activity that is immediately alerted on and investigated by our Security and Risk Management teams.

Penetration Tests, DDoS tests, Web Application Assessments, and Network Vulnerability Scans

Ascensus contracts with leading security firms to perform annual penetration tests, including focused web application testing, vulnerability scans, and Distributed Denial of Service (DDoS) tests. The results are tracked to remediation through our Security Team. Additionally, our Information Security team regularly performs our own vulnerability scans to help identify interim concerns.

Physical Security Controls

Electronic card access security control is provided throughout Ascensus facilities as well as CCTV to monitor access. Physical access reviews are conducted to ensure access entitlements remain appropriate.

Programming and Change Control Management

Changes to applications and infrastructure must be documented, approved, tested, and communicated. This structure enables us to integrate security mechanisms to protect changes that affect sensitive information.

Destruction of Client Data

Ascensus employs secure data destruction procedures such as secure erasure or physical destruction to execute the destruction of both electronic and physical data in accordance with industry leading destruction standards.

Incident Response Program

Ascensus has developed and tested incident response and escalation procedures to isolate, analyze, contain, recover from, and report unauthorized access. Recovery involves technical procedures as well as client notification. Simulated incidents are reviewed to validate that our process is comprehensive.

Security and Privacy Training

Ascensus requires all Associates to complete security and privacy training at time of hire and then at least annually thereafter. Associates must attain a satisfactory result in a test at the end of the course to ensure concepts are being understood. Additionally, Associates are reminded of their duty to protect confidential information through emails, internal publications, office postings, and monthly email phish testing.

Associate Background Checks

Ascensus Associates must successfully complete a background check that includes credit, criminal, employment, and education background verifications prior to being hired into the organization.

Data Privacy

Ascensus maintains a privacy statement that is accessible on all our websites that describes how we collect, use, and protect the information gathered. Links to this statement are accessible at the bottom of our web pages.

Information Security, Organization, and Oversight

Ascensus maintains an Information Security function with dedicated resources as well as other supporting functions, such as an Information Security Council that meets monthly to involve cross functional teams into the security effort and strategies. Also, an Ascensus Risk Management function integrates with Security to ensure we effectively address information security throughout the organization with appropriate oversight and meet compliance requirements.

Sample Data Requests

GASB 75 OPEB Interim Data Request

Town of Longboat Key for Fiscal Year Ending September 30, 2026

1. Have there been changes made to the retiree health care benefits structure since September 30, 2025 (other than the premium rate changes)? If yes, please provide the following:
 - Effective date of the plan changes
 - Description of changes
 - Updated union contracts (if any)
2. Provide summary of plan descriptions for all plans effective on 09/30/2026.
3. Confirm that the following retiree contribution policy is still valid.
 Retirees are required to pay the full cost of coverage.
4. Update monthly premium rates for all plans.

Medical Premium (Monthly)	PPO 03769		HMO 55	
	EE only	EE + Sp	EE only	EE + Sp
10/1/2026				
10/1/2025	\$ 930.00	\$ 1,878.00	\$ 951.00	\$ 1,964.00

5. Update the 9/30/2026 total headcounts by status, if available.
 - The headcounts are as September 30, 2026 measurement date for the September 30, 2026 fiscal year end.
 - If not available, we can estimate them based on our prior valuation.

	Actives With Coverage	Active Waived Coverage	Retiree With Coverage	Retiree Waived Coverage
9/30/2026				
9/30/2025	107	7	20	12

6. Provide the FY 2025/26 (12-month period ending on September 30, 2026) covered payroll.
 - The total covered payroll includes overtime and all other compensation for all employees (including employees terminated during the year) covered by the OPEB plan.
 - If not available, we can estimate based on covered payroll used in the prior valuation.

	Payroll
12-month period ending on September 30, 2026	
12-month period ending on September 30, 2025	\$ 13,272,426

7. Provide a confirmation of the GASB 75 accounting entries or, alternatively, the official GASB 75 disclosures for the fiscal year ending September 30, 2025.

January 2, 2025

Personal and Confidential

Dear Client Name,

To assist us in the preparation of the actuarial valuation as of October 1, 2024 for the ABC Pension Plan, please update the employee data and complete the enclosed information:

1. Active employee data
2. Inactive (retired, disabled, survivor, and deferred vested) participant listings
3. Trust Financial Statements
4. Information on contributions made to the Plan
5. Information for rehires

Please use ClientConnect on our website to submit securely. Please include a description of the database layout.

Directions for Providing Employee Data

1. Employee Data - Please provide the following information for all employees:
 - (a) Social Security Number
 - (b) Employee's full name
 - (c) Sex
 - (d) Date of birth
 - (e) Date of hire
 - (f) Compensation
 - (g) Hours worked. Leave of absence (indicate paid, unpaid, or military) and the dates the leave began, and the number of hours normally worked each week before the leave.
 - (h) Terminated employees. Report date of termination, retirement, death or transfer date, hours worked during the plan year and Compensation as of the previous valuation date.
2. Inactive (Retired, Disabled, Survivor, and Deferred Vested) Participant Listing - indicate any deaths with date of occurrence or any dates of retirement with the corresponding form of payment, benefit amount, beneficiary name, beneficiary date of birth, and Social Security Number.
3. Trust (Financial) Statements - Please furnish the following:
 - (a) Financial Statement of the fund as of September 30, 2024, on both a cost and market basis.
 - (1) Financial Statement should include a detailed statement of receipts and disbursements for the period commencing October 1, 2023 and ending September 30, 2024.
 - (2) Show any accrued interest earned, but not yet paid. When furnishing accrued interest, please show a breakdown according to the type of asset on which the interest was earned.
 - (3) The statement should include a schedule showing the gain or loss on the sale of investments during the year.
 - (b) A schedule of participants receiving payments and the monthly amount paid for the period

4. Information on Contributions Made to the Plan – provide the dates and amounts of any City contributions made to the plan
5. Information for Rehires - For each employee rehired during the plan year show all previous periods of employment on the enclosed sheet.

If you have any questions regarding the required information or enclosed material, please feel free to contact me.

Sincerely,

Nyhart

Sample Valuation Reports

Sample Pension Valuation Report

Sample GASB 67/68 Report

Sample Board Management Summary Report

GASB 74/75 Valuation Report

Sample Pension Valuation Report



nyhart
part of FuturePlan by Ascensus®

City of ABC Employees' Retirement System

Actuarial Valuation Report
October 1, 2022

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Actuarial Certification

At the request of the plan sponsor, this report summarizes the actuarial results of the City of ABC Employees' Retirement System as of October 1, 2022. The purpose of this report is to communicate the following results of the valuation:

- Determine Funded Status; and
- Determine Recommended Contribution for the fiscal year October 1, 2023 through September 30, 2024.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census information has been provided to us by the employer. Asset information has been provided to us by the trustee. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

Certain assumptions and methods were chosen by the Board and have been disclosed in the "Actuarial Assumptions" section of this report. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

This actuarial valuation and/or cost determination 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.

Actuarial Certification

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

In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart

Consultant Signature

Consultant Name, FSA, FCA, EA, MAAA

Consultant Signature

Consultant Name, ASA, EA, FCA

March 22, 2023 Date

Executive Summary

The actuarial report provides the plan sponsor with several ways to measure the funded status of the pension plan. The following detail is included in the report:

- Actuarial Recommended Contribution
- Asset Performance
- Plan Demographics

This report is filled with actuarial terminology. However, the ultimate objective of the valuation is to provide a rational method of funding the plan. It is necessary to fund the benefit promised by the employer in a manner that is logical and employer friendly, yet safeguards the participants' interest. The actuarially derived contribution, however, is not the true cost of the pension plan. The true cost is illustrated by the following formula:

$$\text{Ultimate Pension Cost} = \text{Benefits Paid} - \text{Investment Income} + \text{Plan Expenses}$$

While the plan's liability and normal cost determine the current contribution recommendations, the true cost is controlled only by the "defined" benefit and investment income generated by the underlying assets. The actuarial process only controls the timing of costs.

We suggest that a plan sponsor treat the actuarial report as you would treat a scorecard. It is simply a measure of progress toward the ultimate goal of paying all pension benefits when participants retire.

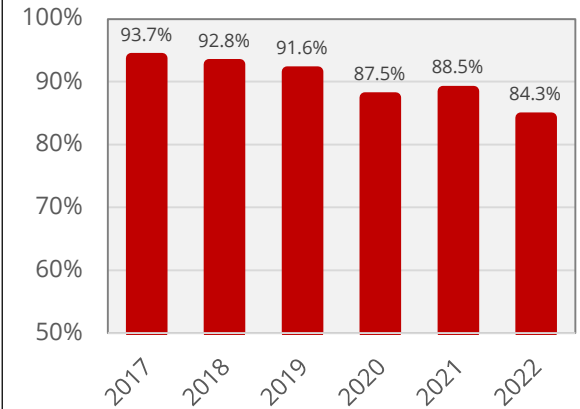
Executive Summary

Summary Results

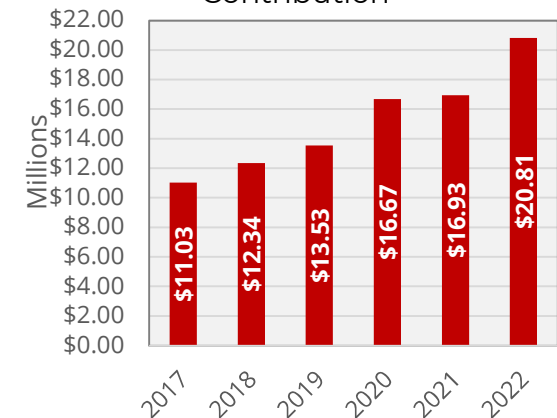
The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay.

	October 1, 2021	October 1, 2022
Funded Status Measures		
Accrued Liability	\$558,097,082	\$592,808,337
Actuarial Value of Assets	<u>\$493,963,606</u>	<u>\$499,628,821</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$64,133,476	\$93,179,516
Funded Percentage (AVA)	88.5%	84.3%
Funded Percentage (MVA)	95.5%	75.0%
Cost Measures		
Recommended Contribution	\$16,932,540	\$20,812,920
Recommended Contribution (as a percentage of payroll)	17.4%	19.5%
Asset Performance		
Market Value of Assets (MVA)	\$533,079,911	\$444,694,902
Actuarial Value of Assets (AVA)	\$493,963,606	\$499,628,821
Actuarial Value/Market Value	92.7%	112.4%
Market Value Rate of Return	21.3%	-14.4%
Actuarial Value Rate of Return	8.8%	3.6%
Participant Information		
Active Members	1,641	1,660
Terminated Vested Members	311	339
Retirees, Beneficiaries and Disabled Members	1,350	1,392
DROP Participants	<u>108</u>	<u>94</u>
Total	3,410	3,485
Expected Payroll	\$97,273,376	\$106,585,069

History of Funded Ratio



History of Recommended Contribution



Executive Summary

Changes since Prior Valuation and Key Notes

There have been no changes to the plan provisions since the last valuation.

The interest rate assumption has been decreased from 7.20% to 7.15% to better reflect future expectations of market returns and long-term inflation, in accordance with the Board's policy. It is anticipated that the rate will be decreased by 5 basis points per year until reaching 7.00%. The decrease in interest rate assumptions results in an increase in calculated accrued liability and normal cost.

The rates of retirement assumption have been changed based on recent plan experience. These changes were approved based on recommendations following the experience study dated October 12, 2022. Prior and current rates are shown in the tables below. This change results in an increase in accrued liability and normal cost.

<u>Prior Retirement Rates</u>		<u>Current Retirement Rates</u>	
<u>Age</u>	<u>Rates</u>	<u>Age</u>	<u>Rates</u>
51-54	20.0%	51-64	25.0%
55-61	15.0%	65-69	30.0%
62-64	25.0%	70+	100.0%
65-69	30.0%		
70+	100.0%		

The rates of withdrawal assumption for participants with 5 or more years of service have been changed based on recent plan experience. These changes were approved based on recommendations following the experience study dated October 12, 2022. The prior and current rates are shown in the table below. This change results in a decrease in accrued liability and normal cost.

Participants with 5 years of service or more:

<u>Age</u>	<u>Prior Rate</u>	<u>Current Rate</u>
20-29	6.0%	6.0%
30-34	5.5%	5.5%
35-39	5.0%	5.0%
40-59	3.0%	3.0%
60-64	3.0%	7.0%
65+	3.0%	20.0%

The amortization method for new bases has been lowered from a 25-year closed amortization to a 20-year closed amortization.

The aggregate payroll growth rate (used to determine the amortization of unfunded liability bases) remains at 2.75%, as limited by the ten-year average historical growth in payroll of 4.10% and the Plan's base payroll growth assumption of 2.75%.

Executive Summary

Five Year Valuation Summary

	10/01/2018	10/01/2019	10/01/2020	10/01/2021	10/01/2022
Funding					
Accrued Liability	\$469,324,580	\$493,104,894	\$533,813,679	\$558,097,082	\$592,808,337
Actuarial Value of Assets	\$435,500,142	\$451,751,513	\$467,080,576	\$493,963,606	\$499,628,821
Unfunded Actuarial Accrued Liability	\$33,824,438	\$41,353,381	\$66,733,103	\$64,133,476	\$93,179,516
Funded Percentage	92.8%	91.6%	87.5%	88.5%	84.3%
Total Normal Cost (NC)	\$9,720,761	\$10,418,699	\$11,848,353	\$12,373,524	\$13,753,441
NC as a Percent of Covered Payroll	11.5%	11.5%	12.4%	12.7%	12.9%
Actual Employer Contribution	\$11,034,553	\$13,531,360	\$16,668,802	TBD	TBD
Recommended Contribution	\$11,034,553	\$13,531,360	\$16,668,802	\$16,932,540	\$20,812,920
Recommended Contribution (% of Pay)	13.1%	14.9%	17.5%	17.4%	19.5%
Interest Rate	7.65%	7.60%	7.25%	7.20%	7.15%
Expense Load Assumption	\$44,467	\$20,766	\$21,187	\$30,403	\$36,318
Rate of Return					
Actuarial Value of Assets	6.7%	6.8%	6.4%	8.8%	-14.4%
Market Value of Assets	7.9%	1.0%	7.2%	21.3%	3.6%
Demographic Information					
Active Participants	1,621	1,622	1,651	1,641	1,660
Terminated Vested Participants	202	285	299	311	339
Retired Participants	1,013	1,052	1,082	1,103	1,125
Beneficiaries	212	208	193	208	229
Disabled Participants	40	39	39	39	38
DROP Participants	108	113	115	108	94
Total Participants	3,196	3,319	3,379	3,410	3,485
Covered Payroll	\$84,448,231	\$90,973,496	\$95,232,619	\$97,273,376	\$106,585,069
Average Covered Pay	\$52,096	\$56,087	\$57,682	\$59,277	\$64,208

Executive Summary

Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the City of ABC Employees' Retirement System. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

Type of Risk	Method to Assess Risk
Investment Return	Scenario Testing; Asset Liability Study
Contribution Risk	Projections and Contribution Strategy; Annual Monitoring
Demographic Risk	Projections; Stress Testing

Plan Maturity Measures - October 1, 2022

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the City of ABC Employees' Retirement System falls in its life-cycle.

Duration of Liabilities: 11.2

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 47.6%

A plan with a high ratio is more sensitive to fluctuations in salary and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 24.0%

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 6.8%

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

Assets and Liabilities

The basic building blocks of the actuarial report are contained in this section. These include:

- Actuarial Accrued Liabilities
- Asset Information

Assets and Liabilities

Present Value of Future Benefits

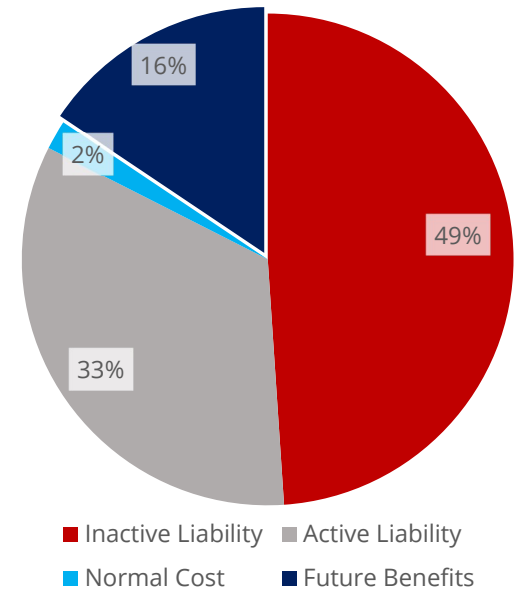
The Present Value of Future Benefits represents the discounted value of all future benefits expected to be payable to current members, considering future service and compensation not yet earned.

October 1, 2022

Present Value of Future Benefits

Active participants	
Retirement	\$317,765,860
Disability	9,794,307
Death	2,234,090
Termination	37,255,408
Total active	\$367,049,665
Inactive participants	
Retired participants	\$271,712,372
DROP participants	33,192,022
Beneficiaries	29,595,897
Disabled	6,036,647
Terminated vested participants	11,127,035
Total inactive	\$351,663,973
Total	\$718,713,638
 Present value of future payrolls	 \$976,781,461

Breakdown of Present Value of Future Benefits



Assets and Liabilities

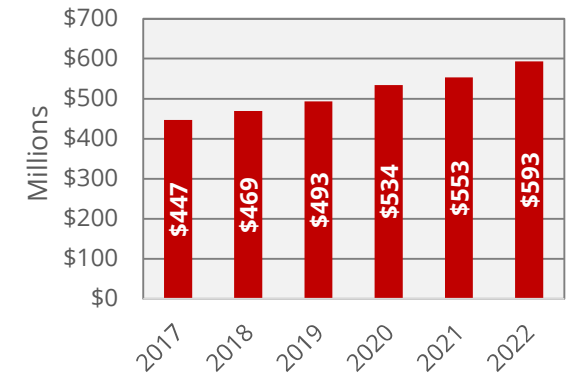
Actuarial Accrued Liability

The Accrued Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions. It is not a long-term snapshot of the liabilities.

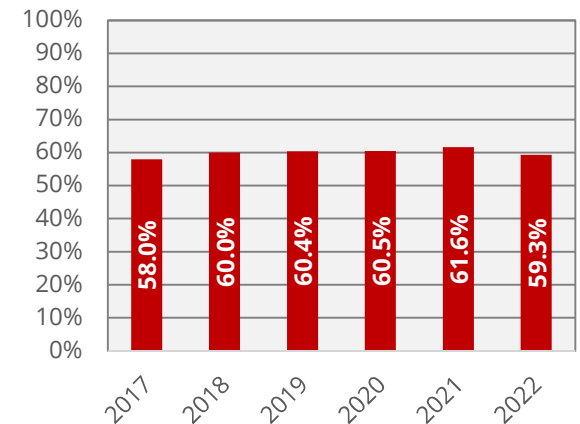
October 1, 2022

Active participants	
Retirement	\$222,156,095
Disability	2,745,862
Death	1,480,517
Termination	14,761,890
Total Active	\$241,144,364
Inactive participants	
Retired participants	\$271,712,372
DROP participants	33,192,022
Beneficiaries	29,595,897
Disabled	6,036,647
Terminated vested participants	11,127,035
Total Inactive	\$351,663,973
Total Actuarial Accrued Liability	\$592,808,337
Normal Cost	\$13,753,441
Interest Rate	7.15%

History of Liabilities



History of the Percentage of Inactive Liability



Assets and Liabilities

Asset Information

The amount of assets backing the pension promise is typically the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

October 1, 2022

Market Value Reconciliation

Market value of assets, beginning of prior year	\$533,079,911
Contributions	
Employer contributions	\$16,668,802
Employee contributions	1,894,925
Non-Employer contributions	0
Total	\$18,563,727
Investment income, net expenses	(76,395,794)
Benefit payments and refunds	(30,511,695)
Administrative expenses	(41,247)
Market value of assets, beginning of current year	\$444,694,902
Accumulated reserve	0
Adjusted market value of assets available for pension benefits	\$444,694,902

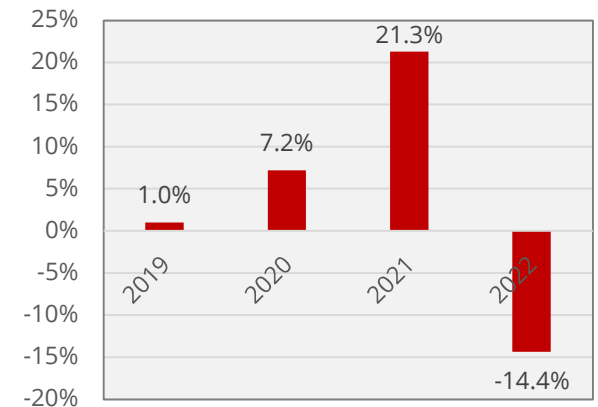
Historical Rates of Return

Rate of return for 2022	-14.4%
Rate of return for 2021	21.3%
Rate of return for 2020	7.2%
Rate of return for 2019	1.0%

Actuarial Value of Assets

Value at beginning of current year	\$499,628,821
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Rates of Return



Monitoring the pension plan's investment performance is crucial to eliminating surprises.

Assets and Liabilities

Asset Information (continued)

Plan Assets are used to develop funded percentages and contribution requirements.

