Retirement Benefits
GASB & Reporting

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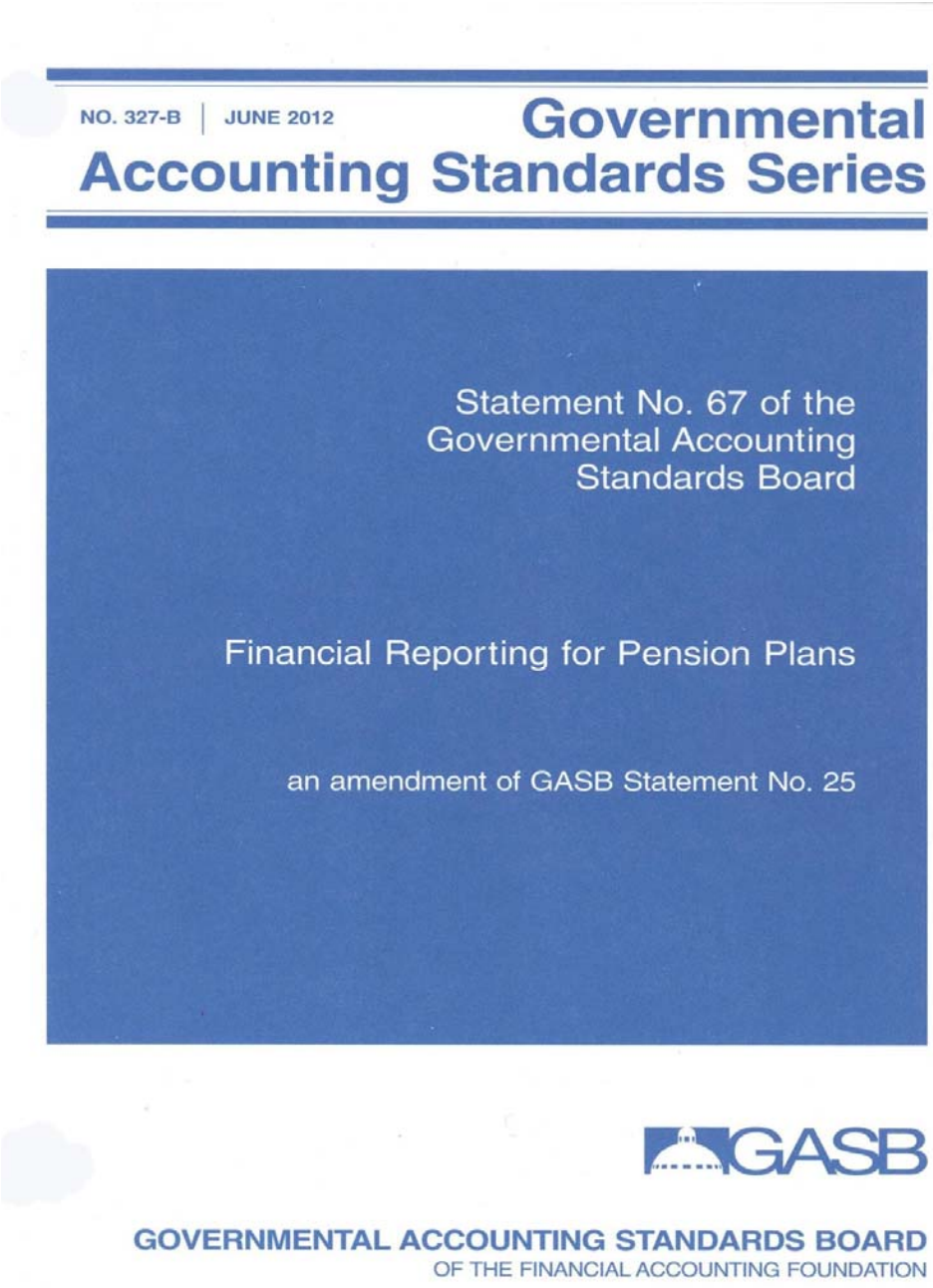
Outline

- Overview of GASB 68
- Accounting for Cost Sharing Pension Plans (GASB 68)
- Accounting for Single Employer Pension Plans (GASB 68)
- Accounting for OPEB Plans (GASB 75)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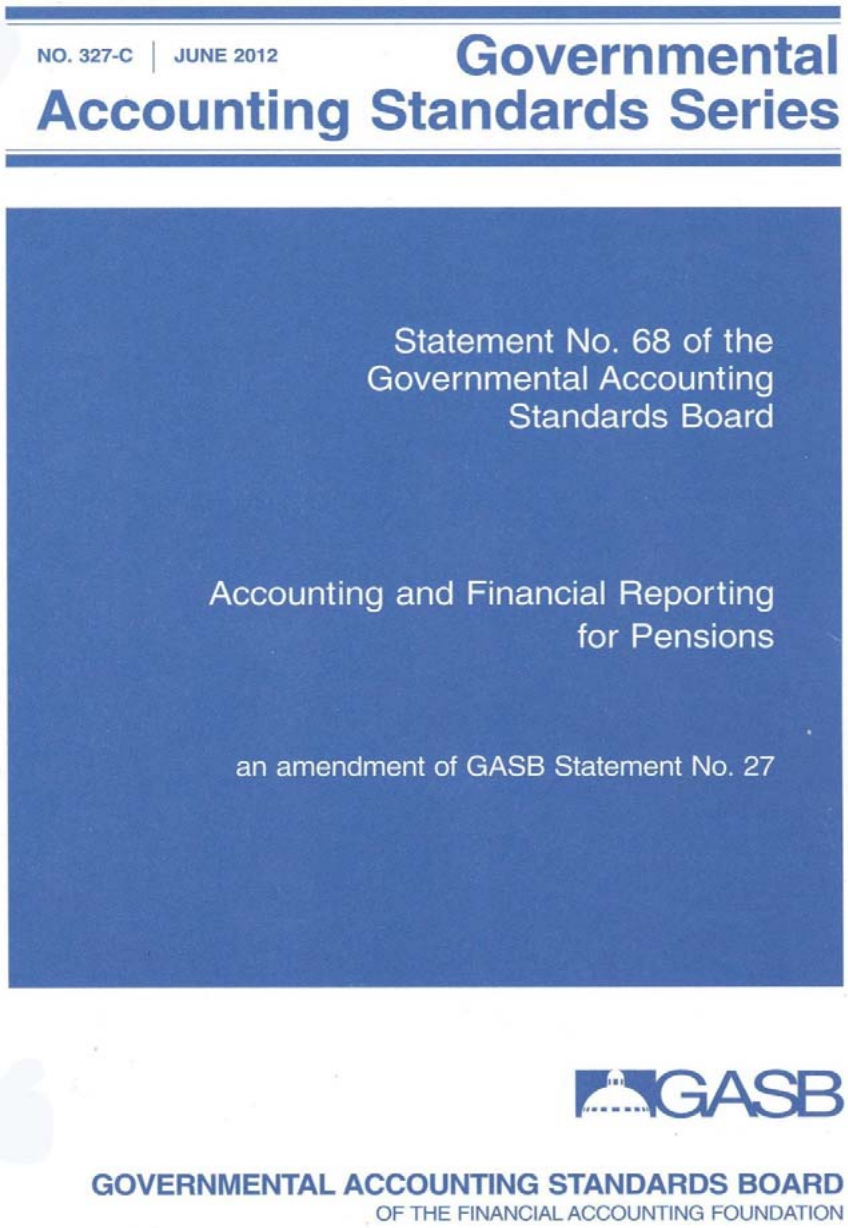
Governmental Accounting Standards Series
Statement No. 67 of the Governmental Accounting Standards Board
Financial Reporting for Pension Plans
an amendment of GASB Statement No. 25
GASB
GOVERNMENTAL ACCOUNTING STANDARDS BOARD
OF THE FINANCIAL ACCOUNTING FOUNDATION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Governmental Accounting Standards Series
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Classification of Defined Benefit Plans