	October 1, 2022
1. Expected market value of assets	
(a) Market value of assets (10/1/2021)	\$533,079,911
(b) Contributions	18,563,727
(c) Benefit payments	(30,511,695)
(d) Expenses	(41,247)
(e) Expected return	<u>38,315,470</u>
(f) Expected market value of assets (10/1/2022)	\$559,406,166
2. Market value of assets (10/1/2022)	\$444,694,902
3. Actual return on market value	(\$76,395,794)
4. Amount subject to phase in [(3)-(1e)]	(\$114,711,264)
5. Phase in of asset gain/(loss)	
(a) Current year (75% x (\$114,711,264))	(\$86,033,448)
(b) First prior year (50% x \$63,039,946)	31,519,973
(c) Second prior year (25% x (\$1,681,774))	<u>(420,444)</u>
(d) Total phase-in	(\$54,933,919)
6. Preliminary actuarial value of assets (10/1/2022) [(2)-(5d)]	\$499,628,821
7. 80% Market value of assets	\$355,755,922
8. 120% Market value of assets	\$533,633,882
9. Adjusted actuarial value of assets	\$499,628,821
10. Reserved assets	\$0
11. Final actuarial value of assets	\$499,628,821
12. Return on actuarial value of assets	3.58%

Funding Results

The basic building blocks of the actuarial report are contained in this section. These include:

- Reconciliation of Gain/Loss
- Reconciliation of Unfunded Actuarial Accrued Liability (UAAL)
- Recommended Contribution

Funding Results

Reconciliation of (Gain)/Loss

October 1, 2022

Liability (Gain)/Loss

1. Actuarial liability, beginning of prior year	\$558,097,082
2. Normal cost for prior year	12,373,524
3. Benefit payments	(30,511,695)
4. Expected Interest	39,994,552
5. Change in Assumptions	7,242,238
6. Change in Plan Provisions	0
7. Expected actuarial liability, beginning of current year	\$587,195,701
8. Actual actuarial liability	592,808,337
9. Liability (Gain)/Loss, (8) – (7)	\$5,612,636

Asset (Gain)/Loss

10. Actuarial value of assets, beginning of prior year	\$493,963,606
11. Contributions	18,563,727
12. Benefit payments and expenses	(30,552,942)
13. Expected Investment return	35,499,096
14. Expected actuarial value of assets, beginning of current year	\$517,473,487
15. Actual actuarial value of assets, beginning of current year	499,628,821
16. Asset (Gain)/Loss, (14) – (15)	\$17,844,666

Total (Gain)/Loss, (9) + (16)

\$23,457,302

Funding Results

Reconciliation of Unfunded Actuarial Accrued Liability (UAAL)

	October 1, 2022
1. UAAL beginning of prior year	\$64,133,476
2. Normal Cost for prior year	12,373,524
3. Expenses	41,247
4. Employer Contributions	(16,668,802)
5. Employee Contributions	(1,894,925)
6. Non-Employer Contributions	0
7. Interest	4,495,456
8. Expected UAAL, beginning of current year	\$62,479,976
9. Changes due to:	
(a) Amendments	0
(b) Assumptions	7,242,238
(c) Funding Methods	0
(d) Plan Provisions	0
(e) Total	\$7,242,238
10. (Gain)/Loss due to:	
(b) Assets	\$17,844,666
(c) Liabilities	5,612,636
(d) Total	\$23,457,302
11. UAAL beginning of current year [(8)+(9)+(10)]	\$93,179,516

Funding Results

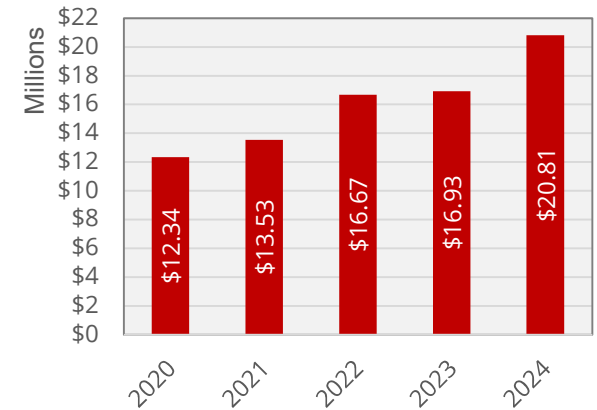
Development of Actuarial Recommended Contribution

The recommended contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws.

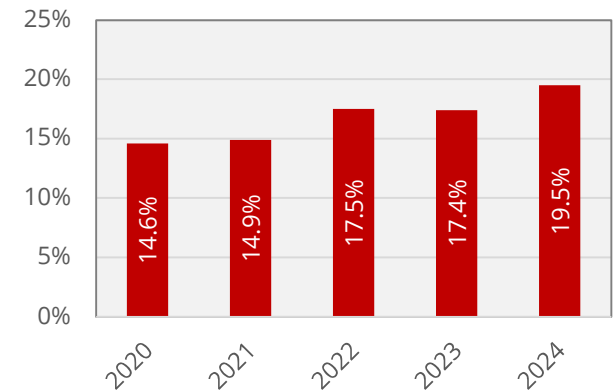
Funded Position	October 1, 2022
1. Entry age accrued Liability	\$592,808,337
2. Actuarial value of assets	499,628,821
3. Unfunded accrued liability, (1)-(2)	\$93,179,516
Employer Contributions	
1. Normal Cost	
a. Total normal cost	\$13,753,441
b. Expected participant contributions	(2,203,420)
c. Net normal cost	\$11,550,021
2. Administrative expenses	36,318
3. Amortization of UAAL	7,560,589
4. Applicable interest ⁽¹⁾	1,665,992
5. Total required contribution	\$20,812,920
6. Expected state contribution	0
7. Total recommended contribution	\$20,812,920
As a percentage of current payroll	19.5%

¹⁾ Based on assumed payment schedule where 1/12th of the City contribution is made on 10/1, 11/1, and 12/1 of the year following the valuation date with the remaining 9/12th contributed on 1/1 thereafter.

History of Fiscal Year Recommended Contribution



History of Fiscal Year Recommended Contribution (% of Payroll)



Data, Assumptions, and Plan Provisions

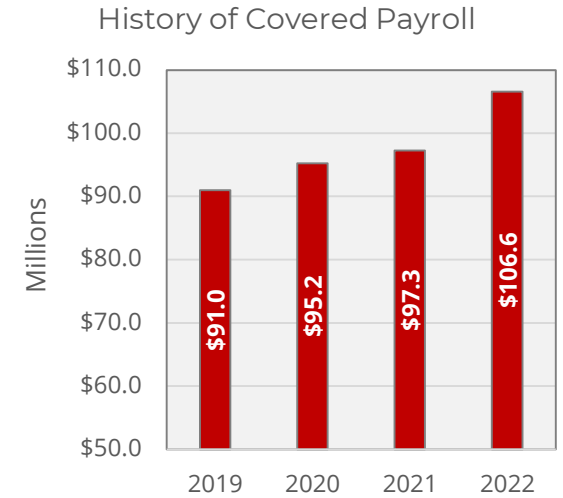
- Demographic Information
- Plan Provisions
- Assumptions and Methods

Data, Assumptions, and Plan Provisions

Demographic Information

The foundation of a reliable actuarial report is the participant information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	October 1, 2021	October 1, 2022
Participant Counts		
Active Participants	1,641	1,660
Retired Participants	1,103	1,125
Beneficiaries	208	229
Disabled Participants	39	38
Terminated Vested Participants	311	339
DROP Participants	108	94
Total Participants	3,410	3,485
Active Participant Demographics (Ongoing)		
Average Age	46.0	46.0
Average Service	10.7	10.6
Average Compensation	\$59,277	\$64,208
Total Covered Payroll	\$97,273,376	\$106,585,069



Demographic Information (continued)

	October 1, 2021	October 1, 2022
Retiree Statistics		
Average Age	72.2	72.4
Average Monthly Benefit	\$1,754	\$1,806
Beneficiary Statistics		
Average Age	68.4	68.1
Average Monthly Benefit	\$1,139	\$1,183
Disabled Participant Statistics		
Average Age	64.8	64.9
Average Monthly Benefit	\$1,473	\$1,502
Terminated Participant Statistics		
Average Age	48.5	47.5
Average Monthly Benefit	\$344	\$335
DROP Participant Statistics		
Average Age	61.6	62.2
Average Monthly Benefit	\$2,141	\$2,098

Monitoring the average age of the population is important due to the relationship of actuarial cost to age. Generally speaking, an older population generates a higher actuarial cost.

Changes in the ratio of active to retired participants can be a significant driver of costs in a volatile asset market.

Data, Assumptions, and Plan Provisions

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
Prior Year	1,641	311	39	1,211	208	3,410
Active						
To Death	(4)	0	0	0	0	(4)
To Terminated Vested	(69)	69	0	0	0	0
To Disabled	(1)	0	1	0	0	0
To Lump Sum Cash-Out	(52)	0	0	0	0	(52)
To Retired	(39)	0	0	39	0	0
Terminated Vested						
To Active	5	(5)	0	0	0	0
To Retired	0	(16)	0	16	0	0
To Disabled	0	(1)	1	0	0	0
To Lump Sum Cash-Out	0	(17)	0	0	0	(17)
To Death	0	(2)	0	0	0	(2)
Disabled						
To Death	0	0	(3)	0	0	(3)
Retired						
To Death	0	0	0	(47)	0	(47)
Beneficiary						
To Death	0	0	0	0	(8)	(8)
To Benefits Expired	0	0	0	0	(1)	(1)
Additions	180	1	0	0	30	211
Departures	(1)	(1)	0	0	0	(2)
Current Year	1,660	339	38	1,219	229	3,485

Data, Assumptions, and Plan Provisions

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service										Total	Average Pay
	Under 1	1 to 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 & Up		
Under 25	21	22	5								48	\$43,594
25 to 29	23	57	33	13							126	\$50,438
30 to 34	26	69	54	23	11						183	\$54,650
35 to 39	16	72	59	30	37	12					226	\$59,637
40 to 44	10	38	38	20	34	28	2				170	\$66,094
45 to 49	12	34	33	24	44	27	23	5			202	\$69,749
50 to 54	10	35	31	29	47	42	47	14	3		258	\$71,122
55 to 59	8	33	33	19	44	60	23	10	16	1	247	\$69,450
60 to 64	1	22	25	17	30	15	13	12	6	6	147	\$67,310
65 to 69		5	4	7	8	5	3	4	3	8	47	\$75,375
70 & up				2	3					1	6	\$65,401
Total	127	387	315	184	258	189	111	45	28	16	1,660	\$64,208

Data, Assumptions, and Plan Provisions

Plan Status

Prior Retirement System 1944; Supplemental Retirement System January 1, 1964.

Eligibility for Participation

Supplemental Retirement System

Membership is optional for Members of Prior Plan as of January 1, 1964. Full-time permanent employees or full-time temporary employees for more than six months hired on or after January 1, 1964 will be enrolled as Members with a participation date 90 days from date of hire. Police cadets hired on or after October 1, 2003 will not be eligible to participate. Administrative management employees may waive participation in order to participate in the 401a plan. Effective October 1, 2009, any active participant or any employees initially eligible to participate in this plan may make an irrevocable election to participate in the 401(a) plan in lieu of participation in this plan, unless such election is contrary to any collective bargaining agreement.

Accrual of Benefits

Supplemental Retirement System

Average Monthly Salary times a percentage derived as follows

Years of Credited Service During:	Percentage
Before 01/01/1964	2.0%
01/01/1964 – 09/30/1972	1.0%
10/01/1972 – 02/29/1980	1.5%
03/01/1980 – 02/28/1990	2.0%
03/01/1990 – 02/29/2000	1.5%
03/01/2000 – and later	2.0%

Benefits

Normal Retirement

Eligibility

Earlier of:

Age 60 (if membership attained on or after October 1, 1989 but before March 1, 2000, then five years of Credited Service are required, or if membership attained on or after March 1, 2000, 10 years of Credited Service are required),

Age 55 with 25 years of Credited Service, or

Age 51 with 30 years of Credited Service.

Data, Assumptions, and Plan Provisions

Death before Retirement In Line of Duty

Benefit Monthly benefit payable to surviving spouse until death or remarriage equal to 40% of Covered Salary for the first 10 years after the Member's death, and 30% of covered Salary thereafter.

Death before Retirement Not In Line of Duty

Benefit **Death while eligible for retirement**

Beneficiary will receive a benefit calculated as if the member had retired on the date of death. The benefit will be the survivor portion of the actuarially adjusted optional form of benefit elected by the beneficiary.

Death with 20 years of Credited Service (but not eligible to retire)

Unless accumulated employee contributions are withdrawn, the Beneficiary will receive a benefit at the Member's normal retirement date calculated as if the member had terminated on the date of death. The benefit will be the survivor portion of the actuarially adjusted optional form of benefit elected by the beneficiary. Effective March 1, 2000, the Pension Board may credit up to 90 days of City Service if the deceased employee had at least 19 years and 274 days of Credited Service on the date of death.

Death while not eligible to retire and with less than 20 years of Credited Service (employed on date of death)

Refund of Member's accumulated employee contributions, plus 1% of accumulated employee contributions for each year of Credited Service, plus, if employed on or before September 30, 1989, the Specified Employer Contributions deposited on the Member's behalf.

Death while not eligible to retire and with less than 20 years of Credited Service (not employed on date of death)

Refund of Member's accumulated employee contributions, plus, if employed on or before September 30, 1989 and Member had five or more years of continuous service, the Specified Employer Contributions deposited on the Member's behalf.

Termination Benefit

Eligibility A Member is eligible for a separation benefit upon voluntary termination or discharge.

Benefit Refund of Member's accumulated employee contributions, plus, if employed on or before September 30, 1989 the Specified Employer Contributions deposited on the Member's behalf, without interest. If accumulated contributions are not withdrawn from the Fund, then the vested accrued benefit is payable to the Member beginning at age 60 for life. If the Member dies prior to age 60, the beneficiary will receive the accumulated contributions with interest. The vested percentage is as follows:

Data, Assumptions, and Plan Provisions

Years of Credited Service	Vested Percentage
Less than 5	0%
5	4
6	12
7	20
8	28
9	36
10	44
11	52
12	60
13	68
14	76
15	84
16	92
17 or more	100

Disability Benefit In Line of Duty

Supplemental Retirement System

The Member's accrued pension benefit based on Average Monthly Salary at the date of disability and Credited Service projected to age 65. This benefit plus the initial Social Security benefit cannot exceed the Covered Salary at the date of disability, nor can be less than 65% of Average Monthly Salary. Finally, this benefit will be reduced by amounts payable under Worker's Compensation.

Disability Benefit Not In Line of Duty

Supplemental Retirement System

If disability occurs after Member attains seven years of Credited Service, the benefit is the greater of the Member's accrued pension benefit at the date of disability or 30% of Average Monthly Salary.

Average Monthly Salary

The average of the Member's Covered Salary during the highest five years during all years of Creditable Service. Covered Salary is base compensation (hourly rate times normal basic work schedule, plus lump sum wage or salary payments paid to the employee in lieu of pay rate increases), but excluding overtime and bonuses.

Credited Service

Length of service with the City measured from date of enrollment in the Retirement System, including vacations and other leaves of absence. Unpaid leaves of absence greater than one month are excluded.

Credited service accruals will cease upon termination date or date of entry into the Deferred Retirement Option Plan (DROP).

Data, Assumptions, and Plan Provisions

Employee Contributions

Member contributions are determined as a percentage of Covered Salary. The applicable percentages are as follows:

Period	Prior	Supplemental
Up to 09/30/1983	5.84%	3.50%
10/01/1983 – 09-30/1984	4.84%	2.50%
10/01/1984 – 09/30/1985	3.84%	1.50%
10/01/1985 – 09/30/2000	0.00%	0.00%
10/01/2000 – 09/30/2001	0.00%	1.00%
10/01/2001 – and later	0.00%	2.00%

Interest on the contributions is credited at an annual rate of 3.0%

Members who have elected the Deferred Retirement Option Program (DROP) do not contribute.

DROP

Eligibility

A Member who is eligible for Normal Retirement is eligible to elect to participate in DROP. The Member may participate in DROP for the lesser of five years or until the Member would have earned 35 years of Credited Service.

Benefit

Upon entering the DROP, the monthly retirement benefit under the plan is calculated and each monthly benefit payment is deposited in an account with a Third Party Administrator (TPA). The Member is responsible for directing the payments into investment options made available by the TPA pursuant to an agreement with the Board. Any losses, changes or expenses in the DROP account incurred as a result of these investment options will not be made up by the Plan, the Pension Board or the City.

At the end of the DROP period or termination of employment, if earlier, the DROP account will be paid to the Member through an option available from the outside vendor. The Member will also begin receiving the monthly retirement benefit from the Plan. When participation in the DROP is over, the Member must separate employment with the City.

Members in the DROP are no longer eligible for disability or pre-retirement death benefits, nor do they accrue any additional credited service. The Normal Retirement Benefit is fixed as of the entry date into the DROP. Member contributions to the Plan cease upon entering the DROP. Beneficiaries of Members who die while participating in the DROP will be able to choose from the same payout options available to the Member through the outside provider. If the Member dies while receiving payments from the DROP account, payments will be made in accordance with the payout option selected through the outside provider.

Cost-of-Living Adjustment

An adjustment factor shall be applied to the current benefit of all eligible retirees and beneficiaries each year. The adjustment shall not be greater than 2% for any retiree under the Prior System, or 1.5% for any retiree under the Supplemental System.

Payment Forms

The benefit begins at retirement and continues for the Member's life but guaranteed for the first 120 months.

Optional Forms – The following optional forms of retirement income are available based on Actuarial Equivalence: Option 1 – Life annuity with Twenty Years Certain; Option 2 – 100% Joint and Survivor Annuity; Option 3 – 50% Joint and Survivor Annuity; Option 4 – Single Life Annuity; Option 5 – 75% Joint and Survivor Annuity.

Data, Assumptions, and Plan Provisions

Plan Provisions Not Included

We are not aware of any plan provisions not included in the valuation.

Adjustment Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact results.

Changes in Plan Provisions Since Prior Report

None

Data, Assumptions, and Plan Provisions

Except where otherwise indicated, the following assumptions were selected by the plan sponsor with the concurrence of the actuary. Prescribed assumptions are based on the requirements of the relevant law, the Internal Revenue Code, and applicable regulation.

Valuation Date: October 1, 2022

Participant and Asset Information as of: October 1, 2022

Retirement Rates (FE): Retirement rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
51	25.0%	56	25.0%	61	25.0%	66	30.0%
52	25.0%	57	25.0%	62	25.0%	67	30.0%
53	25.0%	58	25.0%	63	25.0%	68	30.0%
54	25.0%	59	25.0%	64	25.0%	69	30.0%
55	25.0%	60	25.0%	65	30.0%	70	100.0%

The assumed retirement rates are based on a study of actual experience for the plan during 2016-2021. See the experience study report dated October 2022.

Disability Rates (FE):

Representative disability rates are as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.02%	30	0.04%	40	0.15%	50	0.25%
25	0.02%	35	0.10%	45	0.20%	55	0.25%

50% of disabilities are assumed to be service incurred and 50% of disabilities are assumed to be non-service incurred

The assumed retirement rates are based on a study of actual experience for the plan during 2016-2021. See the experience study report dated October 2022.

Mortality:

Healthy Active Mortality	Female: Pub-2010 Headcount Weighted General Below Median Employee Female, with MP-2018 generational Improvement Scale Male: Pub-2010 Headcount Weighted General Below Median Employee Male, set back 1 year with MP-2018 generational Improvement Scale
Healthy Inactive Mortality	Female: Pub-2010 Headcount Weighted General Below Median Healthy Retiree Female, with MP-2018 generational Improvement Scale Male: Pub-2010 Headcount Weighted General Below Median Healthy Retiree Male, set back 1 year with MP-2018 generational Improvement Scale
Disabled	Female: Pub-2010 Headcount Weighted General Disabled Retiree Female, set forward 3 years Male: Pub-2010 Headcount Weighted General Disabled Retiree Male, set forward 3 years

Data, Assumptions, and Plan Provisions

100% of deaths among active Members are assumed to be non-service incurred.

The mortality table is prescribed by state law, following the assumptions used by the Florida Retirement System.

Withdrawal (FE):

Representative withdrawal rates are as follows for participants with five years of service or more:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	6.00%	35	5.00%	45	3.00%	55	3.00%	60	7.00%
30	5.50%	40	3.00%	50	3.00%	59	3.00%	65	20.00%

For participants with fewer than five years of service:

<u>Year</u>	<u>Rates</u>
1	10.00%
2	10.00%
3	10.00%
4	8.50%
5	6.50%

The assumed retirement rates are based on a study of actual experience for the plan during 2016-2021. See the experience study report dated October 2022.

Salary Projection Scale (FE):

Salary increase assumption as follows:

<u>Age</u>	<u>Rates</u>	<u>Age</u>	<u>Rates</u>
20	8.00%	40	6.00%
25	7.50%	45	5.50%
30	7.50%	50	5.00%
35	6.50%	55	4.50%

The assumed retirement rates are based on a study of actual experience for the plan during 2016-2021. See the experience study report dated October 2022.

Aggregate Compensation (FE):

Aggregate compensation (payroll) is assumed to increase 2.75% per year, as limited by the ten-year average historical growth in payroll (prescribed assumption) and the Plan's baseline payroll growth assumption of 2.75%.

Interest Rate (CO):

7.15% per annum, net investment of expenses

Support for the discount rate assumption has been provided in the experience study report dated October 2022.

Expense and/or

Contingency Loading (FE):

The contribution is increased by anticipated administrative expenses, equal to the average of the prior four years of administrative expenses.

Data, Assumptions, and Plan Provisions

Marital Status and Ages (FE):	85% of active Members are assumed to be married with males assumed to be 3 years older than female spouses.
Funding Method:	Liabilities and contributions in the report are based on application of an Entry Age Normal cost method.
Asset Valuation Method:	The Actuarial Value of assets is determined using a method that spreads over a period of four years the difference between the actual investment income and the expected income (based on the valuation interest rate applied to the prior year's market value of assets). Resulting value constrained to be within corridor from 80% to 120% of market value.
Amortization Method:	A 20-year amortization period will apply to any future changes in the unfunded actuarial accrued liability. All new bases are to be amortized using a level percentage of pay amortization.
Inflation:	2.25% per annum.
Other Procedures:	Benefits projected to assumed retirement age for active participants have been limited so as not to exceed maximum benefits imposed by Code Section 415(b) and/or maximum compensation limits of Code Section 401(a)(17).
Cost-of-Living Adjustment:	Cost of living increase is 2.0% for the Prior Plan and 1.5% for the Supplemental Plan.
Changes Since Prior Report:	<p>The interest rate assumption has been decreased from 7.20% to 7.15% to better reflect future expectations of market returns and long-term inflation. The decrease in interest rate assumption results in an increase in accrued liability and normal cost.</p> <p>The aggregate payroll growth rate (used to determine the amortization of unfunded liability bases) increased from 2.10% to 2.75%, as limited by the ten-year average historical growth in payroll of 4.10% and the Plan's base payroll growth assumption of 2.75%.</p> <p>The rates of retirement assumption have been changed based on recent plan experience. This change results in an increase in accrued liability and normal cost.</p> <p>The rates of withdrawal assumption for participants with 5 or more years of service have been changed based on recent plan experience. This change results in a decrease in accrued liability and normal cost.</p> <p>The amortization method for new bases has been lowered from a 25-year closed amortization to a 20-year closed amortization.</p>

FE indicates an assumption representing an estimate of future experience

MD indicates an assumption representing observations of estimates inherent in market data

CO indicates an assumption representing a combination of an estimate of future experience and observations of market data

Other Measurements

The actuarial report also shows the necessary items required for plan reporting and any state requirements.

- ✓ Statement of changes in plan net assets
- ✓ Distribution of assets
- ✓ Schedule of amortizations
- ✓ Florida State requirements
 - Comparative Summary of Principal Valuation Results
 - Comparison of Payroll Growth, salary increases and investment results
 - Requirements under Florida Statute 112.664 and F.A.C. 60T – 1.0035
 - Reserve account for benefit improvements under F.L. 99-1 and SB 172

Other Measurements

Statement of Changes in Plan Net Assets

	<u>September 30, 2021</u>	<u>September 30, 2022</u>
1. Additions		
(a) Contributions:		
(i) Employer	\$13,531,360	\$16,668,802
(ii) Member	1,906,788	1,894,925
(iii) Nonemployer contributing entity	0	0
(iv) Excess premium tax	0	0
(v) Total	<u>\$15,438,148</u>	<u>\$18,563,727</u>
(b) Investment income		
(i) Net increase in fair value of investments	\$88,409,685	(\$82,570,441)
(ii) Interest and dividends	9,022,439	7,783,721
(iii) Investment expense, other than from securities lending	(1,867,627)	(1,609,074)
(iv) Securities lending income	0	0
(v) Securities lending expense	0	0
(vi) Total	<u>\$95,564,497</u>	<u>(\$76,395,794)</u>
(c) Other	<u>0</u>	<u>0</u>
(d) Total additions [(a)+(b)+(c)]	<u>\$111,002,645</u>	<u>(\$57,832,067)</u>
2. Deductions		
(a) Benefit payments, including refunds of member contributions	\$29,236,730	\$30,511,695
(b) Administrative expense	54,880	41,247
(c) Other	0	0
(d) Total deductions	<u>\$29,291,610</u>	<u>\$30,552,942</u>
3. Net increase [(1d)-(2d)]	<u>\$81,711,035</u>	<u>(\$88,385,009)</u>
4. Net assets held in trust for pension benefits, beginning of year	<u>451,368,876</u>	<u>533,079,911</u>
5. Net assets held in trust for pension benefits, end of year [(3)+(4)]	<u>\$533,079,911</u>	<u>\$444,694,902</u>

Other Measurements

Distribution of Assets

	<u>September 30, 2021</u>	<u>September 30, 2022</u>
Cash and deposits	\$16,156,691	\$6,674,654
Securities lending cash collateral	0	0
Total cash	\$16,156,691	\$6,674,654
Receivables		
Contributions	\$0	\$0
Other	6,971,255	1,622,571
Total receivables	\$6,971,255	\$1,622,571
Investments		
Common Stock and Equities	\$321,773,367	\$194,416,593
Corporate Bonds	42,263,214	41,909,273
Government Securities	70,978,163	58,146,787
Other Assets	76,960,332	143,106,462
Total Investments	\$511,975,076	\$437,579,115
Payables		
Investment management fees	\$22,300	\$28,163
Due to broker for investments purchased	2,000,811	1,153,275
Other	0	0
Total liabilities	\$2,023,111	\$1,181,438
Market value of assets	\$533,079,911	\$444,694,902

Other Measurements

Schedule of Amortizations

October 1, 2022

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Total Remaining Period Years</u>	<u>\$93,179,516 Remaining Balance</u>	<u>\$7,059,506 Annual Payment (Prior Assumptions)</u>	<u>\$7,560,589 Annual Payment (Current Assumptions)</u>
10/1/1994	Assumption Change	1,176,493	2	97,438	49,752	49,740
10/1/1996	Assumption Change	2,166,593	4	348,964	92,865	92,802
10/1/1998	Assumption Change	4,394,192	6	1,030,149	190,390	190,179
10/1/2000	Plan Amendment	11,227,924	8	3,381,531	488,002	487,256
10/1/2002	Assumption Change	(1,772,250)	10	(640,075)	(76,891)	(76,742)
10/1/2007	Assumption Change	4,062,949	15	2,104,124	185,613	185,076
10/1/2007	Method Change	(17,074,960)	15	(8,842,792)	(780,058)	(777,799)
10/1/2009	Assumption Change	9,794,283	17	8,870,059	716,892	714,556
10/1/2009	Method Change	49,977,457	17	45,261,397	3,658,096	3,646,175
10/1/2010	Experience Loss (Gain)	9,080,771	18	8,276,470	643,616	641,405
10/1/2010	Assumption Change	(3,625,646)	18	(3,304,515)	(256,974)	(256,092)
10/1/2011	Experience Loss (Gain)	18,398,977	19	16,827,681	1,262,816	1,258,260
10/1/2011	Assumption Change	(5,983,705)	19	(5,472,691)	(410,693)	(409,211)
10/1/2012	Experience Loss (Gain)	5,025,154	20	4,638,389	336,790	335,517
10/1/2012	Assumption Change	(6,486,597)	20	(5,987,354)	(434,737)	(433,094)
10/1/2013	Experience Loss (Gain)	(7,502,435)	21	(7,005,112)	(493,295)	(491,349)
10/1/2013	Assumption Change	(3,188,639)	21	(2,977,269)	(209,657)	(208,830)
10/1/2014	Experience Loss (Gain)	(15,865,265)	22	(15,044,244)	(1,029,640)	(1,025,409)
10/1/2014	Assumption Change	(4,052,412)	22	(3,842,701)	(262,998)	(261,917)
10/1/2015	Experience Loss (Gain)	(10,878,994)	23	(10,484,172)	(698,729)	(695,745)
10/1/2015	Assumption Change	(3,328,072)	23	(3,207,289)	(213,753)	(212,840)
10/1/2015	Method Change	(3,538,359)	23	(3,409,946)	(227,259)	(226,289)
10/1/2016	Experience Loss (Gain)	55,824	24	54,593	3,549	3,533
10/1/2016	Assumption Change	10,792,015	24	10,553,858	686,127	683,089
10/1/2016	Method Change	(8,555,724)	24	(8,366,915)	(543,950)	(541,541)
10/1/2017	Experience Loss (Gain)	3,618,203	20	3,465,043	251,594	250,643
10/1/2017	Experience Loss (Gain)	(3,475,844)	20	(3,328,710)	(241,695)	(240,782)
10/1/2018	Experience Loss (Gain)	3,201,414	21	3,124,945	220,056	219,188
10/1/2018	Assumption Change	3,598,897	21	3,512,933	247,378	246,402
10/1/2019	Experience Loss (Gain)	12,936,697	22	12,847,840	879,317	875,703
10/1/2019	Assumption Change	(4,305,627)	22	(4,276,053)	(292,657)	(291,454)

Other Measurements

Schedule of Amortizations (continued)

<u>Date Established</u>	<u>Description</u>	<u>Original Amount</u>	<u>Remaining Period Years</u>	<u>Remaining Balance</u>	<u>Annual Payment (Prior Assumptions)</u>	<u>Annual Payment (Current Assumptions)</u>
10/1/2020	Experience Loss (Gain)	6,626,105	23	6,639,647	442,506	440,617
10/1/2020	Assumption Change	19,823,136	23	19,863,649	1,323,834	1,318,180
10/1/2021	Experience Loss (Gain)	(6,163,032)	24	(6,187,113)	(402,237)	(400,455)
10/1/2021	Assumption Change	4,599,954	24	4,617,927	300,221	298,891
10/1/2022	Experience Loss (Gain)	22,797,592	20	22,797,592	1,655,315	1,649,060
10/1/2022	Assumption Change	7,242,238	20	7,242,238	0	523,866

Other Measurements

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results

	10/1/2022 7.15% (current methods & assumptions)	10/1/2022 7.20% (prior methods & assumptions)	10/1/2021 7.20%
Participant Data			
Active members	1,660	1,660	1,641
Total annual payroll	\$106,585,069	\$106,585,069	\$97,273,376
Members in DROP	94	94	108
Total annualized benefit	\$2,366,297	\$2,366,297	\$2,774,883
Retired members and beneficiaries	1,354	1,354	1,419
Total annualized benefit	\$27,633,392	\$27,633,392	\$26,056,073
Disabled members receiving benefits	38	38	39
Total annualized benefit	\$684,840	\$684,840	\$689,119
Terminated vested members	339	339	311
Total annualized benefit	\$1,362,066	\$1,362,066	\$1,285,617
Assets			
Actuarial value of assets	\$499,628,821	\$499,628,821	\$493,963,606
Market value of assets	\$444,694,902	\$444,694,902	\$533,079,911

Other Measurements

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results (continued)

	10/1/2022 7.15% (current methods & assumptions)	10/1/2022 7.20% (prior methods & assumptions)	10/1/2021 7.20%
Liabilities, present value of all future expected benefit payments			
Active members			
Retirement benefits	\$317,765,861	\$316,895,618	\$290,790,323
Vesting benefits	37,255,408	34,303,313	32,075,787
Disability benefits	9,794,307	10,224,801	9,456,670
Death benefits	2,234,090	2,625,734	2,451,766
Return of contribution	0	0	0
Total	\$367,049,666	\$364,049,466	\$334,774,546
Terminated vested members	\$11,127,035	\$11,052,496	\$11,223,184
Retired members and beneficiaries	\$334,500,291	\$333,099,295	\$323,891,648
Disabled members	\$6,036,647	\$6,015,866	\$6,097,827
Total	\$718,713,639	\$714,217,123	\$675,987,205
Liabilities due and unpaid	\$0	\$0	\$0
Actuarial accrued liability	\$592,808,337	\$585,566,099	\$558,097,082
Unfunded actuarial accrued liability	\$93,179,516	\$85,937,278	\$64,133,476

Other Measurements

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results (continued)

	10/1/2022 7.15% (current methods & assumptions)	10/1/2022 7.20% (prior methods & assumptions)	10/1/2021 7.20%
Actuarial present value of accrued benefits			
Statement of actuarial present value of all accrued benefits			
Vested accrued benefits			
Members currently receiving benefits	\$340,536,938	\$339,115,161	\$329,989,475
Other members	156,165,046	149,528,627	141,547,522
Total value of all vested accrued benefits	\$496,701,984	\$488,643,788	\$471,536,997
Non-vested accrued benefits			
Total actuarial present value of all accrued benefits	\$514,721,414	\$504,059,325	\$485,496,003
Statement of changes in total actuarial present value of all accrued benefits (ASC 960)			
Actuarial present value of accrued benefits, beginning of year	\$485,496,003	\$485,496,003	\$463,285,564
Increase (decrease) during year			
Benefits accumulated	\$15,198,636	\$15,198,636	\$15,065,643
Plan amendment	0	0	0
Changes in actuarial assumptions	10,662,089	0	3,834,611
Interest	33,876,381	33,876,381	32,546,915
Benefits paid	(30,511,695)	(30,511,695)	(29,236,730)
Other changes	0	0	0
Net increase (decrease)	\$29,225,411	\$18,563,322	\$22,210,439
Actuarial present value of accrued benefits, end of year	\$514,721,414	\$504,059,325	\$485,496,003

Other Measurements

Information to Comply with Florida 60T-1.003(4)(i)

Comparative Summary Of Principal Valuation Results (continued)

	10/1/2022 7.15% (current methods & assumptions)	10/1/2022 7.20% (prior methods & assumptions)	10/1/2021 7.20%
Pension cost			
Normal Cost	\$13,753,441	\$13,568,041	\$12,373,524
Member contributions	\$2,203,420	\$2,202,215	\$2,070,058
Expected city and state contribution	\$20,812,920	\$20,079,324	\$16,932,540
As % of payroll	19.53%	18.84%	17.41%
Member Contributions as % of payroll	2.00%	2.00%	2.00%
Past contributions	9/30/2022		9/30/2021
Required plan sponsor contribution	\$16,668,802		\$13,531,360
Required member contribution	\$1,894,925		\$1,906,788
Actual contributions made by:			
Plan's sponsor	\$16,668,802		\$13,531,360
Members	\$1,894,925		\$1,906,788
Other	\$0		\$0
Net actuarial gain (loss) (if applicable)	(\$23,457,302)		\$8,520,227
Other disclosures (where applicable)			
Present value of active member			
Future salaries at attained age	\$976,781,461	\$1,021,738,682	\$935,273,390
Future contributions at attained age	\$19,500,613	\$20,385,696	\$18,673,550

Other Measurements

Information to Comply with Florida 60T-1.003(3)(f)

Historical Salary Increases and Asset Performance

Year Ending	Payroll Growth	Salary Growth	Expected Salary Growth	Asset Return (Market)	Asset Return (Actuarial)	Asset Return (Expected)
9/30/2022	9.6%	10.4%	5.5%	(14.36%)	3.58%	7.20%
9/30/2021	2.1%	4.8%	5.5%	21.32%	8.78%	7.25%
9/30/2020	4.7%	5.6%	5.5%	7.21%	6.43%	7.60%
9/30/2019	7.7%	10.2%	5.4%	0.99%	6.84%	7.65%
9/30/2018	3.8%	3.2%	5.7%	7.89%	6.74%	7.70%
9/30/2017	5.1%	5.7%	5.7%	11.55%	6.97%	7.75%
9/30/2016	5.4%	8.7%	5.7%	7.09%	7.64%	7.75%
9/30/2015	5.7%	7.0%	2.5%	(0.10%)	10.60%	7.75%
9/30/2014	(0.7%)	2.1%	0.0%	10.60%	11.40%	7.75%
9/30/2013	(2.3%)	0.0%	0.0%	16.10%	10.50%	7.75%
Averages						
3-year				3.66%	6.24%	
5-year				3.95%	6.46%	
10-year	4.1%			6.40%	7.92%	

Amortization of Unfunded Actuarial Accrued Liability

	UAAL	Amortization
10/1/2022	\$93,179,516	\$7,560,589
10/1/2023	\$91,740,682	\$7,768,510
10/1/2024	\$89,976,183	\$7,929,629
10/1/2025	\$87,912,885	\$8,147,693
10/1/2045	\$81,215	\$81,215

Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

	GASB 67/68	- 200 bp ²	Funding Rate ²	+ 200 bp ²
	7.20%	5.15%	7.15%	9.15%
Total pension liability				
Service Cost	\$12,226,830	\$12,373,524	\$12,373,524	\$12,373,524
Interest	40,012,529	39,994,552	39,994,552	39,994,552
Benefit changes	0	0	0	0
Difference between expected and actual experience	142,075	5,612,636	5,612,636	5,612,636
Changes in assumptions	3,138,665	162,988,095	7,242,238	(102,397,889)
Benefit payments	(30,242,727)	(30,242,727)	(30,242,727)	(30,242,727)
Contribution refunds	(268,968)	(268,968)	(268,968)	(268,968)
Net change in pension liability	\$25,008,404	\$190,457,112	\$34,711,255	(\$74,928,872)
Total pension liability, beginning of year	\$554,925,969	\$558,097,082	\$558,097,082	\$558,097,082
Total pension liability, end of year	\$579,934,373	\$748,554,194	\$592,808,337	\$483,168,210
Plan fiduciary net position				
Contributions - Employer	\$16,668,802	\$16,668,802	\$16,668,802	\$16,668,802
Contributions - State	0	0	0	0
Contributions - Member	1,894,925	1,894,925	1,894,925	1,894,925
Net investment income	(76,395,794)	(76,395,794)	(76,395,794)	(76,395,794)
Benefit payments	(30,242,727)	(30,242,727)	(30,242,727)	(30,242,727)
Contribution refunds	(268,968)	(268,968)	(268,968)	(268,968)
Administrative expense	(41,247)	(41,247)	(41,247)	(41,247)
Other	0	0	0	0
Net change in plan fiduciary net position	(\$88,385,009)	(\$88,385,009)	(\$88,385,009)	(\$88,385,009)
Plan fiduciary net position, beginning of year	\$533,079,911	\$533,079,911	\$533,079,911	\$533,079,911
Plan fiduciary net position, end of year	\$444,694,902	\$444,694,902	\$444,694,902	\$444,694,902
Net pension liability/(asset)	\$135,239,471	\$303,859,292	\$148,113,435	\$38,473,308
Funded ratio	76.68%	59.41%	75.01%	92.04%
Years that Assets support expected benefit payments	17	14	17	22

Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

	GASB 67/68	- 200 bp ²	Funding Rate ²	+ 200 bp ²
Estimated city contribution	7.20%	5.15%	7.15%	9.15%
Annual dollar value	\$20,079,324	\$38,797,176	\$20,812,920	\$7,239,660
Percentage of payroll	18.84%	36.40%	19.53%	6.79%

¹Does not include DROP assets and liabilities

²Based on valuation assumption with the following changes

Interest	7.15%
Amortization	20-year amortization period for unfunded accrued liability
Rates of Retirement	Change in rates of retirement (see table)
Rates of Withdrawal	Change in rates of withdrawal (see table)

Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

Sustainment of Expected Benefit Payments

Mortality GASB Valuation
Interest 7.20%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$444,694,902	\$30,864,588	\$32,606,843
2	442,952,647	30,683,001	34,193,998
3	439,441,650	30,373,294	35,802,931
4	434,012,013	29,924,117	37,449,416
5	426,486,714	29,320,853	39,186,337
6	416,621,230	28,547,750	40,961,308
7	404,207,672	27,591,032	42,740,597
8	389,058,107	26,431,680	44,679,393
9	370,810,394	25,048,590	46,637,170
10	349,221,814	23,433,483	48,353,936
11	324,301,361	21,577,160	50,108,027
12	295,770,494	19,469,109	51,629,719
13	263,609,884	17,100,565	53,127,412
14	227,583,037	14,455,453	54,574,197
15	187,464,293	11,521,853	55,847,731
16	143,138,415	8,288,335	57,036,592
17	94,390,158	4,743,566	58,023,029
18	41,110,695		59,135,970

Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

Sustainment of Expected Benefit Payments

Mortality 2021 FRS Mortality Tables
Interest 5.15%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$444,694,902	\$22,067,738	\$32,802,057
2	433,960,583	21,469,556	34,586,187
3	420,843,952	20,744,619	36,530,225
4	405,058,346	19,884,422	38,388,061
5	386,554,707	18,883,016	40,294,266
6	365,143,457	17,731,965	42,196,622
7	340,678,800	16,424,595	44,062,414
8	313,040,981	14,952,417	45,982,831
9	282,010,567	13,303,850	47,968,954
10	247,345,463	11,468,420	49,942,353
11	208,871,530	9,443,380	51,658,369
12	166,656,541	7,230,926	53,167,876
13	120,719,591	4,827,753	54,639,562
14	70,907,782	2,225,517	56,091,901
15	17,041,398		57,355,311

Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

Sustainment of Expected Benefit Payments

Mortality 2021 FRS Mortality Tables
Interest 7.15%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$444,694,902	\$30,643,256	\$32,802,057
2	442,536,101	30,426,220	34,586,187
3	438,376,134	30,060,483	36,530,225
4	431,906,392	29,532,625	38,388,061
5	423,050,956	28,832,491	40,294,266
6	411,589,181	27,946,139	42,196,622
7	397,338,698	26,861,679	44,062,414
8	380,137,963	25,564,357	45,982,831
9	359,719,489	24,034,658	47,968,954
10	335,785,193	22,254,025	49,942,353
11	308,096,865	20,214,021	51,658,369
12	276,652,517	17,912,716	53,167,876
13	241,397,357	15,340,268	54,639,562
14	202,098,063	12,479,344	56,091,901
15	158,485,506	9,316,659	57,355,311
16	110,446,854	5,840,998	58,519,373
17	57,768,479	2,038,439	59,545,633
18	261,285		60,684,501

Other Measurements

Information to Comply with Florida Statute 112.664 and Florida Administrative Code 60T-1.0035¹

Sustainment of Expected Benefit Payments

Mortality 2021 FRS Mortality Tables
Interest 9.15%

<u>Year</u>	<u>Market Value of Assets</u>	<u>Investment Return</u>	<u>Benefit Payments</u>
1	\$444,694,902	\$39,221,732	\$32,802,057
2	451,114,577	39,729,294	34,586,187
3	456,257,684	40,112,895	36,530,225
4	459,840,354	40,357,574	38,388,061
5	461,809,867	40,452,484	40,294,266
6	461,968,085	40,381,833	42,196,622
7	460,153,296	40,132,288	44,062,414
8	456,223,170	39,686,745	45,982,831
9	449,927,084	39,021,776	47,968,954
10	440,979,906	38,114,802	49,942,353
11	429,152,355	36,955,792	51,658,369
12	414,449,778	35,542,957	53,167,876
13	396,824,859	33,864,421	54,639,562
14	376,049,718	31,898,505	56,091,901
15	351,856,322	29,628,274	57,355,311
16	324,129,285	27,039,159	58,519,373
17	292,649,071	24,112,796	59,545,633
18	257,216,234	20,819,728	60,684,501
19	217,351,461	17,123,369	61,773,528
20	172,701,302	13,002,047	62,574,279
21	123,129,070	8,419,388	63,620,106
22	67,928,352	3,312,707	64,867,409
23	6,373,650		65,981,475

Sample GASB 67/68 Report



nyhart
part of FuturePlan by Ascensus®

The City of ABC Employees' Retirement System

September 30, 2022 GASB

Nos. 67 & 68 Report

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This report is prepared in accordance with our understanding of GASB Nos. 67 & 68 for the purpose of disclosing pension plans in financial statements. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report.