- Classification of the type of defined benefit (DB) pension plan is based on the number of employers and whether pension obligations and pension plan assets are shared
  - Cost sharing multiple-employer DB pension plan:
    - Provides pension to employees of more than one employer
    - Employers pool or share obligations
    - Plan assets can be used to pay the benefits of retirees from any employer
  - Single-employer DB pension plan:
    - Provides pensions to employees of one employer
  - Agent multiple-employer DB pension plan:
    - Provides pensions to employees of more than one employer
    - Assets are pooled for investment purposes, but separate accounts are maintained for each employer
    - Employer's share of pooled assets is legally available only for its employees

Summary of Employer Reporting – GASB 68

- The following amounts for a defined benefit pension plan must be determined as of a date no earlier than the end of the employer's prior fiscal year (i.e., ***measurement date***):
  - Net pension liability (asset)
  - Pension expense
  - Pension deferred outflows of resources and deferred inflows of resources
- Employers participating in single-employer or agent multiple-employer plans recognize 100 percent of the above amounts for each plan
- Employers participating in cost-sharing multiple-employer plans recognize their proportionate share of the collective amounts for the plan as a whole

Key Terminology

- **Total Pension Liability (TPL)** – the portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service in conformity with the requirements of Statement 68.

- **Fiduciary Net Position (FNP)** - Fair Value of Plan Assets less plan liabilities used for the Plan's GAAP financial reporting - FMV as of the measurement date.

- **Net Pension Liability (NPL)** – difference between the TPL and the FNP

- **Projected Benefit Payments** – All benefits estimated to be payable through pension plan to current active and inactive employees as a result of their past service and their expected future service.

- **Measurement Date** - (No. 68 only) TPL and NPL measured as of the same date not more than 12 months before the reporting date.

- **Reporting Date** – The Employer's balance sheet date for financial reporting purposes

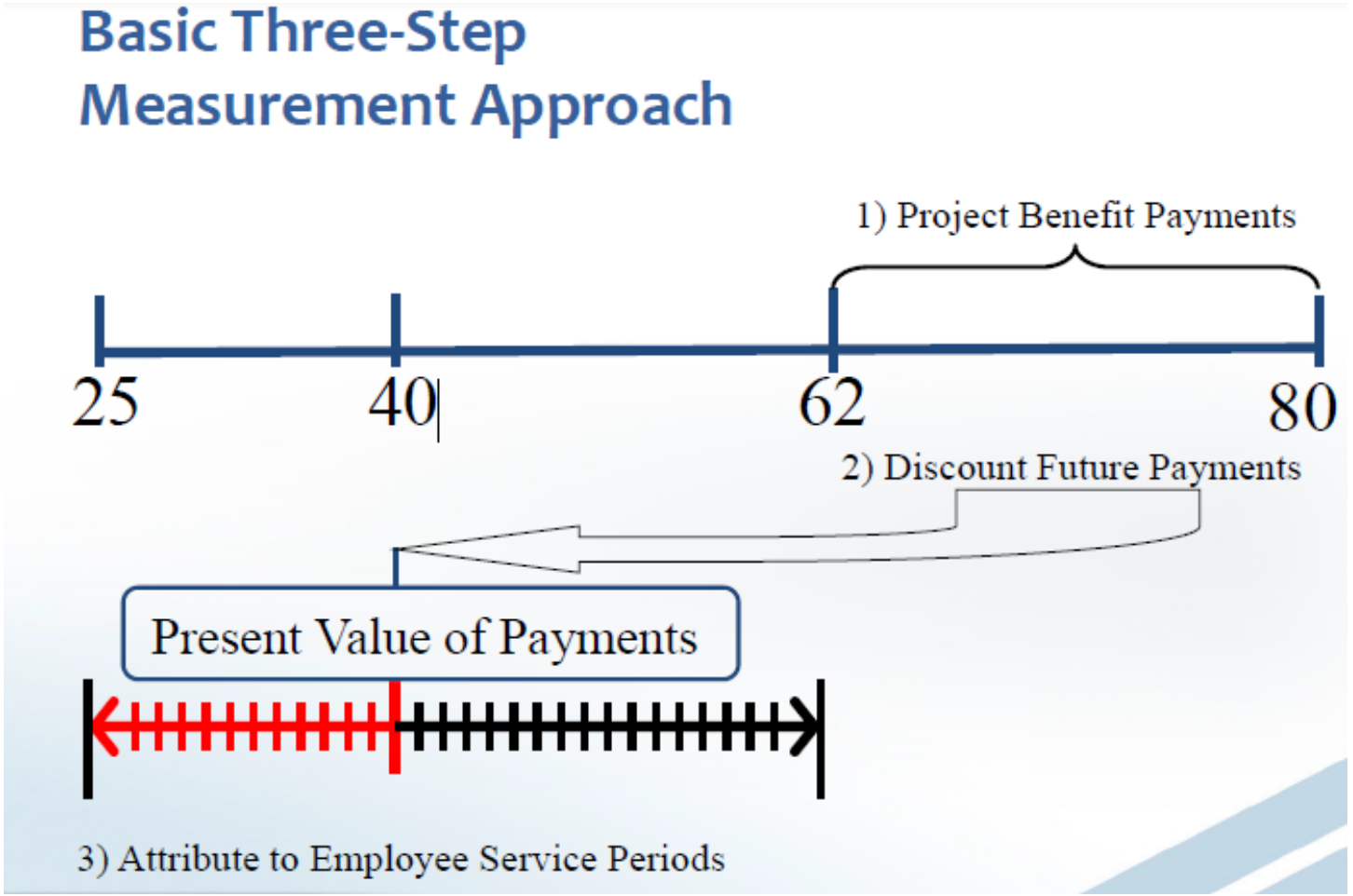
- **Actuarial Valuation Date** – the date as of which the actuarial valuation is performed. Can't be more than 30 months and 1 day before the reporting date.