The information presented in this report is based on:

- the actuarial assumptions included in this report;
- the plan provisions;
- participant information furnished to us by the Plan Administrator;
- asset information furnished to us by the Plan Trustee.

We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we may have made assumptions we believe are reasonable for the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report.

The interest rate, other economic assumptions, and demographic assumptions have been selected by the plan sponsor with our recommendations. The assumptions used, in our opinion, are reasonable and represent a reasonable expectation of future experience under the plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

A summary of any assumptions not included in this report, the plan provisions and the participant information is included in the Actuarial Valuation Report for funding purposes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

In preparing the results, Nyhart used Proval valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods, and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

To our knowledge there have been no significant events prior to the current year's measurement date or as of the date of this report which could materially affect the results contained herein.

Neither Nyhart nor any of its employees have any relationships with the plan or plan sponsor which could impair or appear to impair the objectivity of this report.

Nyhart

Consultant Signature

Consultant Name, FSA, FCA, EA, MAAA

1/31/2023

Consultant Signature

Consultant Name, ASA, EA, FCA

Net Pension Liability

The components of the net pension liability at September 30

	09/30/2022	09/30/2021
Total pension liability	\$ 579,934,373	\$ 554,925,969
Plan fiduciary net position	(444,694,902)	(533,079,911)
Net pension liability	\$ 135,239,471	\$ 21,846,058
Plan fiduciary net position as a percent of the total pension liability	76.68%	96.06%
Pension Expense for the Fiscal Year Ended September 30	\$ 34,520,264	\$ 8,239,894

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions

Inflation	2.25%	2.25%
Salary increases, including inflation	See Assumptions	See Assumptions
Investment rate of return, including inflation, and net of investment expense	7.20%	7.25%

Plan Membership

The total pension liability was determined based on the plan membership as of October 1

	2021	2020
Inactive plan members and beneficiaries currently receiving benefits	1,458	1,429
Inactive plan members entitled to but not yet receiving benefits	311	299
Active plan members	1,641	1,651
Total members	3,410	3,379

The City of ABC Employees' Retirement System
GASB Nos. 67 & 68 Report as of Fiscal Year Ending September 30, 2022
Statement of Fiduciary Net Position

Assets	09/30/2022	09/30/2021
Cash and deposits	\$ 6,674,654	\$ 16,156,691
Securities lending cash collateral	0	0
Total cash	\$ 6,674,654	\$ 16,156,691
Receivables:		
Contributions	\$ 0	\$ 0
Due from broker for investments sold	711,850	6,105,329
Investment income	900,666	855,871
Other	10,055	10,055
Total receivables	\$ 1,622,571	\$ 6,971,255
Investments:		
Government Securities	\$ 58,146,787	\$ 70,978,163
Corporate Bonds	41,909,273	42,263,214
Common & Preferred Stock	151,903,285	187,704,336
Alternative Investments	143,106,462	76,960,332
Mutual Funds	42,513,308	134,069,031
DROP Investments	14,068,775	15,625,763
Due from Other Funds	0	0
Total investments	\$ 451,647,890	\$ 527,600,839
Total assets	\$ 459,945,115	\$ 550,728,785
 Liabilities		
Payables:		
Investment management fees	\$ 28,163	\$ 22,300
Due to broker for investments purchased	1,153,275	2,000,811
Collateral payable for securities lending	0	0
Other	14,068,775	15,625,763
Total liabilities	\$ 15,250,213	\$ 17,648,874
 Net position restricted for pensions	\$ 444,694,902	\$ 533,079,911

The City of ABC Employees' Retirement System
GASB Nos. 67 & 68 Report as of Fiscal Year Ending September 30, 2022
Statement of Changes in Fiduciary Net Position

	09/30/2022	09/30/2021
Additions		
Contributions:		
Employer	\$ 16,668,802	\$ 13,531,360
Member	1,894,925	1,906,788
Nonemployer contributing entity	0	0
Total contributions	\$ 18,563,727	\$ 15,438,148
Investment income:		
Net increase in fair value of investments	\$ (82,570,441)	\$ 88,409,685
Interest and dividends	7,783,721	9,022,439
Less investment expense, other than from securities lending	(1,609,074)	(1,867,627)
Net income other than from securities lending	\$ (76,395,794)	\$ 95,564,497
Securities lending income	0	0
Less securities lending expense	0	0
Net income from securities lending	\$ 0	\$ 0
Net investment income	\$ (76,395,794)	\$ 95,564,497
Other	0	0
Total additions	\$ (57,832,067)	\$ 111,002,645
Deductions		
Benefit payments, including refunds of member contributions	\$ 30,511,695	\$ 29,236,730
Administrative expense	41,247	54,880
Other	0	0
Total deductions	\$ 30,552,942	\$ 29,291,610
Net increase in net position	\$ (88,385,009)	\$ 81,711,035
Net position restricted for pensions		
Beginning of year	533,079,911	451,368,876
End of year	\$ 444,694,902	\$ 533,079,911

The City of ABC Employees' Retirement System
 GASB Nos. 67 & 68 Report as of Fiscal Year Ending September 30, 2022
 Schedule of Changes in Net Pension Liability and Related Ratios

	09/30/2022	09/30/2021	09/30/2020	09/30/2019	09/30/2018
Total pension liability					
Service cost	\$ 12,226,830	\$ 10,909,003	\$ 10,413,971	\$ 9,427,258	\$ 9,377,434
Interest	40,012,529	38,715,610	37,124,923	35,608,930	34,668,257
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	142,075	931,016	9,390,373	(329,233)	441,106
Changes of assumptions	3,138,665	20,481,783	(4,874,775)	3,959,095	(4,373,548)
Benefit payments, including refunds of member contributions	(30,511,695)	(29,236,730)	(27,616,667)	(26,009,964)	(24,073,567)
Net change in total pension liability	25,008,404	41,800,682	24,437,825	22,656,086	16,039,682
Total pension liability - beginning	554,925,969	513,125,287	488,687,462	466,031,376	449,991,694
Total pension liability - ending (a)	\$ 579,934,373	\$ 554,925,969	\$ 513,125,287	\$ 488,687,462	\$ 466,031,376
Plan fiduciary net position					
Contributions - employer	\$ 16,668,802	\$ 13,531,360	\$ 12,340,469	\$ 11,034,553	\$ 10,965,921
Contributions - member	1,894,925	1,906,788	1,777,889	1,701,022	1,603,955
Contributions - nonemployer contributing member	0	0	0	0	0
Net investment income	(76,395,794)	95,564,497	31,066,274	4,336,469	33,040,409
Benefit payments, including refunds of member contributions	(30,511,695)	(29,236,730)	(27,616,667)	(26,009,964)	(24,073,567)
Administrative expenses	(41,247)	(54,880)	(29,565)	(19,581)	(17,587)
Other	0	0	0	0	0
Net change in plan fiduciary net position	\$ (88,385,009)	\$ 81,711,035	\$ 17,538,400	\$ (8,957,501)	\$ 21,519,131
Plan fiduciary net position - beginning	533,079,911	451,368,876	433,830,476	442,787,977	421,268,846
Plan fiduciary net position - ending (b)	\$ 444,694,902	\$ 533,079,911	\$ 451,368,876	\$ 433,830,476	\$ 442,787,977
Net pension liability - ending (a) - (b)	\$ 135,239,471	\$ 21,846,058	\$ 61,756,411	\$ 54,856,986	\$ 23,243,399
Plan fiduciary net position as a percentage of the total pension liability	76.68%	96.06%	87.96%	88.77%	95.01%
Covered-employee payroll	\$ 97,273,376	\$ 95,232,619	\$ 90,973,496	\$ 84,448,231	\$ 81,346,925
Net pension liability as percentage of covered-employee payroll	139.03%	22.94%	67.88%	64.96%	28.57%

	<u>09/30/2017</u>	<u>09/30/2016</u>
Total pension liability		
Service cost	\$ 8,836,802	\$ 8,241,100
Interest	33,728,786	31,647,474
Changes of benefit terms	0	0
Differences between expected and actual experience	(19,356,753)	8,120,936
Changes of assumptions	11,604,792	0
Benefit payments, including refunds of member contributions	<u>(22,386,649)</u>	<u>(21,116,401)</u>
Net change in total pension liability	12,426,978	26,893,109
Total pension liability - beginning	<u>437,564,716</u>	<u>410,671,607</u>
Total pension liability - ending (a)	\$ 449,991,694	\$ 437,564,716
Plan fiduciary net position		
Contributions - employer	\$ 10,310,841	\$ 11,198,451
Contributions - member	1,524,795	1,465,224
Contributions - nonemployer contributing member	0	0
Net investment income	44,485,453	26,142,508
Benefit payments, including refunds of member contributions	(22,386,649)	(21,116,401)
Administrative expenses	(18,013)	(27,882)
Other	<u>0</u>	<u>0</u>
Net change in plan fiduciary net position	\$ 33,916,427	\$ 17,661,900
Plan fiduciary net position - beginning	<u>387,352,419</u>	<u>369,690,519</u>
Plan fiduciary net position - ending (b)	\$ 421,268,846	\$ 387,352,419
Net pension liability - ending (a) - (b)	\$ 28,722,848	\$ 50,212,297
Plan fiduciary net position as a percentage of the total pension liability	93.62%	88.52%
Covered-employee payroll	\$ 77,392,386	\$ 73,230,762
Net pension liability as percentage of covered-employee payroll	37.11%	68.57%

Fiscal year ending	09/30/2022	09/30/2021
Service cost	\$ 12,226,830	\$ 10,909,003
Interest on total pension liability	40,012,529	38,715,610
Projected earnings on pension plan investments	(38,213,685)	(33,777,603)
Changes of benefit terms	0	0
Employee contributions	(1,894,925)	(1,906,788)
Pension plan administrative expense	41,247	54,880
Other changes	0	0
Current period recognition of deferred outflows/(inflows) of resources		
Differences between Expected & Actual Experience in measurement of the Total Pension Liability	\$ 2,115,068	\$ (1,784,697)
Changes of assumptions	3,666,246	5,359,471
Differences between Projected & Actual Earnings on Pension Plan Investments	16,566,954	(9,329,982)
Total	\$ 34,520,264	\$ 8,239,894

The City of ABC Employees' Retirement System
GASB Nos. 67 & 68 Report as of Fiscal Year Ending September 30, 2022
Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Differences between expected and actual experience in measurement of the total pension liability for fiscal year ending:	Initial Balance	Initial Amortization Period	Annual Recognition	09/30/2022 Balance
September 30, 2022	\$ 142,075	5.0	\$ 28,415	\$ 113,660
September 30, 2021	\$ 931,016	5.0	\$ 186,203	\$ 558,610
September 30, 2020	\$ 9,390,373	5.0	\$ 1,878,075	\$ 3,756,148
September 30, 2019	\$ (329,233)	5.0	\$ (65,847)	\$ (65,845)
September 30, 2018	\$ 441,106	5.0	\$ 88,222	\$ 0
			\$ 2,115,068	\$ 4,362,573

Changes in assumptions for fiscal year ending:	Initial Balance	Initial Amortization Period	Annual Recognition	09/30/2022 Balance
September 30, 2022	\$ 3,138,665	5.0	\$ 627,733	\$ 2,510,932
September 30, 2021	\$ 20,481,783	5.0	\$ 4,096,357	\$ 12,289,069
September 30, 2020	\$ (4,874,775)	5.0	\$ (974,955)	\$ (1,949,910)
September 30, 2019	\$ 3,959,095	5.0	\$ 791,819	\$ 791,819
September 30, 2018	\$ (4,373,548)	5.0	\$ (874,708)	\$ 0
			\$ 3,666,246	\$ 13,641,910

Differences between projected and actual earnings on pension plan investments for fiscal year ending:	Initial Balance	Initial Amortization Period	Annual Recognition	09/30/2022 Balance
September 30, 2022	\$ 114,609,479	5.0	\$ 22,921,896	\$ 91,687,583
September 30, 2021	\$ (61,786,894)	5.0	\$ (12,357,379)	\$ (37,072,136)
September 30, 2020	\$ 1,604,317	5.0	\$ 320,863	\$ 641,728
September 30, 2019	\$ 29,246,387	5.0	\$ 5,849,277	\$ 5,849,279
September 30, 2018	\$ (838,523)	5.0	\$ (167,703)	\$ 0
			\$ 16,566,954	\$ 61,106,454

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,428,418	\$ (65,845)
Changes of Assumptions	\$ 15,591,820	\$ (1,949,910)
Net difference between projected and actual earnings on pension plan investments	\$ 98,178,590	\$ (37,072,136)
	\$ 118,198,828	\$ (39,087,891)

The balances as of September 30, 2022 of the deferred outflows/(inflows) of resources will be recognized in pension expense for the fiscal year ending September 30.

9/30/2023	\$ 23,302,461
9/30/2024	\$ 16,727,208
9/30/2025	\$ 15,503,225
9/30/2026	\$ 23,578,043
9/30/2027	\$ 0
Thereafter	\$ 0

Discount rate

The discount rate used to measure the total pension liability was 7.20%. 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 contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. 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.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.20%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net pension liability	\$ 204,176,747	\$ 135,239,471	\$ 77,295,000

The City of ABC Employees' Retirement System
 GASB Nos. 67 & 68 Report as of Fiscal Year Ending September 30, 2022
 Schedule of Contributions

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 16,668,802	\$ 13,531,360	\$ 12,340,469	\$ 11,034,553	\$ 10,965,921
Contributions in relation to the actuarially determined contribution	16,668,802	13,531,360	12,340,469	11,034,553	10,965,921
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered-employee payroll	\$ 97,273,376	\$ 95,232,619	\$ 90,973,496	\$ 84,448,231	\$ 81,346,925
Contributions as a percentage of covered-employee payroll	17.14%	14.21%	13.56%	13.07%	13.48%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Actuarially determined contribution	\$ 10,310,841	\$ 11,198,451	\$ 12,778,435	\$ 13,420,066	
Contributions in relation to the actuarially determined contribution	10,310,841	11,198,451	12,778,435	13,420,066	
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	
Covered-employee payroll	\$ 77,392,386	\$ 73,230,762	\$ 79,587,353	\$ 76,573,485	
Contributions as a percentage of covered-employee payroll	13.32%	15.29%	16.06%	17.53%	

The total pension liability as of September 30, 2022 was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method												
Asset Method	Market Value of Assets												
Interest Rates													
Discount Rate	7.20%												
Expected Long Term Rate of Return	7.20%												
Municipal Bond Rate	N/A												
Inflation	2.25%												
Annual Pay Increases	As described in the assumptions section of the actuarial determined contribution												
Measurement Date	September 30, 2022, based on roll-forward of October 1, 2021 valuation.												
Ad-hoc Cost-of-living Increases	As described in the assumptions section of the actuarial determined contribution												
Mortality Rates	As described in the assumptions section of the actuarial determined contribution												
Retirement Rates	Retirement rates are as follows:												
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Age</u></th> <th style="text-align: center;"><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">51-54</td> <td style="text-align: center;">20.0%</td> </tr> <tr> <td style="text-align: center;">55-61</td> <td style="text-align: center;">15.0%</td> </tr> <tr> <td style="text-align: center;">62-64</td> <td style="text-align: center;">25.0%</td> </tr> <tr> <td style="text-align: center;">65-69</td> <td style="text-align: center;">30.0%</td> </tr> <tr> <td style="text-align: center;">70</td> <td style="text-align: center;">100.0%</td> </tr> </tbody> </table>	<u>Age</u>	<u>Rate</u>	51-54	20.0%	55-61	15.0%	62-64	25.0%	65-69	30.0%	70	100.0%
<u>Age</u>	<u>Rate</u>												
51-54	20.0%												
55-61	15.0%												
62-64	25.0%												
65-69	30.0%												
70	100.0%												
All other assumptions	As described in the assumptions section of the actuarial determined contribution												
Experience Study	Last performed for the period October 1, 2011 – September 30, 2016												

Cost Method

Entry Age Normal Cost Method

Asset Valuation Method

The Actuarial Value of assets is determined using a method that spreads over a period of four years the difference between the actual investment income and the expected income (based on the valuation interest rate applied to the prior year's market value of assets). Resulting value constrained to be within corridor from 80% to 120% of market value.

Amortization Method

A 25-year amortization period will apply to any future changes in the unfunded actuarial accrued liability.

Interest Rates

7.20% net of investment expenses

Annual Pay Increases

Salary increase assumption as follows:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	8.00%	40	6.00%
25	7.50%	45	5.50%
30	7.50%	50	5.00%
35	6.50%	55	4.50%

Aggregate Compensation

Aggregate compensation is assumed to increase 2.75% per year, as limited by the ten-year average historical growth in payroll and the Plan's baseline payroll growth assumption of 2.75%.

Expense and/or Contingency Loading

The contribution is increased by anticipated administrative expenses, equal to the average of the prior four years of administration expenses.

Mortality Rates

Healthy Active Mortality

Female: Pub-2010 Headcount Weighted General Below Median Employee Female, with MP-2018 generational Improvement Scale
 Male: Pub-2010 Headcount Weighted General Below Median Employee Male, set back 1 year with MP-2018 generational Improvement Scale

Healthy Inactive Mortality

Female: Pub-2010 Headcount Weighted General Below Median Healthy Retiree Female, with MP-2018 generational Improvement Scale
 Male: Pub-2010 Headcount Weighted General Below Median Healthy Retiree Male, set back 1 year with MP-2018 generational Improvement Scale

Disabled

Female: Pub-2010 Headcount Weighted General Disabled Retiree Female, set forward 3 years
 Male: Pub-2010 Headcount Weighted General Disabled Retiree Male, set forward 3 years

100% of deaths among active Members are assumed to be non-service incurred

Retirement Rates

Retirement rates are as follows:

<u>Age</u>	<u>Rate</u>
51-54	20.0%
55-61	15.0%
62-64	25.0%
65-69	30.0%
70	100.0%

Disability Rates

Representative disability rates are as follows:

<u>Age</u>	<u>Rate</u>
20	0.02%
25	0.02%
30	0.04%
35	0.10%
40	0.15%
45	0.20%
50	0.25%
55	0.25%

50% of disabilities are assumed to be service incurred and 50% of disabilities are assumed to be non-service incurred.

Withdrawal Rates

Representative withdrawal rates are as follows for participants with five years of service or more:

<u>Age</u>	<u>Rate</u>
25	6.00%
30	5.50%
35	5.00%
40	3.00%
45	3.00%
50	3.00%
55	3.00%

For participants with fewer than five years of service:

<u>Year</u>	<u>Rate</u>
1	10.00%
2	10.00%
3	10.00%
4	8.50%
5	6.50%

Marital Status and Ages

85% of active Members assumed to be married with males assumed to be 3 years older than female spouses.

Withdrawal of Employee Contributions

It is assumed that employees withdraw their contribution balances upon employment termination, if not vested. If vested, employees are assumed to not withdraw contributions, with monthly benefit deferred to age 60.

Cost-of-Living

Cost of living increase is 2.0% for the Prior Plan and 1.5% for the Supplemental Plan.

Changes Since Prior Report

The discount rate was changed from 7.25% to 7.20% to better reflect recent experience and anticipated future returns.

The aggregate payroll growth rate (used to determine the amortization of unfunded liability bases) increased from 2.10% to 2.75%, as limited by the ten-year average historical growth in payroll of 2.90% and the Plan's base payroll growth assumption of 2.75%.

Plan Status

Prior Retirement System November 1, 1944.

Supplemental Retirement System January 1, 1964.

Eligibility for Membership

Prior Retirement System Membership is optional for employees hired prior to November 1, 1944. Other full-time permanent employees for more than six months hired prior to the attainment of age 59 and prior to January 1, 1964 and who did not subsequently elect to participate in the Supplemental Retirement System will be Members.

Supplemental Retirement System Membership is optional for Members of Prior Plan as of January 1, 1964. Full-time permanent employees or full-time temporary employees for more than six months hired on or after January 1, 1964 will be enrolled as Members with a participation date 90 days from date of hire. Police cadets hired on or after October 1, 2003 will not be eligible to participate. Administrative management employees may waive participation in order to participate in the 401a plan. Effective October 1, 2009, any active participant or any employees initially eligible to participate in this plan may make an irrevocable election to participate in the 401(a) plan in lieu of participation in this plan.

Normal Retirement

Eligibility Earlier of:
 Age 60 (if membership attained on or after October 1, 1989 but before March 1, 2000, then five years of Credited Service are required, or if membership attained on or after March 1, 2000, 10 years of Credited Service are required),

 Age 55 with 25 years of Credited Service, or

 Age 51 with 30 years of Credited Service.

Benefit Amount

Prior Retirement System Average Monthly Salary times the sum of 2% times years of Credited Service prior to October 1, 1972 and 2.5% times years of Credited Service earned after October 1, 1972.

Supplemental Retirement System

Average Monthly Salary times a percentage derived as follows:

<u>Years of Crediting Service During:</u>	<u>Percentage</u>
Before 01/01/1964	2.0%
01/01/1964 - 09/30/1972	1.0%
10/01/1972 - 02/29/1980	1.5%
03/01/1980 - 02/28/1990	2.0%
03/01/1990 - 02/29/200	1.5%
03/01/2000 - and later	2.0%

Disability Benefit - Service Incurred

Eligibility

Totally and permanently disabled before Normal Retirement Eligibility and approved by Pension Board.

Prior Retirement System

65% of Average Monthly Salary, reduced by amounts payable under Worker's Compensation.

Supplemental Retirement System

The Member's accrued pension benefit based on Average Monthly Salary at the date of disability and Credited Service projected to age 65. This benefit plus the initial Social Security benefit cannot exceed the Covered Salary at the date of disability, nor can be less than 65% of Average Monthly Salary. Finally, this benefit will be reduced by amounts payable under Worker's Compensation.

Disability Benefit - Non-Service Incurred

Eligibility

Totally and permanently disabled before Normal Retirement Eligibility and approved by Pension Board.

Prior Retirement System

If disability occurs after Member attains seven years of Credited Service, the benefit is the greater of the Member's accrued pension benefit at the date of disability or 30% of Average Monthly Salary.

Supplemental Retirement System

If disability occurs after Member attains seven years of Credited Service, the benefit is the greater of the Member's accrued pension benefit at the date of disability or 30% of Average Monthly Salary.

Death of Disabled Member

Prior Retirement System

The excess of the Member's Accumulated Contributions over the sum of the benefits received.

Supplemental Retirement System

The excess of the Member's Accumulated Contributions over the sum of the benefits received.

Death Benefit

Eligibility

Service Incurred Death while in, or due to causes from, the performance of duties.

Non-Service Incurred Death resulting from causes unrelated to duties.

Benefit

Service Incurred Monthly benefit payable to surviving spouse until death or remarriage equal to 40% of Covered Salary for the first 10 years after the Member's death, and 30% of covered Salary thereafter.

Non-Service Incurred

(1) Death while eligible for retirement

Beneficiary will receive a benefit calculated as if the member had retired on the date of death. The benefit will be the survivor portion of the actuarially adjusted optional form of benefit elected by the beneficiary.

(2) Death with 20 years of Credited Service (but not eligible to retire)

Unless accumulated employee contributions are withdrawn, the Beneficiary will receive a benefit at the Member's normal retirement date calculated as if the member had terminated on the date of death. The benefit will be the survivor portion of the actuarially adjusted optional form of benefit elected by the beneficiary. Effective March 1, 2000, the Pension Board may credit up to 90 days of City Service if the deceased employee had at least 19 years and 274 days of Credited Service on the date of death.

(3) Death while not eligible to retire and with less than 20 years of Credited Service (employed on date of death)

Refund of Member's accumulated employee contributions, plus 1% of accumulated employee contributions for each year of Credited Service, plus, if employed on or before September 30, 1989, the Specified Employer Contributions deposited on the Member's behalf.

(4) Death while not eligible to retire and with less than 20 years of Credited Service (not employed on date of death)

Refund of Member's accumulated employee contributions, plus, if employed on or before September 30, 1989 and Member had five or more years of continuous service, the Specified Employer Contributions deposited on the Member's behalf.

Deferred Vested Termination

Eligibility

A Member is eligible for a separation benefit upon voluntary termination or discharge.

Benefit Amount

Refund of Member's accumulated employee contributions, plus, if employed on or before September 30, 1989 the Specified Employer Contributions deposited on the Member's behalf, without interest. If accumulated contributions are not withdrawn from the Fund, then the vested accrued benefit is payable to the Member beginning at age 60 for life. If the Member dies prior to age 60, the beneficiary will receive the accumulated Contributions with interest. The vested percentage is as follows:

<u>Years of Credited Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5	4%
6	12%
7	20%
8	28%
9	36%
10	44%
11	52%
12	60%
13	68%
14	76%
15	84%
16	92%
17 or more	100%

Covered Salary

Base compensation (hourly rate times normal basic work schedule), but excluding overtime and bonuses.

Average Monthly Salary

The average of the Member's Covered Salary during the highest five years during all years of Creditable Service.

Credited Service

Length of service with the City measured from date of enrollment in the Retirement System, including vacations and other leaves of absence. Unpaid leaves of absence greater than one month are excluded.

Credited service accruals will cease upon termination date or date of entry into the Deferred Retirement Option Plan (DROP).

Employee Contributions

Member contributions are determined as a percentage of Covered Salary. The applicable percentages are as follows:

<u>Period</u>	<u>Prior</u>	<u>Supplemental</u>
Up to 09/30/1983	5.84%	3.50%
10/01/1983 - 09/30/1984	4.84%	2.50%
10/01/1984 - 09/30/1985	3.84%	1.50%
10/01/1985 - 09/30/2000	0.00%	0.00%
10/01/2000 - 09/30/2001	0.00%	1.00%
10/01/2001 - and later	0.00%	2.00%

Specified Employer Contributions

City contributions equal to 3.5% of covered Salary made by the City on behalf of Members hired prior to October 1, 1989 in lieu of Member contributions.

City Contributions

The City contributes an amount determined by the Plan actuary to be sufficient to systematically fund the benefits under the Plan.

Payment Forms

Normal Form The benefit begins at retirement and continues for the Member's life but guaranteed for the first 120 months.

Optional Forms The following optional forms of retirement income are available based on Actuarial Equivalence:

- Option 1 – Life annuity with Twenty Years Certain
- Option 2 – 100% Joint and Survivor Annuity
- Option 3 – 50% Joint and Survivor Annuity
- Option 4 – Single Life Annuity
- Option 5 – 75% Joint and Survivor Annuity

Cost-of-Living Adjustments

An adjustment factor shall be applied to the current benefit of all eligible retirees and beneficiaries each year. The adjustment shall not be greater than 2% for any retiree under the Prior System, or 1.5% for any retiree under the Supplemental System.

Deferred Retirement Option Plan (DROP)

Eligibility	A Member who is eligible for Normal Retirement is eligible to elect to participate in DROP. The Member may participate in DROP for the lesser of five years or until the Member would have earned 35 years of Credited Service.
Benefit	<p>Upon entering the DROP, the monthly retirement benefit under the plan is calculated and each monthly benefit payment is deposited in an account with a Third Party Administrator (TPA). The Member is responsible for directing the payments into investment options made available by the TPA pursuant to an agreement with the Board. Any losses, changes or expenses in the DROP account incurred as a result of these investment options will not be made up by the Plan, the Pension Board or the City.</p> <p>At the end of the DROP period or termination of employment, if earlier, the DROP account will be paid to the Member through an option available from the outside vendor. The Member will also begin receiving the monthly retirement benefit from the Plan. When participation in the DROP is over, the Member must separate employment with the City.</p> <p>Members in the DROP are no longer eligible for disability or pre-retirement death benefits, nor do they accrue any additional credited service. The Normal Retirement Benefit is fixed as of the entry date into the DROP. Member contributions to the Plan cease upon entering the DROP. Beneficiaries of Members who die while participating in the DROP will be able to choose from the same payout options available to the Member through the outside provider. If the Member dies while receiving payments from the DROP account, payments will be made in accordance with the payout option selected through the outside provider.</p>

Sample Board Management Summary Report



nyhart
part of FuturePlan by Ascensus®

CITY OF ABC EMPLOYEES' RETIREMENT SYSTEM

Board Summary of the October 1, 2022

Actuarial Valuation Report

March 8, 2023



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10/1/2022 Valuation Highlights

Prior Year Activity

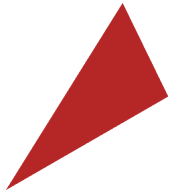
- -14.4% return on market value compared to the expected return of 7.2% in prior valuation
- Liability loss of \$5.6M, mostly attributable to salary increases greater than expected. Average pay for participants up 8.3%.
- Total contributions of \$18.6M (\$16.7 City and \$1.9M Employee)

Current Year

- Discount rate lowered from 7.20% to 7.15%. Other assumptions and methods updated following experience study (rates of retirement, rates of withdrawal, 20-year amortization).
- Plan funding level decreased 4.2% to 84.3%: combination of very poor asset performance, updates to assumptions, and liability experience. Plan is roughly 75.0% funded on market-value basis.
- Recommended employer contribution for FY 23/24 of \$20.8M, up approximately \$3.9M from the prior year's valuation

Looking Ahead

- Continue to monitor discount rate with rapidly changing interest rate environment; still on course for 7.00%
- Update to ASOP 4



Summary of Results

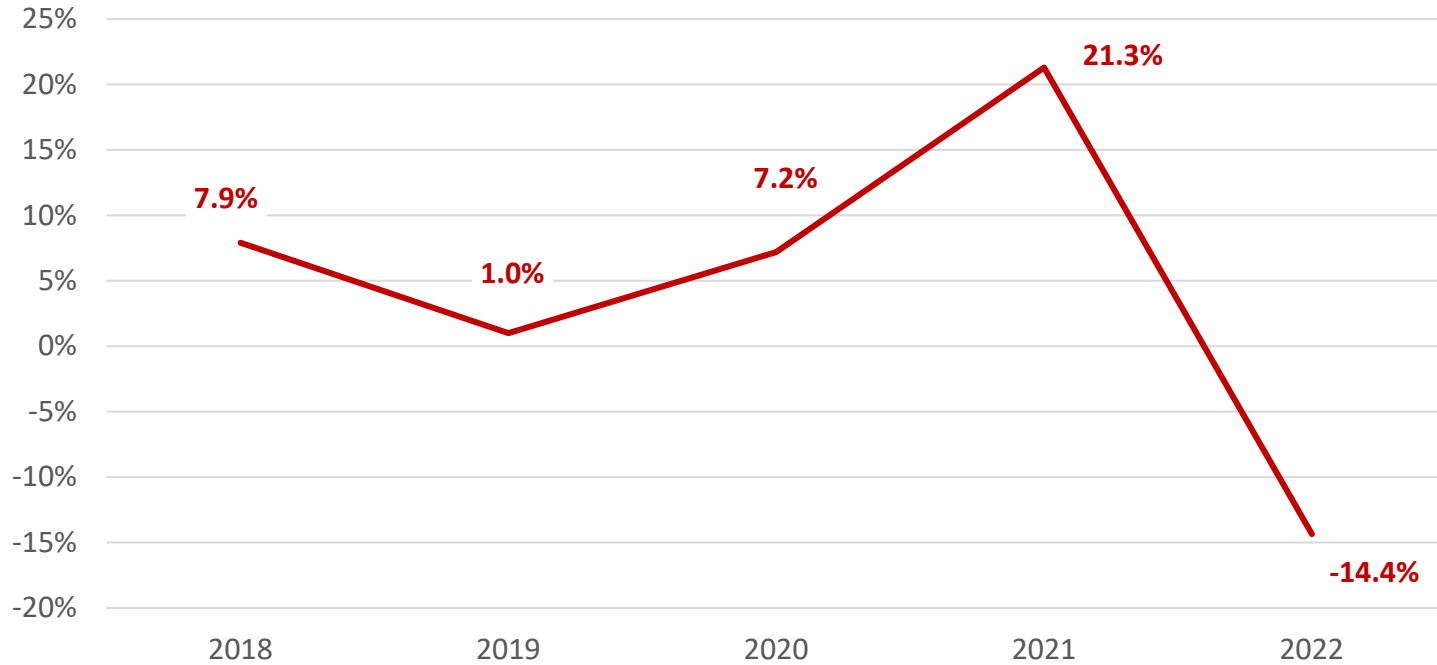
(\$ in Millions)

Valuation Date	10/1/2021 Fiscal Year 2022/2023	10/1/2022 Fiscal Year 2023/2024
Funding Discount Rate	7.20%	7.15%
Entry Age Accrued Liability	\$558.1	\$592.8
Actuarial Value of Assets	<u>494.0</u>	<u>499.6</u>
Unfunded Accrued Liability	\$64.1	\$93.2
Funded Ratio	88.5%	84.3%
Market Value of Assets	\$533.1	\$444.7
Funded Ratio (Market Value)	95.5%	75.0%
Recommended City Contribution		
Normal Cost + Expenses	\$12.40	\$13.79
Unfunded Amortization	5.23	7.56
Interest	<u>1.37</u>	<u>1.66</u>
Total	\$19.00	\$23.01
Employee Contributions	<u>(2.07)</u>	<u>(2.20)</u>
City Contribution with Interest	\$16.93	\$20.81



Asset Information

Rates of Return



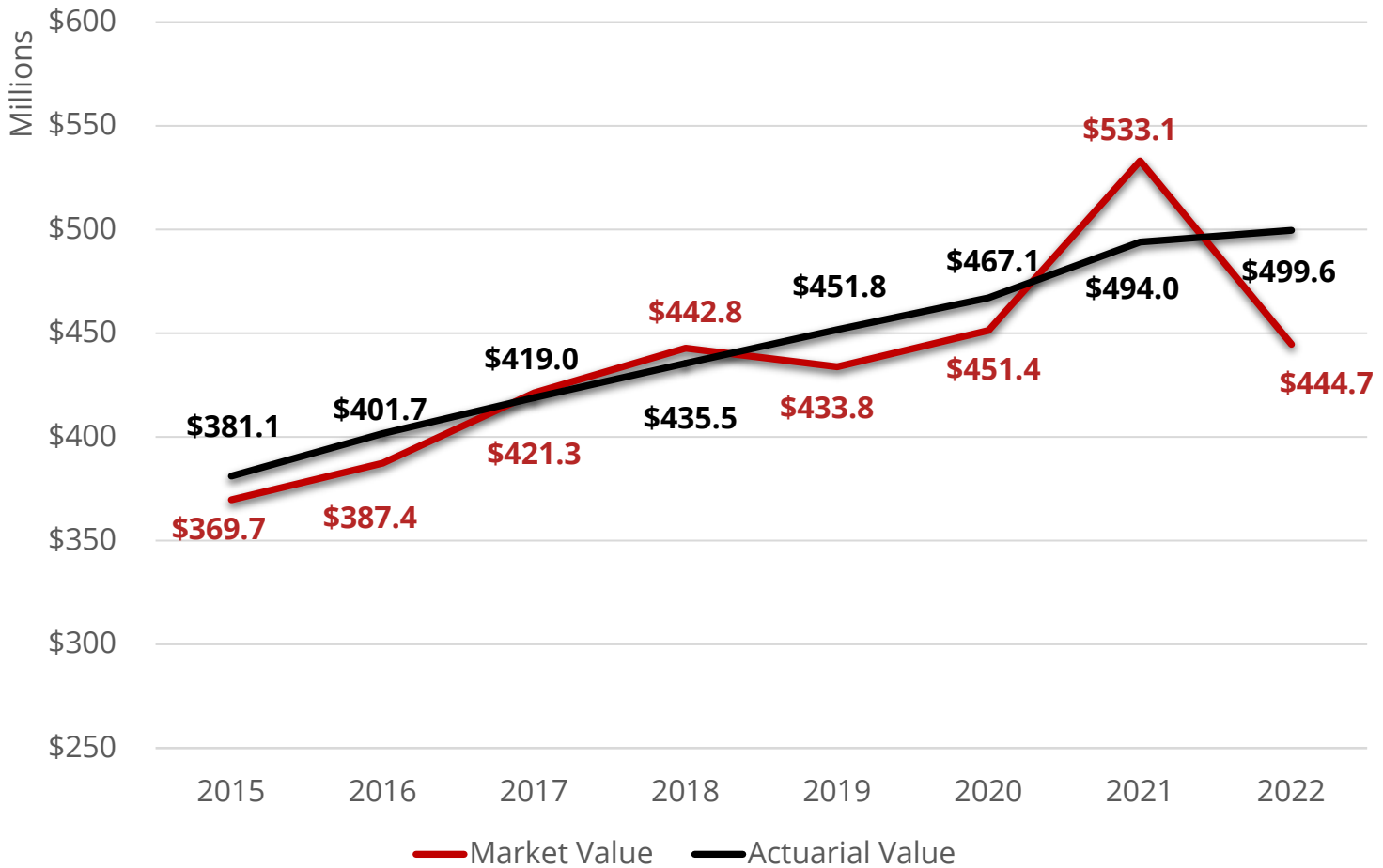
Average Rates of Return

	3 - Years	5 - Years	10 - Years
Market Value	3.7%	3.9%	6.4%



Asset Information (\$ millions)

Actual Value vs. Market Value of Assets



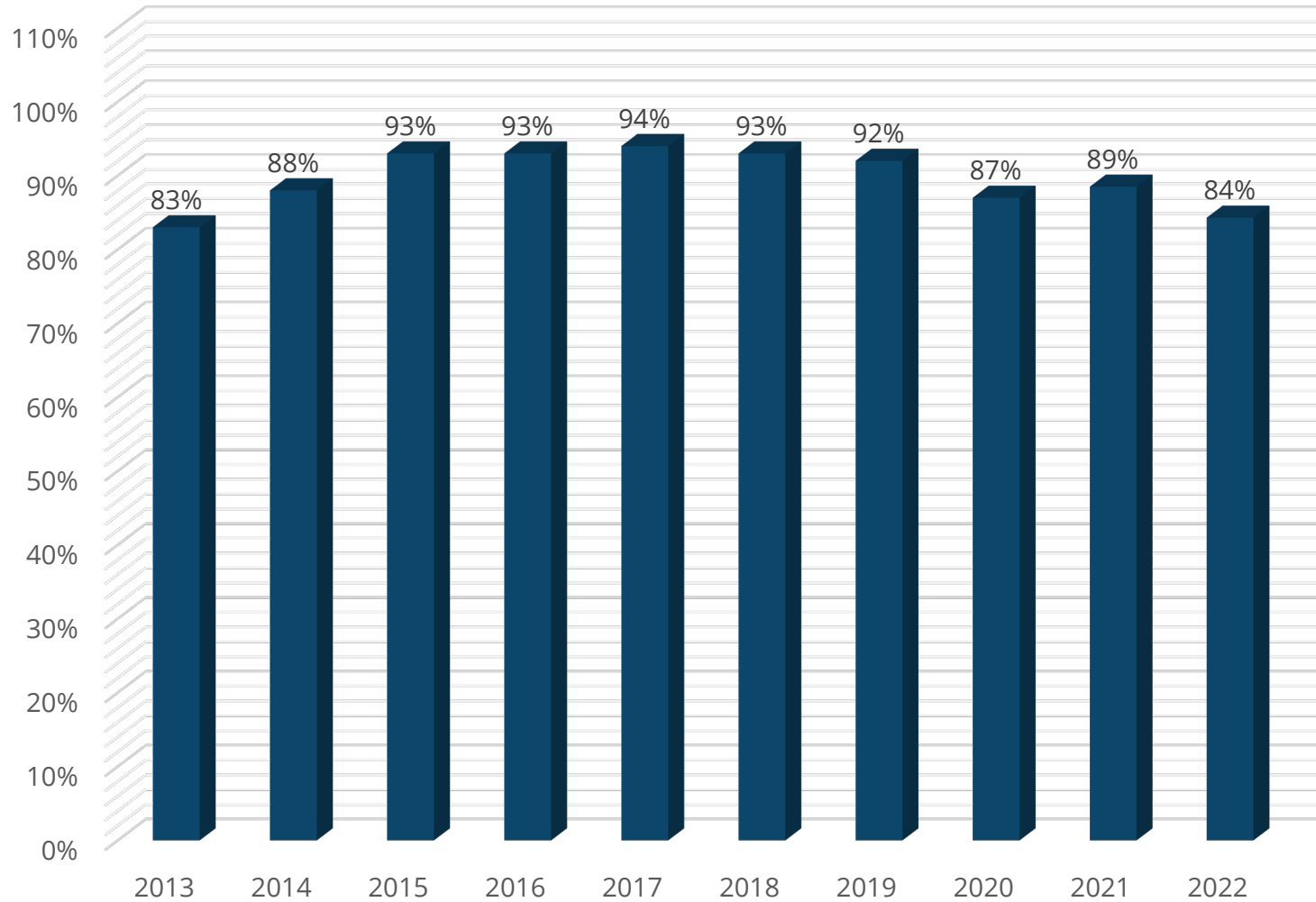


Plan Experience and Impact on Unfunded Accrued Liability

Source	Effect (\$ millions)	Reason/Note
10/1/2021	\$ 64.1	
Expected change	(1.6)	Interest Growth and Amortization of Unfunded
10/1/2022 Expected	\$ 62.5	
Retirement	(0.8)	Expected 42.6, Actual 39
Mortality	(1.0)	Expected 59.1, Actual 65
Disability	(0.2)	Expected 2.8, Actual 1
Turnover	(0.6)	Expected 83.0, Actual 122
Salaries	7.7	Expected increase 5.5%, Actual 10.4%
New Members	0.3	180 new entrants
Miscellaneous	0.3	Data changes
Assets	17.8	3.6% on actuarial value vs. 7.2% expected (Market Value return of -14.4%)
Total Experience	\$ 23.5	
Assumption Changes	7.2	Lower discount rate by 5 BPs, change in retirement rates, change in withdrawal rates
10/1/2022	\$ 93.2	