Two Different Actuarial Valuations

- Accounting Valuation
  - Used to calculate the total pension liability
  - Assumptions driven by GASB 67/68
  - Plan Net Position is used to determine the Net Pension Liability

- Funding Valuation
  - Used to calculate the actuarially determined contribution
  - Assumptions driven by the plan's board and/or State law
  - Designed to fully fund the plan by a certain date
  - Actuarial value of assets are used to determine the unfunded actuarial accrued liability

Total Pension Liability



Net Pension Liability

- Net pension liability (asset) equals the total pension liability for the pension plan, less the fiduciary net position:
  - Total pension liability is the actuarial present value of projected benefit payments attributed to past employee service
  - Fiduciary net position is determined using same valuation methods as used for plan's GAAP financial reporting

Timing and Frequency of Measurement of Total Pension Liability

- Employers should report in their financial statements a net pension liability (asset) determined as of a date (measurement date) no earlier than the end of the employer's prior fiscal year for each defined benefit plan in which they participate
- The measurement date used should be consistently applied from period to period
- Measurement of the total pension liability is determined through:
  - An actuarial valuation performed as of the *measurement date,* or
  - The use of update procedures to roll forward amounts from an actuarial valuation as of a date no more than *30 months and 1 day* earlier than the employer's year-end
  - Use professional judgment in determining extent of update procedures when changes in plan occur between last valuation date and the measurement date
    - Consider whether new actuarial valuation is needed
- Actuarial valuation of total pension liability should be performed at least biennially

Pension Expense

- Changes in net pension liability will be immediately recognized as pension expense or reported as deferred outflows/inflows of resources depending on nature of change
- Approach results in reporting of pension liability and expense as employees earn their pension benefits by providing services instead of being based on funding requirements
- No significant changes to accounting for pensions in governmental funds

Pension Expense Recognition

- Immediately recognize (or recognize in the period of change) as pension expense the following:
- Changes in the Total Pension Liability
  - Current period service cost
  - Interest on the beginning total pension liability
  - Changes in benefit terms

- Changes in Plan's Fiduciary Net Position
  - Projected earnings on plan investments for the period should be incorporated as a reduction of pension expense
  - Employee Contributions
  - Administrative Costs

Calculation of Pension Expense

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Balances at 12/31/X8	**$ 3,045,893**	**$ 2,283,333**	**$ 762,560**	**$ 289,881**	**$ 30,107**	
Changes for the year:						
Service cost	101,695		101,695			$ 101,695
Interest	231,141		231,141			231,141
Changes of benefit terms	-		-			
Differences between expected and actual experience	(69,638)		(69,638)	-	63,582	(6,056)
Changes of assumptions	-		-	-	-	-
Contributions—employer		109,544	(109,544)			
Contributions—employees		51,119	(51,119)			(51,119)
Net investment income		199,273	(199,273)	(16,804)	-	(182,469)
Benefit payments, including refunds	(126,863)	(126,863)	-			
Administrative expense		(3,427)	3,427			3,427
Other		8	(8)			(8)
Expense for beginning deferred amounts				(60,320)	(3,592)	56,728
Net changes	**136,335**	**229,654**	**(93,319)**	**(77,124)**	**59,990**	
Balances at 12/31/X9	**$ 3,182,228**	**$ 2,512,987**	**$ 669,241**	**$ 212,757**	**$ 90,097**	**$ 153,339**

Deferred Outflows and Inflows of Resources

1. Differences between expected and actual experience with economic and demographic factors:
   - Mortality
   - Payroll increases
   - Retirements
   - Employee turnover
2. Effect of changes in assumptions about future economic and demographic factors:
   - Discount rate
   - Mortality (tables)
   - Future payroll increases
   - Future inflation rate
   - Retirements
   - Employee turnover
3. Differences between actual and projected earnings on plan investments