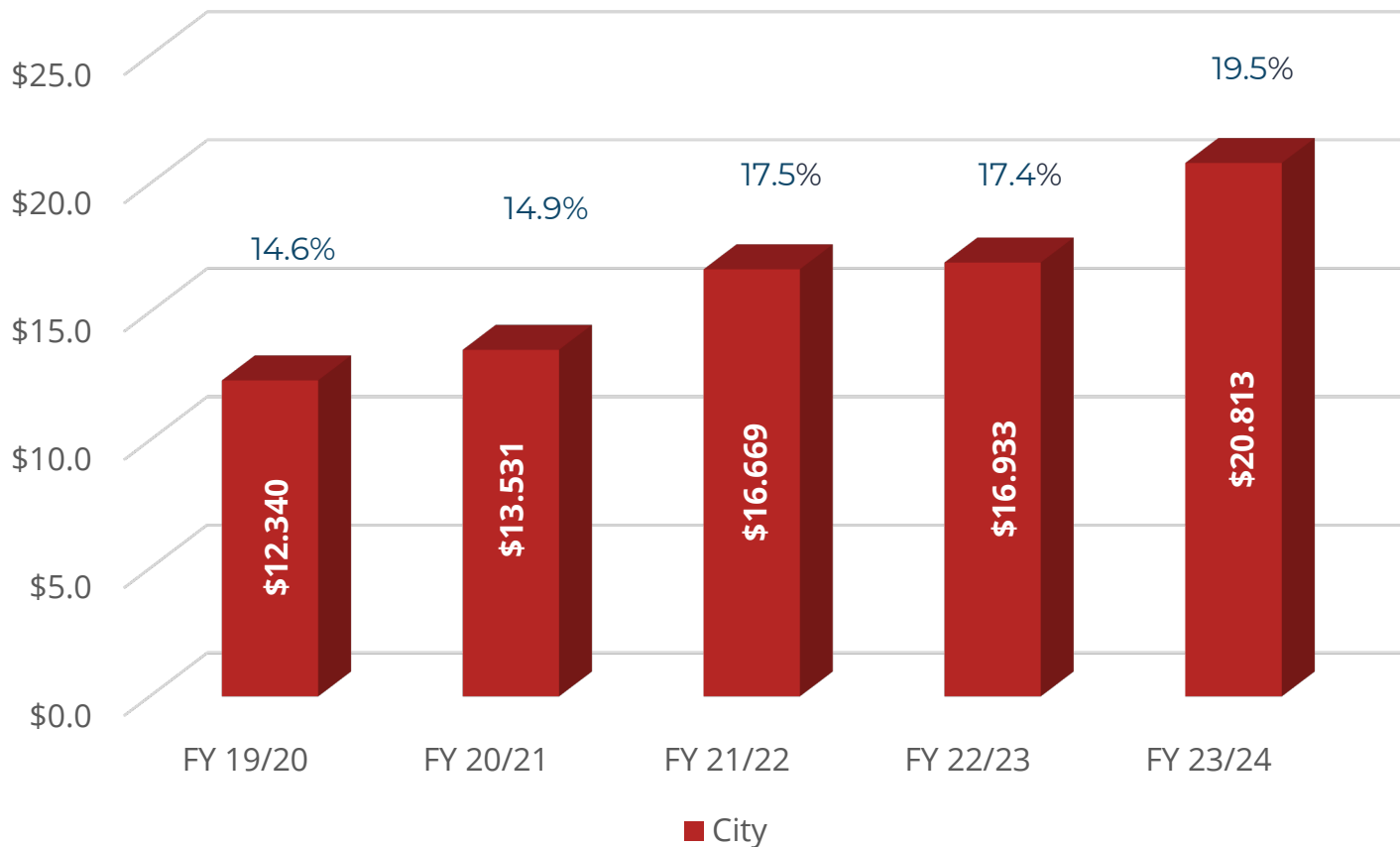
Funded Ratio as of October 1





Annual Funding Requirement (\$ millions)

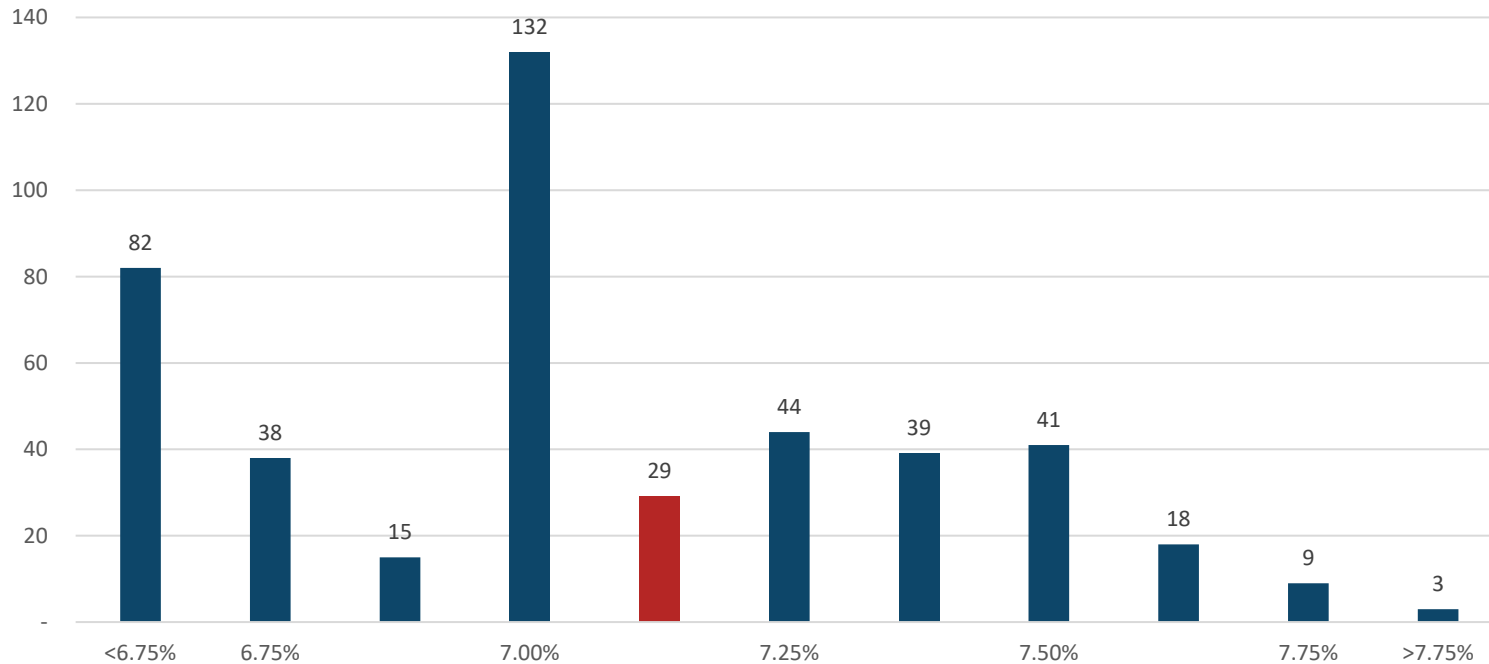
Annual Recommended Contribution and City Percentage of Payroll





Benchmarking: Rates of Return in Florida

Rate of Return Assumptions for Florida Public Plans

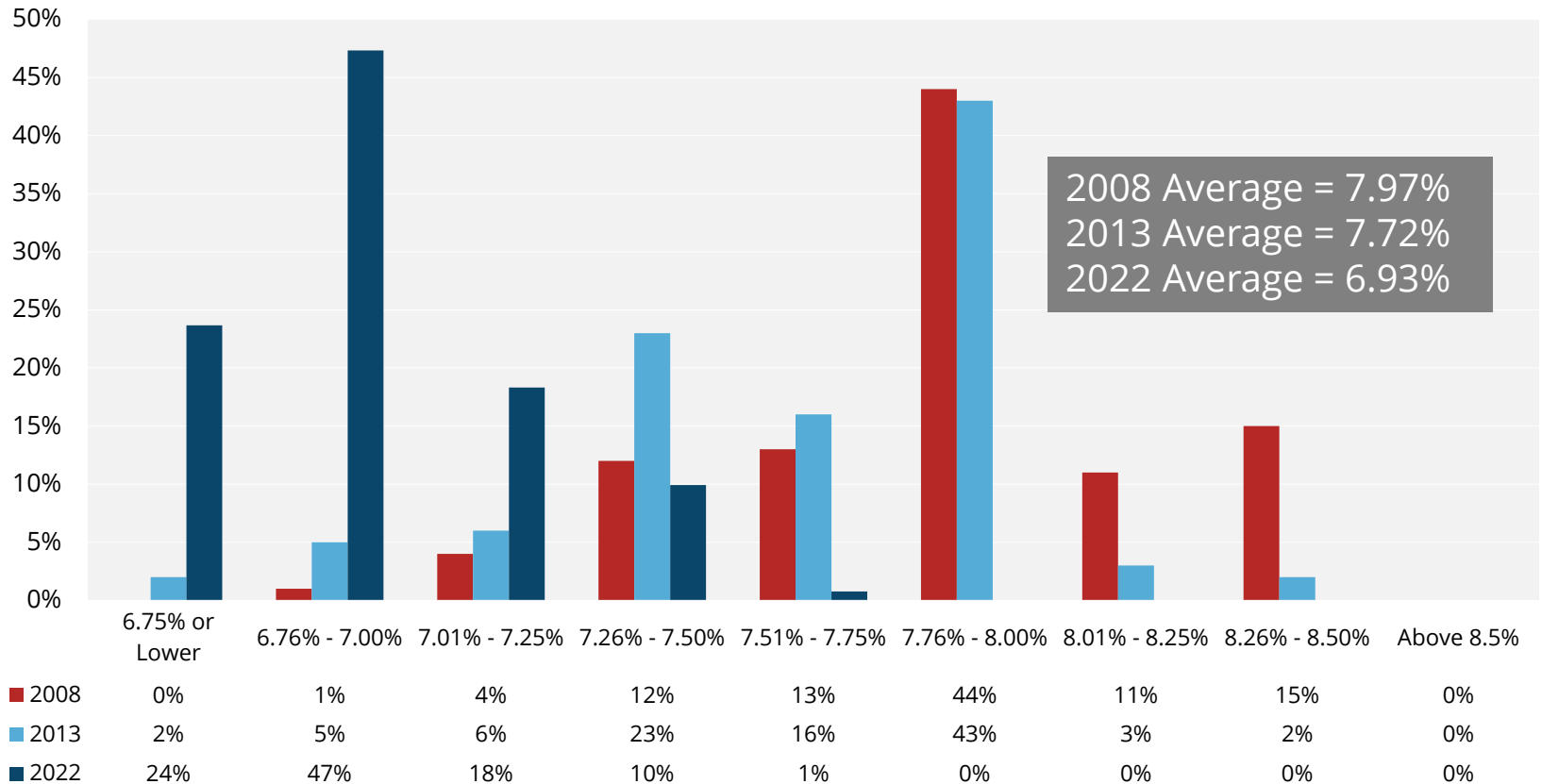


Source: Florida Department of Management Services, rates for Florida plans with valuation dates of 10/1/2021.

The average return assumption was 7.02%, a decline from the average assumption of 7.13% seen in the previous year.



NASRA Survey Results: Large Public Plans



2008 Average = 7.97%
2013 Average = 7.72%
2022 Average = 6.93%

↑
COSP ERS: 7.15%

Source: Public Fund Survey Summary of Findings for FY 2008, FY2013, and Known as of 11/22



Benchmarking: 2023 NCPERS Public Retirement Systems Study

- Study conducted by National Conference on Public Employee Retirement Systems and Cobalt Community Research
 - ✓ 195 state and local government pension funds responded
 - ✓ 52% of respondents were local government funds
 - ✓ 48% of respondents were statewide funds
- Key findings from the study
 - ✓ Average funded ratio increased from 74.7% to 77.8%
 - ✓ Average interest assumption decreased from 7.07% to 6.86%
 - ✓ Amortization periods have tightened from 21.8 years to 20.8 years
 - ✓ The average COLA offered to members increased from 1.7% to 2.0%. Many respondents did not offer a COLA in the most recent year.

Benchmarking: Florida Funded Ratios

The funded ratio is one measure of the health of the retirement system

- This ratio shows the percentage of the actuarial accrued liability that is covered by the actuarial value of assets

Date	COSP ERS	Florida Public General Plans ⁽¹⁾
10/1/2022	84.3%	
10/1/2021	88.5%	97%
10/1/2020	87.5%	92%
10/1/2019	91.6%	90%
10/1/2018	92.8%	90%
10/1/2017	93.7%	88%
10/1/2016	93.3%	83%
10/1/2015	93.3%	82%

- (1) Plans covering general employees with valuation dates 10/1 – 12/31 using level individual cost methods, as reported by the Department of Management Services.



ASOP 4: New Requirement

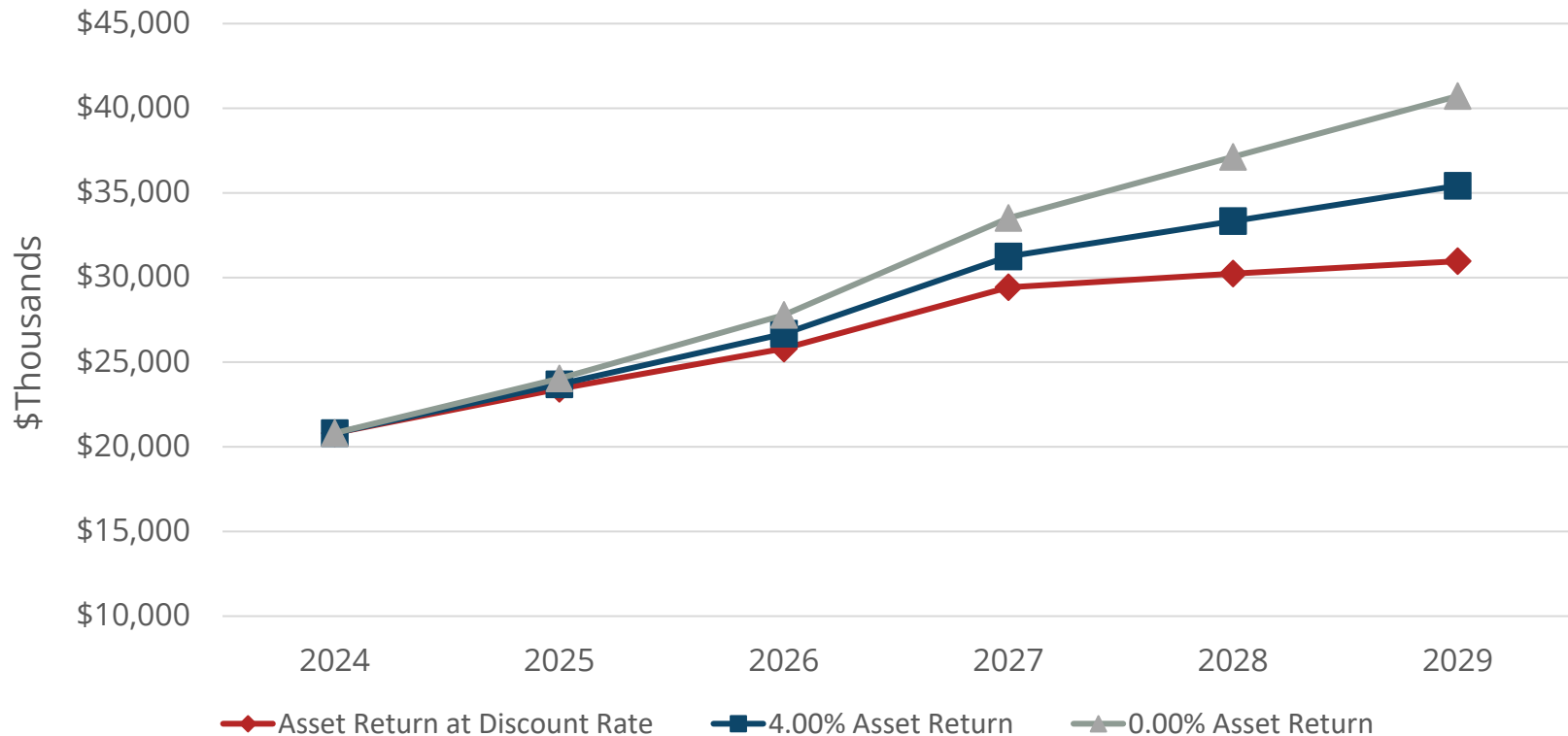
New Actuarial Standards of Practice update (“ASOP 4”)

- ASOP 4 sets the standards for measuring pension obligations
- A new requirement has been added to calculate a Low-Default-Risk Obligation Measure (LDRM)
 - The value of liabilities using an interest rate derived from low-default risk fixed income securities
- Less relevant for Florida plans relative to many other jurisdictions: already must disclose +2%/-2% under the 112/60T requirements.



Projection of Recommended Contribution under Varying Asset Returns

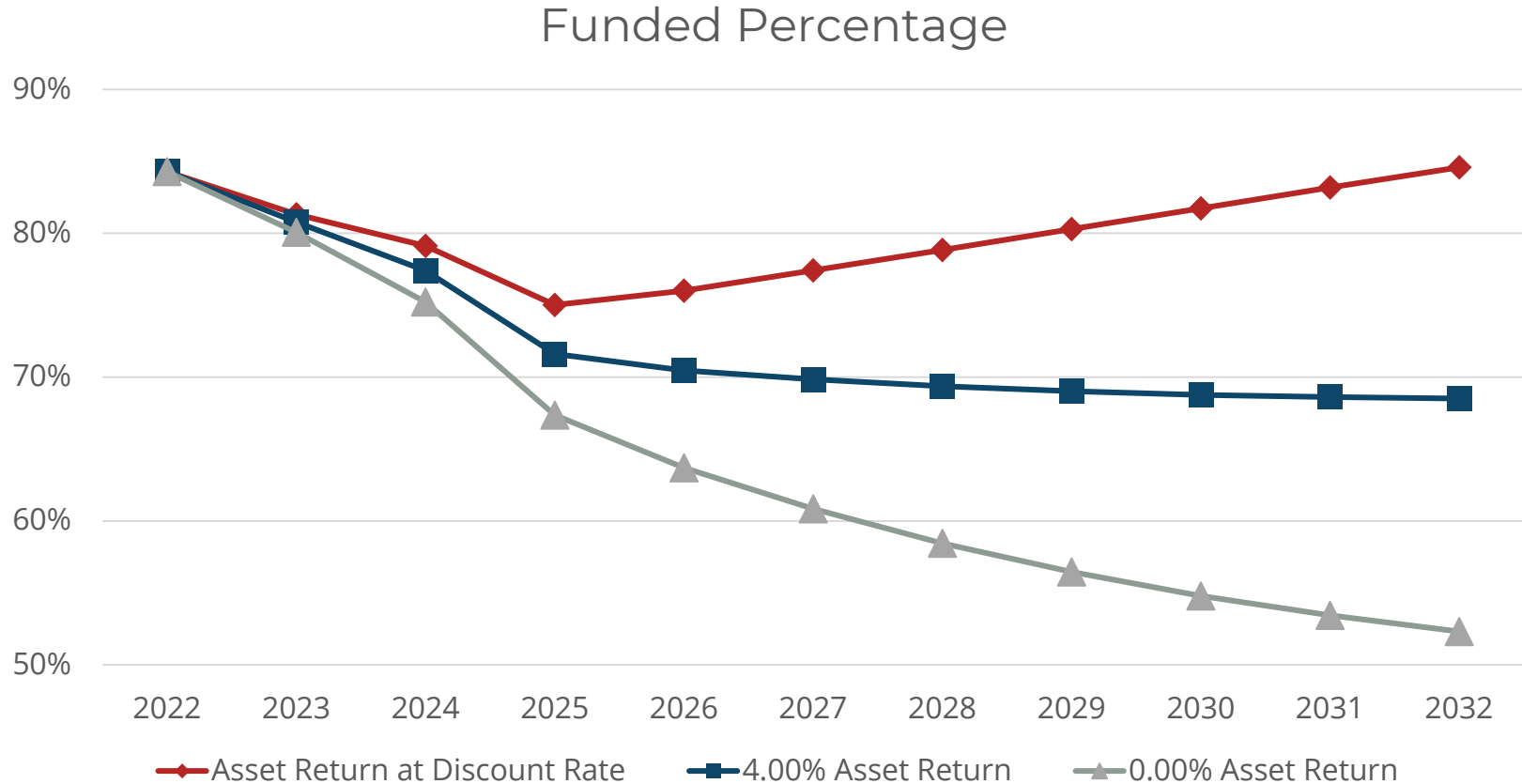
Recommended Contribution



Assuming plan discount rate begins at 7.15% for 2022 and decreases by 5 basis points per year until reaching 7.00% in 2025.



Projection of Funded Percentage under Varying Asset Returns



Assuming plan discount rate begins at 7.15% for 2022 and decreases by 5 basis points per year until reaching 7.00% in 2025.



Participant Information

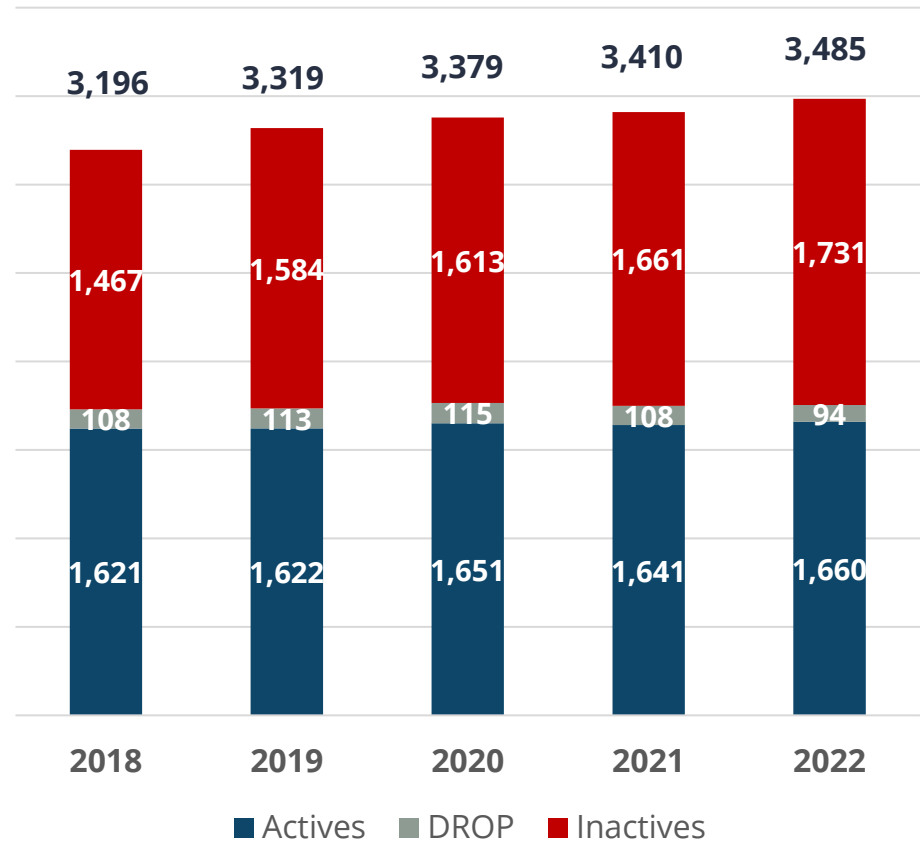
Active Demographics

	2020	2021	2022
Average Age	46.3	46.0	46.0
Average Service	10.8	10.7	10.6
Average Plan Compensation	\$57,682	\$59,277	\$64,208

Inactive Demographics

2022	In Pay	Term Vested	DROP
Average Age	71.5	47.5	62.2
Average Monthly Benefit	\$1,695	\$335	\$2,098

Participant Counts





Certification

This report has been prepared for the primary purpose of summarizing the actuarial valuation for the City of ABC Employees' Retirement System as of October 1, 2022. To the best of our knowledge, the reports summarized herein present fair positions of the funded status of the plan in accordance with the Actuarial Standards of Practice as described by the American Academy of Actuaries and are based on the plan provisions and assumptions summarized within the report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such facts as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or other additional cost or contribution requirement based on the plan's funded status); and changes in plan provisions of applicable law. The scope of our assignment did not include an analysis of the potential range of future measurements. In preparing these results, Nyhart used ProVal valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing pension valuations. We coded the plan provisions, assumptions, methods and participant data summarized in this report and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

To our knowledge there have been no significant events prior to the current year's measurement date or as of the date of this report which could materially affect the results contained herein.