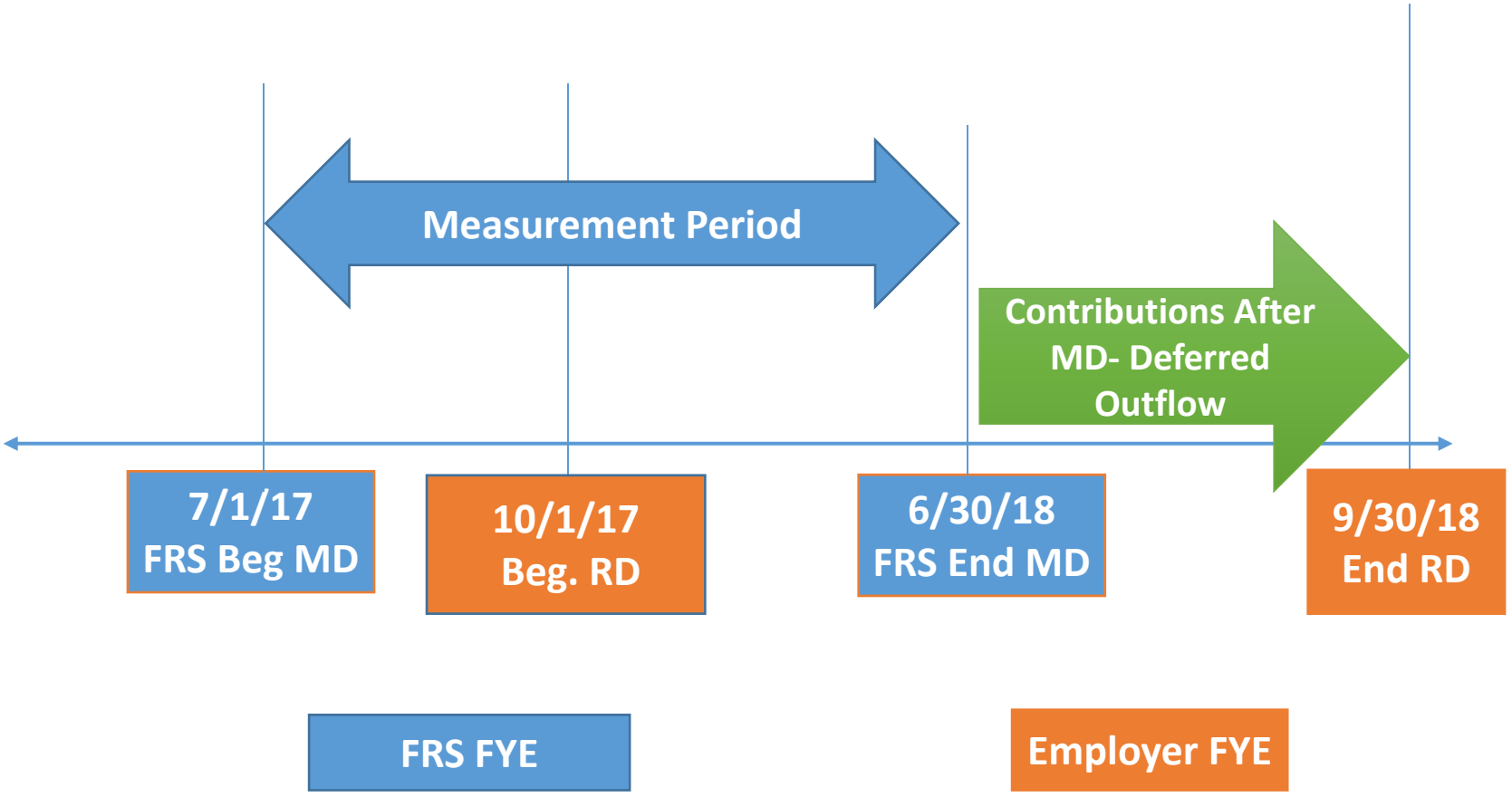
Recognition (Amortization) of Deferred Outflows and Inflows in Pension Expense

- Recognition (amortization) of deferrals attributable to changes in total pension liability should be based on "systematic and rational" method over a closed period equal to the average of the expected service lives of all employees that are provided pensions through the pension plan (active and inactive employees) service beginning with the year in which the difference occurred
  - Results in the creation of "layers," which are amortized over closed period
  - The number of "layers" established for each year is based on whether deferrals are equally attributable to all plan participants
- Recognition (amortization) of deferrals attributable to differences between projected and actual earnings on plan investments should be based on a "systematic and rational" method over five years beginning with the year in which the difference occurred

Contributions after the MD

- Deferred Outflow of Resources
- GASB 71 requires that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability

No. 68 and 71 Timing Issues – County



Cost-Sharing Plans

- An employer should recognize its proportionate share of the collective net pension liability, pension expense, and deferred outflows/inflows of a cost-sharing plan as of the employer's measurement date (no earlier than employer's prior year-end)
- Basis for proportion should be consistent with manner in which required contributions are determined
  - Use of projected long-term contribution effort of the employer(s) and nonemployer contributing entities is encouraged
  - If different contribution rates are assessed based on separate relationships (i.e., different tiers or classes of employees), calculation of proportion should reflect the separate relationships
  - Employer's proportion established as of measurement date, unless actuarially determined, in which case actuarial valuation date should be used

Example Schedule of Employer Allocations

EXAMPLE COST SHARING PENSION PLAN
Schedule of Employer Allocations
6/30/20X5

Employer	20X5 Actual Employer Contributions	Employer Allocation Percentage
Employer 1	$ 2,143,842	36.376 %
Employer 2	268,425	4.554
Employer 3	322,142	5.466
Employer 4	483,255	8.199
Employer 5	633,125	10.742
Employer 6	144,288	2.448
Employer 7	95,365	1.618
Employer 8	94,238	1.599
Employer 9	795,365	13.495
Employer 10	267,468	4.538
Employer 11	403,527	6.847
Employer 12	165,886	2.815
Employer 13	68,454	1.161
Employer 14	6,240	0.106
Employer 15	2,144	0.036
Total	$ 5,893,764	100.000 %

Example Schedule of Pension Amounts by Employer

EXAMPLE COST SHARING PENSION PLAN
Schedule of Pension Amounts by Employer
As of and for the year ended 6/30/20X5

		Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
Entity	Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
Employer 1	$ 45,224,620	438,859	1,569,847	1,404,206	695,426	4,108,338	355,917	–	726,425	1,082,342	1,907,283	12,375	1,919,658
Employer 2	5,661,780	54,942	196,533	175,796	84,231	511,502	44,558	–	74,326	118,884	238,777	(1,793)	236,984
Employer 3	6,795,628	65,945	235,892	211,001	117,354	630,192	53,481	–	98,465	151,946	286,596	(8,088)	278,508
Employer 4	10,193,442	98,917	353,838	316,502	161,215	930,472	80,222	–	165,453	245,675	429,894	3,021	432,915
Employer 5	13,355,038	129,597	463,584	414,668	199,845	1,207,694	105,103	–	197,645	302,748	563,229	(9,900)	553,329
Employer 6	3,043,487	29,534	105,646	94,499	53,453	283,132	23,952	–	48,453	72,405	128,355	599	128,954
Employer 7	2,011,585	19,520	69,827	62,459	33,458	185,264	15,831	–	35,345	51,176	84,836	625	85,461
Employer 8	1,987,964	19,291	69,007	61,725	35,425	185,448	15,645	–	16,453	32,098	83,839	(5,712)	78,127
Employer 9	16,777,717	162,811	582,393	520,941	248,356	1,514,501	132,040	–	284,543	416,583	707,576	8,405	715,981
Employer 10	5,641,888	54,749	195,843	175,178	95,465	521,235	44,401	–	44,356	88,757	237,938	(1,188)	236,750
Employer 11	8,512,562	82,606	295,490	264,312	136,453	778,861	66,993	–	148,543	215,536	359,005	1,254	360,259
Employer 12	3,499,761	33,962	121,485	108,666	52,145	316,258	27,543	–	64,354	91,897	147,597	453	148,050
Employer 13	1,443,418	14,007	50,104	44,818	23,156	132,085	11,360	–	33,453	44,813	60,874	(205)	60,669
Employer 14	131,785	1,279	4,575	4,092	1,968	11,914	1,037	–	894	1,931	5,558	147	5,705
Employer 15	44,757	434	1,554	1,390	1,456	4,834	352	–	698	1,050	1,888	7	1,895
Total for All Entities	$ 124,325,432	1,206,453	4,315,618	3,860,253	1,939,406	11,321,730	978,435	–	1,939,406	2,917,841	5,243,245	–	5,243,245

Cost Sharing Pension Plans

Application of this proportionate share concept results in two types of potential changes in employer net pension liability unique to cost-sharing plans:

1. Net effect of a change in the employer's proportion of the plan's collective net pension liability and deferred outflows/inflows of resources
2. Difference between actual employer contributions and the employer's proportionate share of collective employer contributions

Net Effect of a Change in the Employer's Proportion of the Plan

- The net effect of a change in the proportion used to calculate employer's share of collective plan net pension liability and deferred amounts should be:
  - Measured as the difference between the plan's collective balances as of the beginning of the ***measurement period*** multiplied by:
    a. The employer's proportion assumed in the *prior period*, and
    b. The employer's proportion assumed in the *current period*
  - Recognized as a deferred outflow/inflow of resources in the period of change
  - Recognized as part of pension expense, beginning in the period of the change over a closed period, using a systematic and rational method
    - Closed period is ***equal to the average of the expected remaining service lives of all employees (active, inactive, and retirees)***

Example Schedule of Pension Amounts by Employer

EXAMPLE COST SHARING PENSION PLAN
Schedule of Pension Amounts by Employer
As of and for the year ended 6/30/20X5

		Deferred Outflows of Resources					Deferred Inflows of Resources				Pension Expense		
Entity	Net Pension Liability	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense
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Income Statement Impact

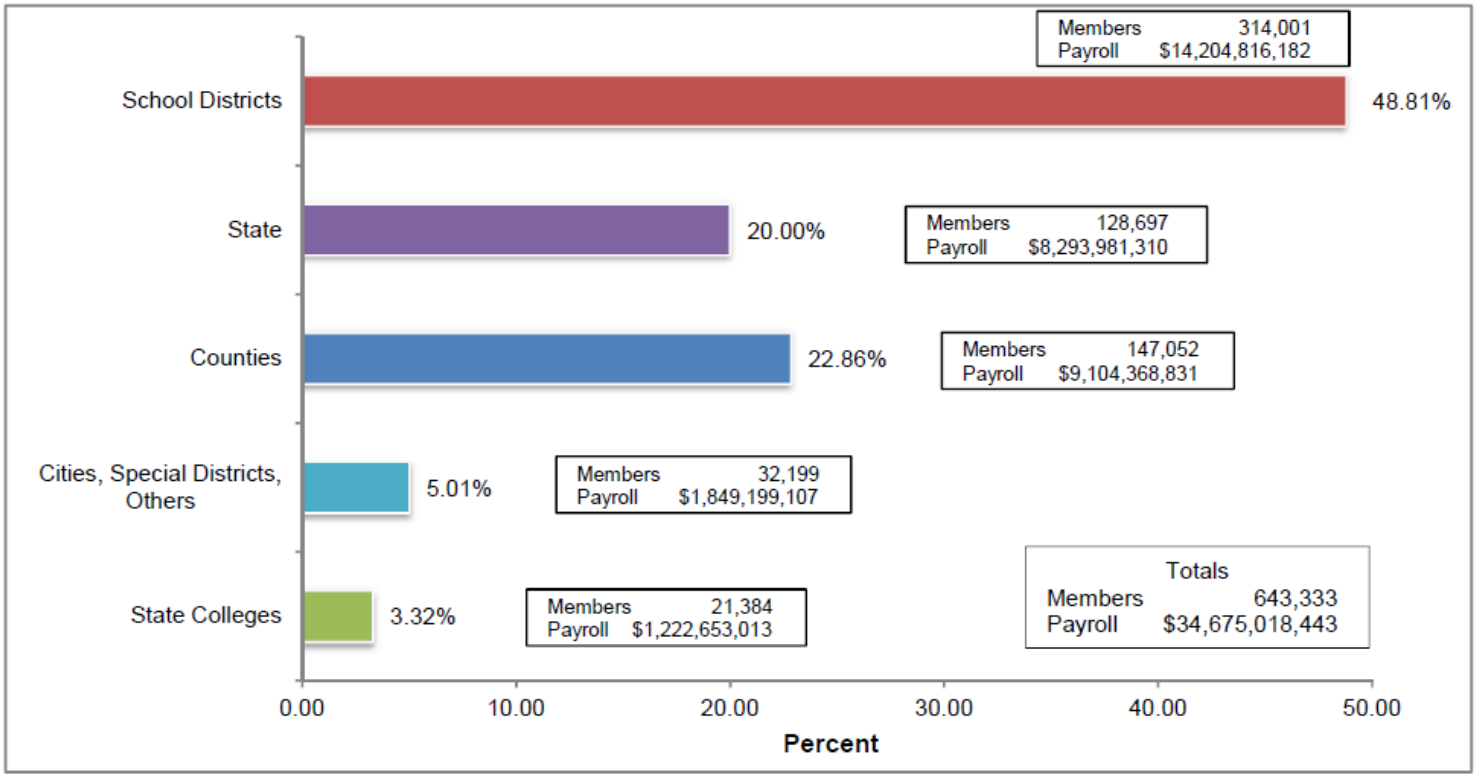
Change in Net Pension Liability due to:	Expense Immediately	Deferred Inflow/Outflow
1. Employees work and earn more benefits	X	
2. Interest on total pension liability	X	
3. Changes in total pension liability due to:		
a) Actual economic & demographic changes differing from assumed		Amortized over Svc Period
b) Changing assumptions about economic & demographic factors		Amortized over Svc Period
c) Changes in the terms of pension benefits	X	
4. Changes in amount of pension plan net assets due to:		
a) Projected investment earnings	X	
b) Actual investment earnings experience different than assumed		Amortized over 5 years
c) All other (receiving employee contributions, paying benefits, etc.)	X	
5. Changes in proportionate share of collective net pension liability (cost sharing plans only)		Amortized over Svc Period