Nyhart

Consultant Signature

Consultant Name, FSA, FCA, EA, MAAA

Consultant Signature

Consultant Name, ASA, EA, FCA

March 8, 2023

Date

GASB 74/75 Valuation Report



nyhart
part of FuturePlan by Ascensus®

GASB 75 ACTUARIAL VALUATION

Fiscal Year Ending September 30, 2025

TOWN OF LONGBOAT KEY

CONTACT

Giovanni Gomez, ASA, EA, MAAA
giovanni.gomezperez@nyhart.com

PHONE

General (317) 845-3500

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November 18, 2025

Susan Smith
Town of Longboat Key
501 Bay Isles Road
Longboat Key, FL 34228

This report summarizes the GASB actuarial valuation for the Town of Longboat Key 2024/25 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions). This report may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.



Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Should you have any questions please do not hesitate to contact us.

A handwritten signature in black ink, appearing to read "G. Gomez", written on a light yellow background.

Giovanni Gomez, ASA, EA, MAAA
Actuary

A handwritten signature in black ink, reading "Cody Kocher", written on a light yellow background.

Cody Kocher, FSA, MAAA
Actuary

Executive Summary

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending September 30, 2025 compared to the prior fiscal year as shown in the Town's Notes to Financial Statement.

	As of September 30, 2024	As of September 30, 2025
Total OPEB Liability	\$ 1,348,084	\$ 1,337,021
Actuarial Value of Assets	\$ 0	\$ 0
Net OPEB Liability	\$ 1,348,084	\$ 1,337,021
Funded Ratio	0.0%	0.0%

	FY 2023/24	FY 2024/25
OPEB Expense	\$ 106,198	\$ 90,729
Annual Employer Contributions	\$ 132,349	\$ 145,008

	As of September 30, 2024	As of September 30, 2025
Discount Rate	4.87%	4.06%
Expected Return on Assets	N/A	N/A

	As of September 30, 2025
Total Active Participants	114
Total Retiree Participants	20

The active participants' number above may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

Executive Summary

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Summary of Results

Below is a breakdown of total GASB 75 liabilities allocated to past and current service compared to the prior year. The table below also provides a breakdown of the Total OPEB Liability allocated to pre- and post- Medicare eligibility. The liability shown below includes explicit (if any) and implicit subsidies. Refer to the Substantive Plan Provisions section for complete information on the Plan Sponsor's GASB subsidies.

Present Value of Future Benefits	As of September 30, 2024	As of September 30, 2025
Active Employees	\$ 1,467,971	\$ 1,691,262
Retired Employees	522,007	446,849
Total Present Value of Future Benefits	\$ 1,989,978	\$ 2,138,111

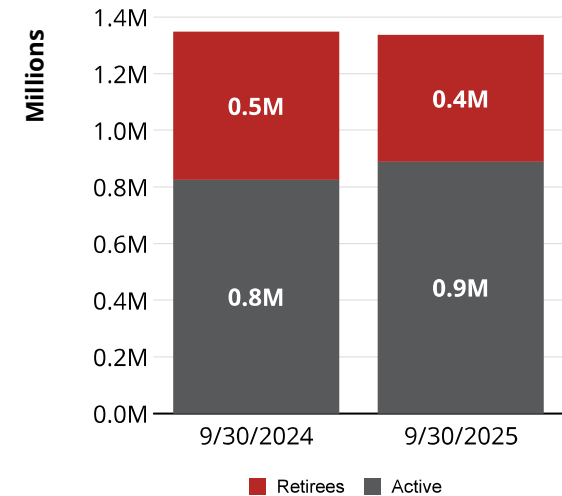
Total OPEB Liability	As of September 30, 2024	As of September 30, 2025
Active Pre-Medicare	\$ 826,077	\$ 890,172
Active Post-Medicare	0	0
Active Liability	\$ 826,077	\$ 890,172

Retiree Pre-Medicare	\$ 522,007	\$ 446,849
Retiree Post-Medicare	0	0
Retiree Liability	\$ 522,007	\$ 446,849

Total OPEB Liability	\$ 1,348,084	\$ 1,337,021
-----------------------------	---------------------	---------------------

	As of September 30, 2024	As of September 30, 2025
Discount Rate	4.87%	4.06%

Changes In Total OPEB Liability



Present Value of Future Benefits (PVFB) is the amount needed as of September 30, 2025 and September 30, 2024, to fully fund the Town's retiree health care subsidies for existing and future retirees and their dependents assuming all actuarial assumptions are met.

Total OPEB Liability is the portion of PVFB considered to be accrued or earned as of September 30, 2025 and September 30, 2024. This amount is a required disclosure in the Required Supplementary Information

GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2024/25	FY 2023/24	FY 2022/23	FY 2021/22	FY 2020/21
Total OPEB Liability					
Total OPEB Liability - beginning of year	\$ 1,348,084	\$ 1,282,744	\$ 1,789,187	\$ 1,789,257	\$ 1,635,576
Service cost	78,437	72,296	115,864	111,458	98,229
Interest	65,983	61,516	44,744	39,495	59,535
Change of benefit terms	0	0	0	0	0
Changes in assumptions	167,248	38,348	(283,479)	(40,140)	200,783
Differences between expected and actual experience	(177,723)	25,529	(255,326)	0	(61,889)
Benefit payments	(145,008)	(132,349)	(128,246)	(110,883)	(142,977)
Net change in total OPEB liability	\$ (11,063)	\$ 65,340	\$ (506,443)	\$ (70)	\$ 153,681
Total OPEB Liability - end of year	\$ 1,337,021	\$ 1,348,084	\$ 1,282,744	\$ 1,789,187	\$ 1,789,257
Plan Fiduciary Net Position					
Plan fiduciary net position - beginning of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - employer	145,008	132,349	128,246	110,883	142,977
Contributions - active employees	0	0	0	0	0
Net investment income	0	0	0	0	0
Benefit payments	(145,008)	(132,349)	(128,246)	(110,883)	(142,977)
Trust administrative expenses	0	0	0	0	0
Net change in plan fiduciary net position	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plan fiduciary net position - end of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net OPEB Liability - end of year	\$ 1,337,021	\$ 1,348,084	\$ 1,282,744	\$ 1,789,187	\$ 1,789,257
Plan fiduciary net position as % of total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered employee payroll	\$ 13,272,426	\$ 8,977,560	\$ 8,758,595	\$ 8,247,958	\$ 7,855,198
Net OPEB liability as % of covered payroll	10.1%	15.0%	14.6%	21.7%	22.8%

* FY 2024/25 covered employee payroll includes overtime and all other compensation for all employees (including employees terminated during the year) covered by the OPEB plan. Historical payrolls were estimated when actuals were not available.

GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)

OPEB Liability	FY 2019/20	FY 2018/19	FY 2017/18
Total OPEB Liability			
Total OPEB Liability - beginning of year	\$ 1,551,378	\$ 1,378,500	\$ 1,405,826
Service cost	86,359	60,955	62,113
Interest	65,719	50,864	43,733
Change of benefit terms	0	0	0
Changes in assumptions	64,506	179,191	(55,074)
Differences between expected and actual experience	0	(33,200)	0
Benefit payments	(132,386)	(84,932)	(78,098)
Net change in total OPEB liability	\$ 84,198	\$ 172,878	\$ (27,326)
Total OPEB Liability - end of year	\$ 1,635,576	\$ 1,551,378	\$ 1,378,500
Plan Fiduciary Net Position			
Plan fiduciary net position - beginning of year	\$ 0	\$ 0	\$ 0
Contributions - employer	132,386	84,932	78,098
Contributions - active employees	0	0	0
Net investment income	0	0	0
Benefit payments	(132,386)	(84,932)	(78,098)
Trust administrative expenses	0	0	0
Net change in plan fiduciary net position	\$ 0	\$ 0	\$ 0
Plan fiduciary net position - end of year	\$ 0	\$ 0	\$ 0
Net OPEB Liability - end of year	\$ 1,635,576	\$ 1,551,378	\$ 1,378,500
Plan fiduciary net position as % of total OPEB liability	0.0%	0.0%	0.0%
Covered employee payroll	\$ 7,941,495	\$ 7,563,329	\$ 7,237,402
Net OPEB liability as % of covered payroll	20.6%	20.5%	19.0%

* Historical payrolls were estimated when actuals were not available.

GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

OPEB Expense

OPEB Expense	FY 2024/25	FY 2023/24
Discount Rate		
Beginning of year	4.87%	4.77%
End of year	4.06%	4.87%
Service cost	\$ 78,437	\$ 72,296
Interest	65,983	61,516
Change of benefit terms	0	0
Projected earnings on OPEB plan investments	0	0
Reduction for contributions from active employees	0	0
OPEB plan administrative expenses	0	0
Current period recognition of deferred outflows / (inflows) of resources		
Differences between expected and actual experience	\$ (78,235)	\$ (54,149)
Changes in assumptions	24,544	26,535
Net difference between projected and actual earnings on OPEB plan investments	0	0
Total current period recognition	\$ (53,691)	\$ (27,614)
Total OPEB expense	\$ 90,729	\$ 106,198

GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense :

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years . All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the items above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of September 30, 2025
September 30, 2018	\$ 0	N/A	\$ 0	\$ 0
September 30, 2019	\$ (33,200)	6	\$ 0	\$ 0
September 30, 2020	\$ 0	N/A	\$ 0	\$ 0
September 30, 2021	\$ (61,889)	6	\$ (10,315)	\$ (10,314)
September 30, 2022	\$ 0	N/A	\$ 0	\$ 0
September 30, 2023	\$ (255,326)	6	\$ (42,554)	\$ (127,664)
September 30, 2024	\$ 25,529	6	\$ 4,255	\$ 17,019
September 30, 2025	\$ (177,723)	6	\$ (29,621)	\$ (148,102)

GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Deferred Outflows / (Inflows) of Resources (Continued)

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of September 30, 2025
September 30, 2018	\$ (55,074)	6	\$ 0	\$ 0
September 30, 2019	\$ 179,191	6	\$ 0	\$ 0
September 30, 2020	\$ 64,506	6	\$ 10,751	\$ 0
September 30, 2021	\$ 200,783	6	\$ 33,464	\$ 33,463
September 30, 2022	\$ (40,140)	6	\$ (6,690)	\$ (13,380)
September 30, 2023	\$ (283,479)	6	\$ (47,247)	\$ (141,738)
September 30, 2024	\$ 38,348	6	\$ 6,391	\$ 25,566
September 30, 2025	\$ 167,248	6	\$ 27,875	\$ 139,373

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of September 30, 2025
September 30, 2021	\$ 0	N/A	\$ 0	\$ 0
September 30, 2022	\$ 0	N/A	\$ 0	\$ 0
September 30, 2023	\$ 0	N/A	\$ 0	\$ 0
September 30, 2024	\$ 0	N/A	\$ 0	\$ 0
September 30, 2025	\$ 0	N/A	\$ 0	\$ 0

GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending September 30, 2025	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 17,019	\$ (286,080)
Changes in assumptions	198,402	(155,118)
Net difference between projected and actual earnings in OPEB plan investments	N/A	N/A
Contributions subsequent to the measurement date	136,275	N/A
Total	\$ 351,696	\$ (441,198)

Annual Amortization of Deferred Outflows / (Inflows)

The balances as of fiscal year ending September 30, 2025 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below. Balances shown below do not include the recognition of any deferred outflows for contributions subsequent to the measurement date.

FYE	Balance
2026	\$ (64,442)
2027	\$ (87,591)
2028	\$ (80,900)
2029	\$ 8,901
2030	\$ (1,745)
Thereafter	\$ 0

GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Sensitivity Results

The following presents the Net OPEB Liability as of September 30, 2025, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 4.06%.
- The 1% decrease in discount rate would be 3.06%.
- The 1% increase in discount rate would be 5.06%.

As of September 30, 2025	Net OPEB Liability	
1% Decrease	\$	1,444,779
Current Discount Rate	\$	1,337,021
1% Increase	\$	1,241,594

The following presents the Net OPEB Liability as of September 30, 2025, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

As of September 30, 2025	Net OPEB Liability	
1% Decrease	\$	1,229,456
Current Trend Rates	\$	1,337,021
1% Increase	\$	1,461,565

Projection of GASB Disclosures

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

The Total OPEB Liability (TOL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the total OPEB liability and whether they increase or decrease the liability.

Expected Events

- Increases in TOL due to additional benefit accruals as employees continue to earn service each year
- Increases in TOL due to interest as the employees and retirees age
- Decreases in TOL due to benefit payments

Unexpected Events

- Increases in TOL when actual health care costs increase more than expected. A liability decrease occurs when the reverse happens.
- Increases in TOL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in TOL depending on whether benefits are improved or reduced.

Projection of Total OPEB Liability (TOL)	FY 2024/25	FY 2025/26
TOL as of beginning of year	\$ 1,348,084	\$ 1,337,021
Normal cost as of beginning of year	78,437	111,376
Exp. benefit payments during the year	(145,008)	(136,275)
Interest adjustment to end of year	65,983	56,066
Exp. TOL as of end of year	\$ 1,347,496	\$ 1,368,188
Actuarial Loss / (Gain)	(10,475)	TBD
Actual TOL as of end of year	\$ 1,337,021	\$ TBD

Discount rate as of beginning of year	4.87%	4.06%
Discount rate as of end of year	4.06%	TBD

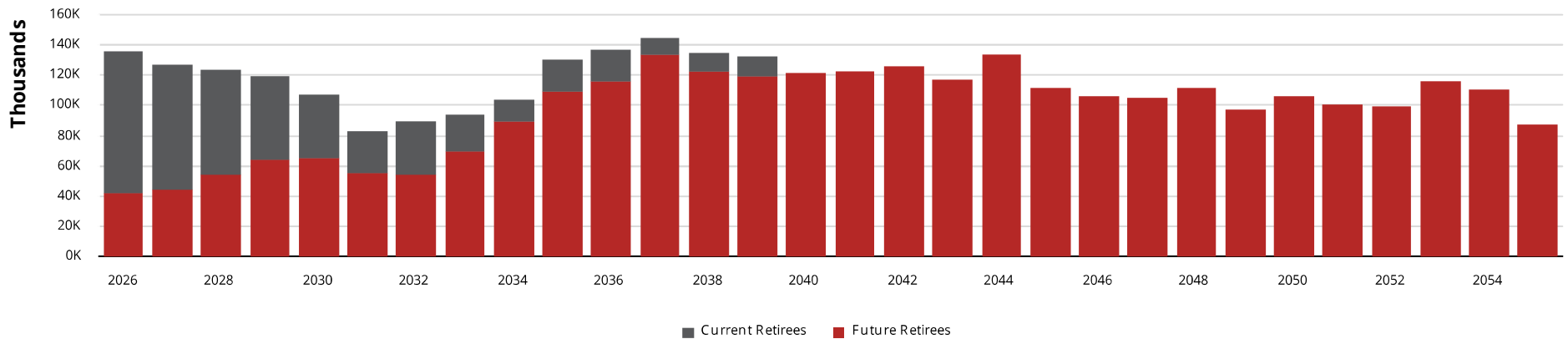
Cash Flow Projections

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

The below projections show the actuarially estimated employer-paid contributions for retiree health benefits for the next thirty years. Results are shown separately for a closed group of current/future retirees. These projections include explicit and implicit subsidies.

FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total
2026	\$ 94,663	\$ 41,612	\$ 136,275	2036	\$ 21,553	\$ 115,742	\$ 137,295	2046	\$ 0	\$ 105,533	\$ 105,533
2027	\$ 82,388	\$ 44,606	\$ 126,994	2037	\$ 11,400	\$ 133,035	\$ 144,435	2047	\$ 0	\$ 104,806	\$ 104,806
2028	\$ 69,877	\$ 53,811	\$ 123,688	2038	\$ 11,972	\$ 122,190	\$ 134,162	2048	\$ 0	\$ 111,813	\$ 111,813
2029	\$ 56,186	\$ 63,526	\$ 119,712	2039	\$ 12,539	\$ 119,494	\$ 132,033	2049	\$ 0	\$ 96,975	\$ 96,975
2030	\$ 42,858	\$ 64,605	\$ 107,463	2040	\$ 0	\$ 121,736	\$ 121,736	2050	\$ 0	\$ 105,667	\$ 105,667
2031	\$ 28,429	\$ 54,853	\$ 83,282	2041	\$ 0	\$ 122,414	\$ 122,414	2051	\$ 0	\$ 100,150	\$ 100,150
2032	\$ 34,732	\$ 54,539	\$ 89,271	2042	\$ 0	\$ 125,457	\$ 125,457	2052	\$ 0	\$ 99,081	\$ 99,081
2033	\$ 25,158	\$ 69,147	\$ 94,305	2043	\$ 0	\$ 117,035	\$ 117,035	2053	\$ 0	\$ 115,460	\$ 115,460
2034	\$ 14,220	\$ 89,297	\$ 103,517	2044	\$ 0	\$ 133,759	\$ 133,759	2054	\$ 0	\$ 109,939	\$ 109,939
2035	\$ 20,424	\$ 109,297	\$ 129,721	2045	\$ 0	\$ 111,751	\$ 111,751	2055	\$ 0	\$ 87,441	\$ 87,441

Projected Employer Pay-go Cost



* Projections for future retirees do not take into account future new hires.

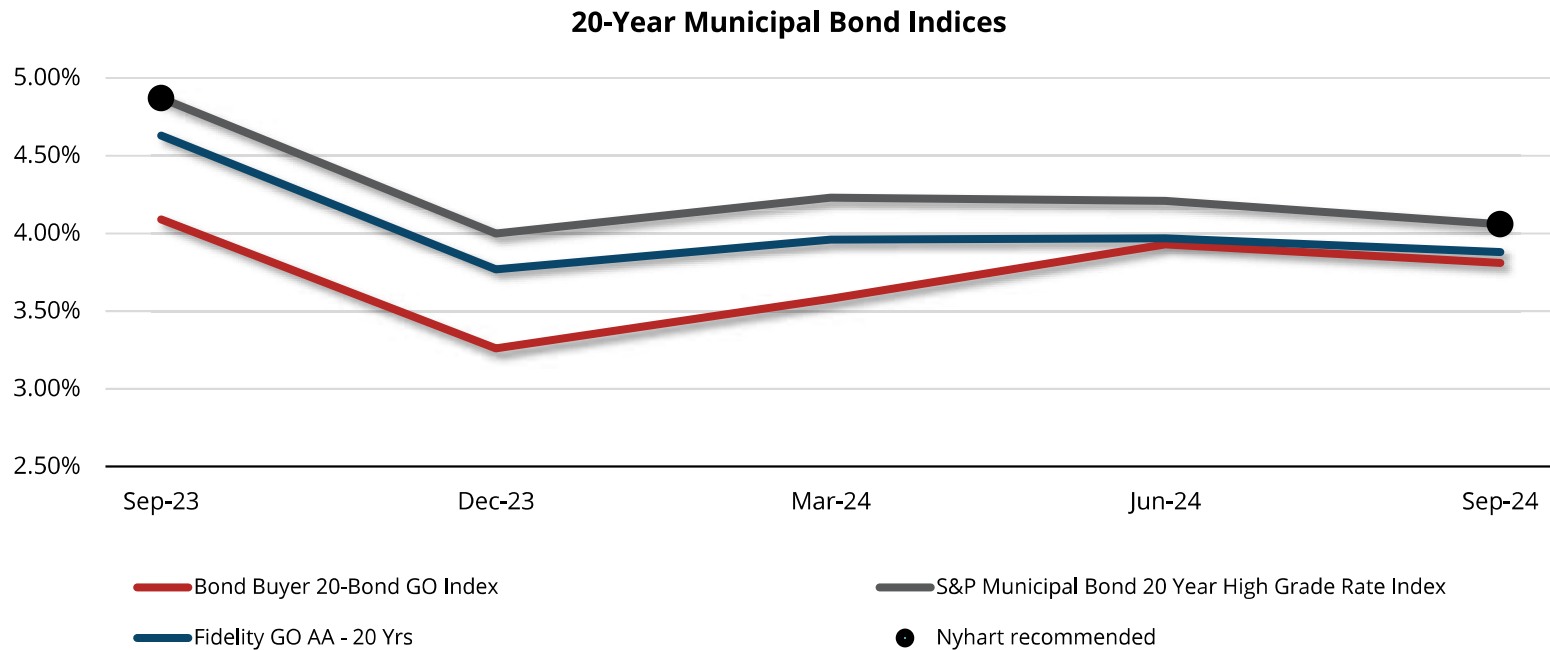
Discussion of Discount Rates

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Under GASB 75, the discount rate used in valuing OPEB liabilities for unfunded plans as of the Measurement Date must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale).

For the current valuation, the discount rate was selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

	Bond Buyer Go 20-Bond Municipal Bond Index	S&P Municipal Bond 20-Year High Grade Rate Index	Fidelity 20-Year Go Municipal Bond Index	Bond Index Range	Actual Discount Rate Used
Yield as of September 30, 2023	4.09%	4.87%	4.63%	4.09% - 4.87%	4.87%
Yield as of September 30, 2024	3.81%	4.06%	3.88%	3.81% - 4.06%	4.06%



Summary of Plan Participants

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Active Employees

Actives with coverage	Single ¹	With Spouse	Total	Avg. Age	Avg. Svc	Salary
PPO 03769	13	18	31	53.3	7.5	\$ 2,781,292
HMO 55	25	51	76	46.6	9.4	\$ 6,335,983
Total actives with coverage	38	69	107	48.6	8.9	\$ 9,117,275

Actives without coverage	Total	Avg. Age	Avg. Svc	Salary
Total actives without coverage	7	54.8	3.0	\$ 582,012

Active employees who currently have no coverage are assumed not to elect coverage at retirement. They have been excluded for valuation purposes.

¹ Single enrollment includes those with EE and EE + Child(ren) coverage.

Summary of Plan Participants

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Active Age-Service Distribution

Age	Years of Service										Total	
	< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25												0
25 to 29	1	4	3									8
30 to 34	4	4	3									11
35 to 39		2	3	4								9
40 to 44	2	7	2		1	1						13
45 to 49		7	1	4	2	1	1					16
50 to 54	1	5	4	2	3	2						17
55 to 59	1	4	5		3	1	1					15
60 to 64	1	4	4	3			2	1	1			16
65 to 69		3	1	1	2		1					8
70 & up			1									1
Total	10	40	27	14	11	5	5	1	1	0		114

Summary of Plan Participants

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Retirees

Retirees with coverage	Single	Non-Single	Total	Avg. Age
PPO 03769	9	1	10	66.0
HMO 55	7	3	10	62.3
Total retirees	16	4	20	64.2

Additionally, there were 12 retirees provided without coverage. They have been excluded from the valuation.

Retiree Age Distribution

Age	Retirees
< 45	
45 to 49	
50 to 54	2
55 to 59	3
60 to 64	10
65 to 69	2
70 to 74	1
75 to 79	1
80 to 84	
85 to 89	1
90 & up	
Total	20

Substantive Plan Provisions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Eligibility

Employees are eligible for health coverage until Medicare eligibility after meeting the following eligibility requirements for early or normal retirement benefits.

For General employees:

1. All general employees are eligible for early retirement benefit upon attainment of age 50 with 15 years of service.
2. Normal retirement eligibility requirements:
 - a. Age 62 (no service requirement)
 - b. Age 55 with 30 years or service

For Fire and Police employees:

1. All employees are eligible for early retirement benefit upon attainment of age 45 with 15 years of service or upon attainment of age 50 with 10 years of service.
2. Normal retirement eligibility requirements:
 - a. Age 60 (no service requirement)
 - b. Age 55 with 10 years of service
 - c. 25 years of service (no age requirement)
3. Service-incurred disabled employees may retire immediately.
4. Non-service-incurred disabled employees may retire upon completion of 10 years of service.

Spouse Benefit

Surviving spouses of retirees or active employees are eligible for COBRA coverage for 36 months upon the member's death.

Retiree Cost Sharing

Retirees are required to pay the full cost of coverage. The Town does not offer an explicit subsidy for retiree health benefits.

Explicit Subsidy

None

Substantive Plan Provisions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Medical Benefit

The Town's health plans are self-insured through Blue Cross Blue Shield. Same benefit options are available to retirees as active employees. Monthly premiums effective on October 1, 2024 and October 1, 2025 by plan are as shown below.

Health Plan Plan	Eff. 10/1/2024		Eff. 10/1/2025	
	Single	EE + Sp	Single	EE + Sp
PPO 03769	\$ 907.82	\$ 1,832.85	\$ 930.00	\$ 1,878.00
HMO 55	\$ 928.56	\$ 1,917.41	\$ 951.00	\$ 1,964.00

Actuarial Methods and Assumptions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

The actuarial assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and Town experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

The discount rate, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

There are changes to the actuarial assumptions since the last GASB valuation, which was for the fiscal year ending September 30, 2024. Refer to Detailed Actuary's Notes section for complete information on these changes. For the current year full GASB valuation, we have also updated the per capita costs. We expect to update discount rate, health care trend rates, mortality table, and per capita costs again in the next full GASB valuation, which will be for the fiscal year ending September 30, 2027.

Measurement Date	For fiscal year ending September 30, 2025, a September 30, 2024 measurement date was used.
Actuarial Valuation Date	October 1, 2024 Liabilities as of September 30, 2024 are based on an actuarial valuation date of October 1, 2024 with no adjustments to get to the September 30, 2024 measurement date. Liabilities as of September 30, 2023 are based on an actuarial valuation date of October 1, 2022 projected to September 30, 2023, reflecting updates to the discount rate and premium rate changes from 2023/24 to 2024/25.
Discount Rate	4.06% as of September 30, 2024 and 4.87% as of September 30, 2023 for accounting disclosure purposes; Refer to the Discussion of Discount Rates section for more information on selection of the discount rate, which is determined by the Plan Sponsor in concurrence with Nyhart.
Employer Funding Policy	Pay-as-you-go cash basis
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: <ul style="list-style-type: none">• Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and• Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Actuarial Methods and Assumptions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Census Data

Census information as of September 30, 2024 was provided by the Town in October 2025. We have reviewed it for reasonableness and no material modifications were made to the census data.

Payroll Growth

Payroll growth rates are based on the Town's historical experience. Sample annual salary rate increases are as shown below.

YOS	Male	Female
0	7.7%	7.5%
5	4.7%	4.8%
10	4.5%	4.4%
15	4.3%	4.3%
20	4.2%	4.2%
25	3.9%	3.9%
30+	3.9%	4.3%

Inflation Rate

2.50% per year

The inflation rate is based on the current economic environment and future expectations.

Experience Study

Best actuarial practices call for a periodic assumption review and Nyhart recommends the Town to complete an actuarial assumption review (also referred to as an experience study) in the future.

Health Care Coverage Election Rate

Active employees with current coverage: 40%

Active employees with no coverage: 0%

Inactive employees with current coverage: 100%

Inactive employees with no coverage: 0%

The participation rates are based on the Town's historical experience.

Spousal Coverage

35% of active employees electing retiree health coverage are assumed to elect spousal coverage. Husbands are assumed to be three years older than wives. The spousal age difference is based on the observed age difference among the general population of married individuals who are of retirement age. Actual spousal coverage and age is used for retirees.

Actuarial Methods and Assumptions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Mortality

General employees: SOA Pub-2016 General Employees Headcount Weighted Mortality Table fully generational using Scale MP-2021

Healthy General retirees: SOA Pub-2016 General Retirees Headcount Weighted Mortality Table fully generational using Scale MP-2021

Police and Fire employees: SOA Pub-2016 Public Safety Employees Headcount Weighted Mortality Table fully generational using Scale MP-2021

Healthy Police and Fire retirees: SOA Pub-2016 Public Safety Retirees Headcount Weighted Mortality Table fully generational using Scale MP-2021

Disabled General employees and retirees: SOA Pub-2016 Non-Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2021

Disabled Police and Fire employees and retirees: SOA Pub-2016 Public Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2021

Surviving Spouses: SOA Pub-2016 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

The plan does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2016 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.

Disability

Disability rates are based on the Town's historical experience. Sample annual disablement rates are as shown below.

General	Fire & Police	
None	Age	Rate
	20	0.14%
	30	0.18%
	40	0.30%
	50	1.00%

Actuarial Methods and Assumptions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Termination Rate

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. The termination rates are based the Town's historical experience. Sample annual termination rates for regular employees are as shown below.

General		Fire		Police	
Age	Rate	Age	Rate	Age	Rate
20	17.2%	20	12.4%	20	9.3%
30	15.0%	30	10.5%	30	7.9%
40	8.2%	40	5.7%	40	4.3%
50	1.7%	50	1.5%	50	1.1%

Retirement Rates

Annual rates of retirement are based on the Town's historical experience.

General

100% are assumed to retire by age 62, or by age 55 and 30 years of service.

Fire and Police

100% are assumed to retire by age 60, age 55 and 10 years of service, or upon completion of 25 years of service, regardless of age.

Service-incurred disabled employees retire immediately. Non-service-incurred disabled employees retire upon completion of 10 years of service.

Early Retirement

General employees may retire early at age 50 and 15 years of years. Member are assumed to retire early at a rate of 5.00% per year.

Actuarial Methods and Assumptions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Health Care Trend Rates

FYE	Medical/Rx	FYE	Medical/Rx
2025	*	2033	6.25%
2026	8.00%	2034	6.00%
2027	7.75%	2035	5.75%
2028	7.50%	2036	5.50%
2029	7.25%	2037	5.25%
2030	7.00%	2038	5.00%
2031	6.75%	2039	4.75%
2032	6.50%	2040+	4.50%

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgment.

The ultimate trend rate was selected based on historical medical CPI information.

*FYE 2025 Health Care Trend Rates are based on the actual rate of increase from the medical premium rates effective October 1, 2024 to those effective October 1, 2025.

Retiree Contributions

Retiree contributions are assumed to increase according to health care trend rates.

Per Capita Costs

Annual per capita costs were calculated based on FY 2024/25 premium rates increased using health index factors and current enrollment. The costs are assumed to increase with health care trend rates. Sample annual per capita costs are as shown below:

Age	PPO 03769		HMO 55	
	Male	Female	Male	Female
< 55	\$10,500	\$12,000	\$10,700	\$12,300
55 – 59	\$14,100	\$13,700	\$14,400	\$14,000
60 – 64	\$18,500	\$16,800	\$18,900	\$17,200

The per capita costs represent the cost of coverage for a retiree-only population.

Actuarial standards require the recognition of higher inherent costs for a retired population versus an active population.

Actuarial Methods and Assumptions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Explicit Subsidy

The difference between (a) the premium rate and (b) the retiree contribution. Below is an example of the monthly explicit subsidies for a 60-year-old male retiree and female spouse of the same age, who are enrolled in the Town's PPO 03769 health plan.

	Premium Rate	Retiree Contribution	Explicit Subsidy
	A	B	C = A - B
Retiree	\$ 907.82	\$ 907.82	\$ 0.00
Spouse	\$ 925.03	\$ 925.03	\$ 0.00

Implicit Subsidy

The difference between (a) the per capita cost and (b) the premium rate. Below is an example of the monthly implicit subsidies for a 60-year-old male retiree and female spouse of the same age, who are enrolled in the Town's PPO 03769 health plan.

	Per Capita Cost	Premium Rate	Implicit Subsidy
	A	B	C = A - B
Retiree	\$ 1,541.67	\$ 907.82	\$ 633.85
Spouse	\$ 1,400.00	\$ 925.03	\$ 474.97

All employers that utilize premium rates based on blended active/retiree claims experience will have an implicit subsidy. There is an exception for Medicare plans using a true community-rated premium rate.

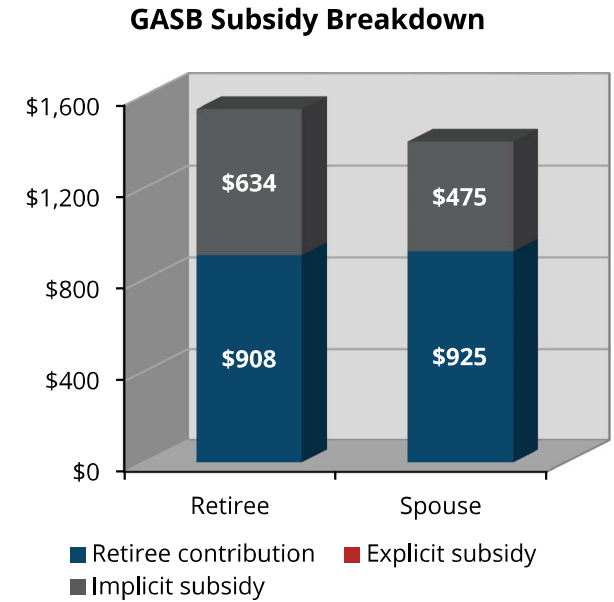
Actuarial Methods and Assumptions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

GASB Subsidy Breakdown

Below is a breakdown of the GASB 75 monthly total cost for a 60-year-old male retiree and female spouse of the same age, who are enrolled in the Town's PPO 03769 health plan.

	Retiree		Spouse	
Retiree contribution	\$	907.82	\$	925.03
Explicit subsidy	\$	0.00	\$	0.00
Implicit subsidy	\$	633.85	\$	474.97
Total monthly cost	\$	1,541.67	\$	1,400.00



Models

ProVal

Valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing postretirement medical valuations. We coded the plan provisions, assumptions, methods and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.

2023 HealthMAPS

Manual Rating manual developed by WTW. Aging factors are used to develop per capita costs by age for plans with limited credible exposure to develop plan-specific factors. We are not aware of any weakness or limitations in the factors and have determined they are appropriate for performing this valuation.

APPENDIX

The background features a series of overlapping, semi-transparent geometric shapes. A large, light gray shape occupies the upper portion of the frame. Below it, a white shape overlaps the gray one. In the bottom right corner, a vibrant red shape overlaps both the white and gray shapes, creating a dynamic, layered effect.

Appendix

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Comparison of Participant Demographic Information

The active participants' number below may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

	As of September 30, 2022	As of September 30, 2024
Active Participants	122	114
Retired Participants	24	20
Averages for Active		
Age	49.5	48.9
Service	8.5	8.5
Averages for Inactive		
Age	63.4	64.2

Appendix

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

Detailed Actuary's Notes

There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending September 30, 2023.

The following assumptions have been updated since the prior valuation:

1. In May 2025, the Society of Actuaries (SOA) released the Pub-2016 Mortality Tables, which serve as an important update to the Pub-2010 Tables previously utilized for public sector plans. We have incorporated these new tables, including separate mortality assumptions for active employees and retired participants, aligning with the detail provided by the Pub-2016 tables. The impact of this update was a slight increase in liabilities. Refer to the Mortality under Actuarial Methods and Assumption section for more information on selection of the mortality tables.
2. Health care trend rates have been updated with actual premium rate increases from 2024/25 to 2025/26. This change caused a decrease in liabilities.
3. Healthcare trend rates were reset to an initial rate of 8.00% in FYE 2026 decreasing annually by 0.25% to an ultimate rate of 4.50%. Rising GLP-1 drug (diabetic/weight loss drug) usage is driving increased pre-65 trends. The initial trend rate considered employer history, national trends, professional judgment, and data from government agencies. Healthcare cost trend rates integrated these factors and additionally incorporated both short-term and long-term expectations. This change caused an increase in liabilities.
4. Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale. The current full valuation uses a discount rate of 4.06% as of September 30, 2024 and 4.87% as of September 30, 2023. This change has caused an increase in liabilities.

Additionally, claims costs and premiums were updated with 2024/25 premiums which caused a significant decrease in liabilities mainly driven by lower than expected claims costs. The updated census data resulted in an increase in liabilities.

GLOSSARY

The background features a series of overlapping, semi-transparent geometric shapes. A large, light gray shape occupies the upper portion. Below it, a white shape overlaps from the left, and a red shape overlaps from the bottom right. The overall composition is clean and modern.

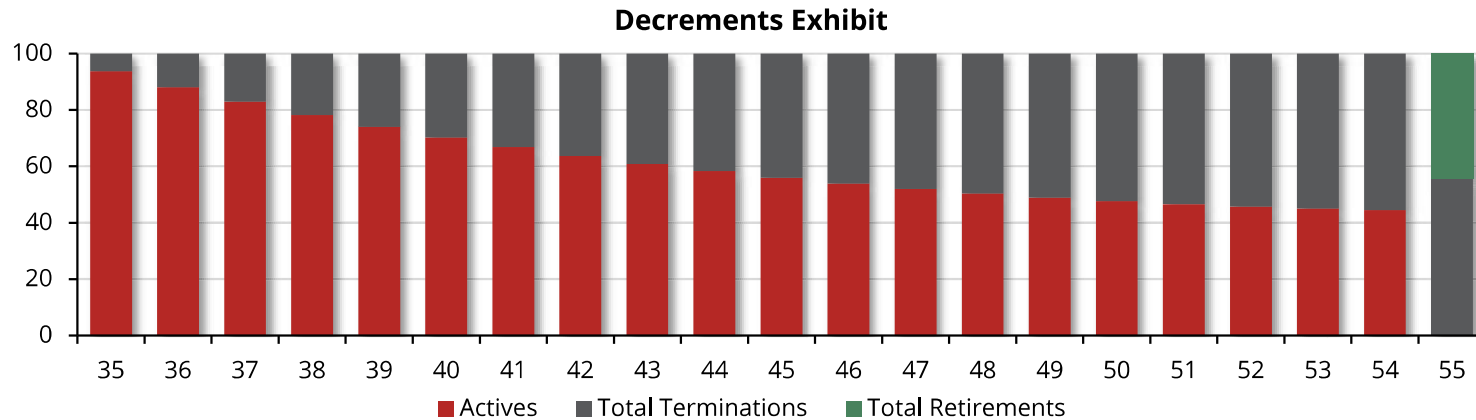
Glossary – Decrements Exhibit

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. Starting with 100 employees at age 35, the illustrated actuarial assumptions show that 44.43 employees out of the original 100 are expected to retire and could elect retiree health benefits at age 55.

Age	# Remaining Employees	# of Terminations per Year ²	# of Retirements per Year	Total Decrements
35	100.000	6.276	0.000	6.276
36	93.724	5.677	0.000	5.677
37	88.047	5.136	0.000	5.136
38	82.911	4.648	0.000	4.648
39	78.262	4.209	0.000	4.209
40	74.053	3.814	0.000	3.814
41	70.239	3.456	0.000	3.456
42	66.783	3.131	0.000	3.131
43	63.652	2.835	0.000	2.835
44	60.817	2.564	0.000	2.564
45	58.253	2.316	0.000	2.316

Age	# Remaining Employees	# of Terminations per Year	# of Retirements per Year	Total Decrements
46	55.938	2.085	0.000	2.085
47	53.853	1.866	0.000	1.866
48	51.987	1.656	0.000	1.656
49	50.331	1.452	0.000	1.452
50	48.880	1.253	0.000	1.253
51	47.627	1.060	0.000	1.060
52	46.567	0.877	0.000	0.877
53	45.690	0.707	0.000	0.707
54	44.983	0.553	0.000	0.553
55	44.430	0.000	44.430	44.430



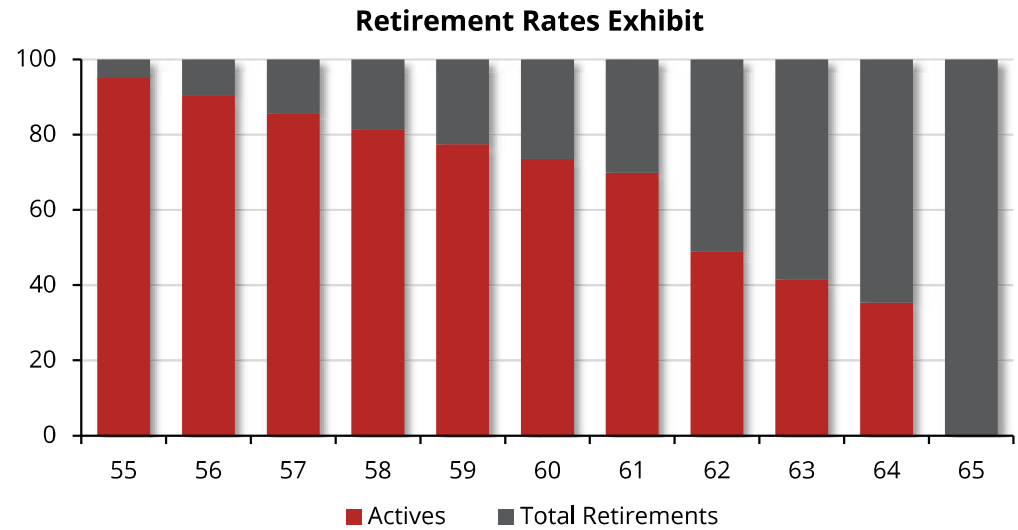
² The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Retirement Rates Exhibit

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. The illustrated retirement rates show the number of employees who are assumed to retire annually based on 100 employees age 55 who are eligible for retiree health care coverage. The average age at retirement is 62.0.

Age	Active Employees BOY	Annual Retirement Rates*	# Retirements per Year	Active Employees EOY
55	100.000	5.0%	5.000	95.000
56	95.000	5.0%	4.750	90.250
57	90.250	5.0%	4.513	85.738
58	85.738	5.0%	4.287	81.451
59	81.451	5.0%	4.073	77.378
60	77.378	5.0%	3.869	73.509
61	73.509	5.0%	3.675	69.834
62	69.834	30.0%	20.950	48.884
63	48.884	15.0%	7.333	41.551
64	41.551	15.0%	6.233	35.318
65	35.318	100.0%	35.318	0.000



* The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Definitions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

GASB 75 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
2. **Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of Future Benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Service Cost and a Total OPEB Liability.
3. **Actuarially Determined Contribution** - A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice.
4. **Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
 - a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
 - b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
 - c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.
5. **Deferred Outflow / (Inflow) of Resources** – represents the following items that have not been recognized in the OPEB Expense:
 - a. Differences between expected and actual experience of the OPEB plan
 - b. Changes in assumptions
 - c. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)
6. **Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.
7. **Funded Ratio** – The actuarial value of assets expressed as a percentage of the Total OPEB Liability.

Glossary – Definitions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

8. **Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
9. **Implicit Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.
10. **OPEB** – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.
11. **OPEB Expense** – Changes in the Net OPEB Liability in the current reporting period, which includes Service Cost, interest cost, changes of benefit terms, expected earnings on OPEB Plan investments, reduction of active employees' contributions, OPEB plan administrative expenses, and current period recognition of Deferred Outflows / (Inflows) of Resources.
12. **Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
13. **Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.
14. **Present Value of Future Benefits** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.
15. **Real Rate of Return** – the rate of return on an investment after adjustment to eliminate inflation.

Glossary – Definitions

Town of Longboat Key GASB 75 Valuation for Fiscal Year Ending September 30, 2025

16. **Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% select rates, and 7% is the ultimate rate.
17. **Service Cost** – The portion of the Actuarial Present Value of projected benefit payments that are attributed to a valuation year by the Actuarial Cost Method.
18. **Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan members.
19. **Total OPEB Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is attributed to past periods of employee service (or not provided for by the future Service Costs).