Cost Sharing Plans – FRS and HIS

- Florida Retirement System (FRS) Pension Plan
  - Multiple employer defined benefit pension plan for participating employers
  - 4th largest State Retirement system that provides retirement, disability, or death benefits to 415,000 retirees or their designated beneficiaries
  - Over 643,000 active non-retired members
  - Participation is required by all state, county, district school board, state college and state university employers with optional participation offered to cities, charter schools, metropolitan planning districts and special districts
  - At June 30, 2018, FRS had 1,002 participating employers and 42 participating employers closed to new FRS membership with grandfathered FRS members
- Retiree Health Insurance Subsidy (HIS) Program
  - Provides a health insurance subsidy payment to most retired employees and beneficiaries. The payment is equal to the number of years of creditable service completed at the time of retirement multiplied by $5. The payments are at least $30 but not more than $150 per month.
  - Operates using a pay-as-you-go funding structure

FRS Pension Plan Membership

SOURCE OF FRS MEMBERSHIP[1] AND COVERED PAYROLL[2]
FOR FISCAL YEAR 2017-18[1]
% = Percent of Total Active Members



Source: FRS Comprehensive Annual Financial Report -6/30/18

FRS Unfunded Actuarial Liability/(Surplus)

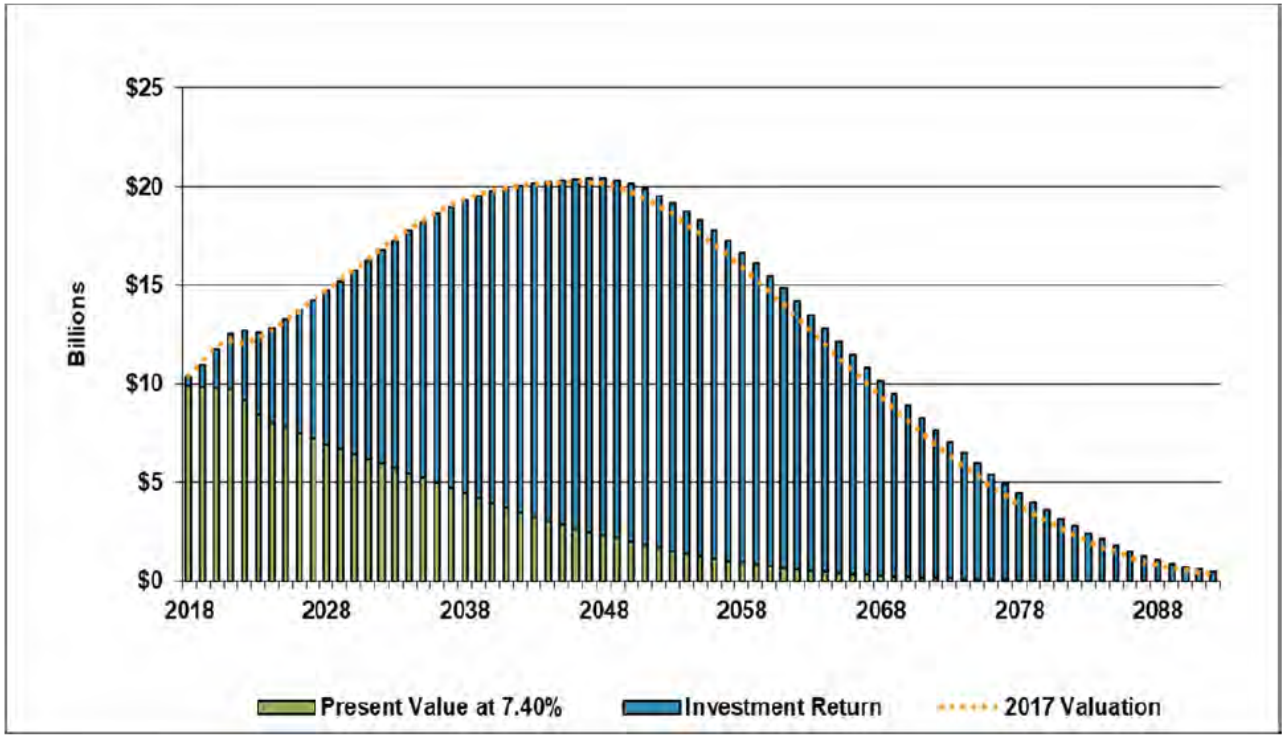
Fiscal Year	Total Liabilities (in billions)	Total Assets (in billions)	UAL/(Surplus) (in billions)
1999	$68.6	$77.8	**($9.2)**
2000	$74.9	$88.5	**($13.6)**
2001	$81.0	$95.5	**($14.5)**
2002	$86.5	$99.4	**($12.9)**
2003	$89.3	$101.9	**($12.6)**
2004	$95.2	$106.7	**($11.5)**
2005	$102.5	$111.5	**($9.0)**
2006	$109.5	$117.1	**($7.6)**
2007	$117.4	$125.6	**($8.2)**
2008	$122.5	$130.7	**($8.2)**
2009	$134.2	$118.8	**$15.4**
2010	$137.6	$120.9	**$16.7**
2011	$144.1	$126.1	**$18.0**
2012	$147.2	$127.9	**$19.3**
2013	$153.3	$131.7	**$21.6**
2014	$160.1	$138.6	**$21.5**
2015	$165.5	$143.2	**$22.3**
2016	$170.4	$145.5	**$24.9**
2017	$178.6	$150.6	**$28.0**
2018	$186.0	$156.1	**$29.9**

Source: FRS Comprehensive Annual Financial Report -6/30/18

FRS Projected Benefit Payments

PROJECTED FRS PENSION PLAN BENEFIT PAYMENTS

(Dates are as of July 1)



The chart represents the effect of the time-value of money on promised benefit payments to current and former members (no future hires). In each year, the total bar is equal to expected benefit payments (exclusive of transfers to the Investment Plan). The green portion represents each year's benefit payments, discounted at 7.40% to July 1, 2018 (ie., the value of benefit payments in "today's dollars"). The blue portion of each bar represents the difference in dollars between the total value to be paid that year less the value in today's dollars.

Source: FRS Comprehensive Annual Financial Report -6/30/18

FRS Statistics

The table below provides additional information for the FRS Pension Plan as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2018	2017	2016
Recipients	415,483	406,018	394,907
Contributions	$3,596,290	$3,348,086	$3,149,376
Benefits paid[1]	$9,851,163	$9,361,452	$10,070,169
Fiduciary net position	$161,196,881	$154,043,111[2]	$141,780,921

[1] Includes refund of member contributions. Amount for 2016 has been revised to include refund of member contributions.
[2] Reflects restatement of beginning net position due to implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Source: FRS Comprehensive Annual Financial Report -6/30/18

FRS Net Pension Liability

A. Florida Retirement System (FRS) Pension Plan

Net Pension Liability	June 30, 2017	June 30, 2018
Total pension liability	$ 183,632,592,000	$ 191,317,399,000
Fiduciary net position	154,053,262,968	161,196,880,609
Net pension liability	29,579,329,032	30,120,518,391
Fiduciary net position as a % of total pension liability	83.89%	84.26%
Covered payroll[1]	33,775,800,000	34,675,000,000
Net pension liability as a % of covered payroll	87.58%	86.87%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. The total pension liability is calculated using the Individual Entry Age Normal cost allocation method, which differs from the Ultimate Entry Age Normal cost allocation method used in the actuarial valuation for funding purposes for the System.

[1] Covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

Source: FRS Comprehensive Annual Financial Report -6/30/18

FRS Net Pension Liability

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	$ 183,632,592,000	$ 154,043,110,158 [1]	$ 29,589,481,842
Changes for the year:			
Service cost	2,423,986,932		2,423,986,932
Interest on total pension liability	12,847,930,021		12,847,930,021
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	554,811,477		554,811,477
Effect of assumptions changes or inputs	2,235,654,000		2,235,654,000
Benefit payments[2]	(10,377,575,430)	(10,377,575,430)	-
Employer contributions		2,849,919,659	(2,849,919,659)
Member contributions		746,370,411	(746,370,411)
Net investment income		13,955,233,346	(13,955,233,346)
Administrative expenses		(20,177,535)	20,177,535
Balances as of June 30, 2018	$ 191,317,399,000	$ 161,196,880,609	$ 30,120,518,391

Source: FRS Comprehensive Annual Financial Report -6/30/18

FRS Discount Rate and Assumptions

Discount Rate	June 30, 2017	June 30, 2018
Discount rate	7.10%	7.00%
Long-term expected rate of return, net of investment expense	7.10%	7.00%
Municipal bond rate	N/A	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 7.00 percent rate of return assumption used in the June 30, 2018, calculations was determined by the consulting actuary, Milliman, to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27). For additional information regarding the depletion date projection, refer to the 2018 GASB 67 Supplement to the FRS Actuarial Valuation available from the Actuarial Valuations page under the Publications page of the Division of Retirement's website at www.frs.myflorida.com.

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2018, were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

Valuation date	July 1, 2017	July 1, 2018
Measurement date	June 30, 2017	June 30, 2018
Inflation	2.60%	2.60%
Salary increases including inflation	3.25%	3.25%
Mortality	Generational RP-2000 with Projection Scale BB; details in valuation report	Generational RP-2000 with Projection Scale BB; details in valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Source: FRS Comprehensive Annual Financial Report -6/30/18

HIS Statistics

Note 4 and the Actuarial section of this report include actuarial and other information regarding the HIS Program. The table below provides additional information for the HIS as of June 30 (in thousands where amounts are dollars):

	Fiscal Year Ended June 30		
	2018	2017	2016
Recipients	376,031	366,285	349,865
Contributions	$542,539	$529,229	$512,564
Benefits paid	$491,530	$465,980	$449,857
Fiduciary net position	$232,463	$178,311	$113,859

Source: FRS Comprehensive Annual Financial Report -6/30/18

HIS Net Pension Liability

B. Retiree Health Insurance Subsidy (HIS) Program

Actuarial valuations for the HIS Program are conducted biennially. The July 1, 2018, HIS valuation is the most recent actuarial valuation and was used to develop the liabilities for the June 30, 2018, financial reporting exhibits shown below. The discount rates used at the two liability measurement dates differ due to changes in the applicable municipal bond index between dates.

Net Pension Liability	June 30, 2017	June 30, 2018
Total pension liability	$ 10,870,772,218	$ 10,816,575,623
Fiduciary net position	178,310,841	232,463,369
Net pension liability	10,692,461,377	10,584,112,254
Fiduciary net position as a % of total pension liability	1.64%	2.15%
Covered payroll	31,885,632,777	32,670,918,206
Net pension liability as a % of covered payroll	33.53%	32.40%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

Source: FRS Comprehensive Annual Financial Report -6/30/18

HIS Net Pension Liability

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2017	$ 10,870,772,218	$ 178,310,841	$ 10,692,461,377
Changes for the year:			
Service cost	258,450,454		258,450,454
Interest on total pension liability	389,705,154		389,705,154
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	188,173,242		188,173,242
Effect of assumptions changes or inputs	(398,995,609)		(398,995,609)
Benefit payments	(491,529,836)	(491,529,836)	-
Employer contributions		542,302,523	(542,302,523)
Member contributions		236,854	(236,854)
Net investment income		3,311,309	(3,311,309)
Administrative expenses		(168,322)	168,322
Balances as of June 30, 2018	$ 10,816,575,623	$ 232,463,369	$ 10,584,112,254

Source: FRS Comprehensive Annual Financial Report -6/30/18

HIS Discount Rate and Assumptions

Discount Rate	June 30, 2017	June 30, 2018
Discount rate	3.58%	3.87%
Long-term expected rate of return, net of investment expense	N/A	N/A
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.58%	3.87%

In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate. The single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The discount rates used at the two dates differ due to changes in the applicable municipal bond index.

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of June 30, 2018, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008 - June 30, 2013.

Valuation Date	July 1, 2016	July 1, 2018
Measurement date	June 30, 2017	June 30, 2018
Inflation	2.60%	2.60%
Salary increases including inflation	3.25%	3.25%
Mortality	Generational RP-2000 with Projection Scale BB; details in valuation report	Generational RP-2000 with Projection Scale BB; details in valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Source: FRS Comprehensive Annual Financial Report -6/30/18

Where do the FRS/HIS allocations come from?

- FRS website - GASB 68 Schedules

https://www.rol.frs.state.fl.us/forms/2018_GASB68_TOC_Actuary.pdf

- Separate Exhibits for FRS and HIS
  - Exhibit A – Plan Collective Pension Expense
  - Exhibit B – Schedule of Collective Deferred (Inflows) and Outflows of Resources
  - Exhibit C – Schedule of Employer Allocations
  - Exhibit D – Deferred (Inflows) and Outflows for Employer-Specific Adjustments per Paragraph 54 of GASB 68
  - Exhibit E – Schedule of Pension Amounts by Employer
  - Exhibit F3 – Deferred Outflows for Employer Contributions in the Three-Month period Subsequent to the Measurement Date (for use by Employers with Fiscal Years Ending September 30)

Exhibit A – Pension Plan Collective Pension Expense

Exhibit A - Pension Plan
Collective Pension Expense

Measurement Period	July 1, 2016 to June 30, 2017	July 1, 2017 to June 30, 2018
Service cost	$2,073,753,788	$2,423,986,932
Interest on total pension liability	12,484,167,203	12,847,930,021
Effect of plan changes	92,185,000	0
Administrative expenses	18,340,257	20,177,535
Member contributions	(744,839,410)	(746,370,411)
Expected investment return net of investment expenses	(10,531,769,432)	(10,699,748,948)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	559,891,083	646,580,376
Recognition of assumption changes or inputs	1,985,155,323	2,334,476,261
Recognition of investment gains or losses	(1,010,259,943)	(1,661,356,822)
Collective Pension Expense	$4,926,623,869	$5,165,674,944

Exhibit A – Pension Plan Collective Pension Expense (cont'd)

As of the June 30, 2018 Measurement Date (MD), the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resouces	Deferred Outflows of Resouces
Differences between expected and actual experience	($92,613,295)	$2,551,660,695
Changes of assumptions	0	9,841,920,587
Net difference between projected and actual earnings	(2,327,177,270)	0
Total	($2,419,790,565)	$12,393,581,282

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in collective pension expense as follows:

Measurement Period Ending June 30*:	
2019	$3,864,266,233
2020	2,637,201,043
2021	367,703,146
2022	1,756,030,568
2023	1,174,185,636
Thereafter	174,404,091

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

Exhibit B – Pension Plan Schedule of Collective Deferred (Inflows) Outflows of Resources

Exhibit B - Pension Plan
Schedule of Collective Deferred (Inflows) and Outflows of Resources

	Original Amount	Measurement Period in which Experience Arose	Original Recognition Period*	Amount Recognized as of 06/30/2017 Measurement Period Collective Expense	Balance of Deferred Inflows as of 06/30/2017 Measurement Date	Balance of Deferred Outflows as of 06/30/2017 Measurement Date	Amount Recognized in 2017-2018 Measurement Period Collective Expense	Balance of Deferred Inflows as of 06/30/2018 Measurement Date	Balance of Deferred Outflows as of 06/30/2018 Measurement Date	Amount Recognized in 2018-2019 Measurement Period Collective Expense
Investment (gains) or losses	($3,255,484,398)	2017-2018	5.0	NA	NA	NA	($651,096,880)	($2,604,387,518)	$0	($651,096,880)
	(8,270,147,116)	2016-2017	5.0	($1,654,029,423)	($6,616,117,693)	$0	(1,654,029,423)	(4,962,088,270)	0	(1,654,029,423)
	10,254,813,091	2015-2016	5.0	4,101,925,236	0	6,152,887,855	2,050,962,618	0	4,101,925,237	2,050,962,618
	5,686,866,405	2014-2015	5.0	3,412,119,843	0	2,274,746,562	1,137,373,281	0	1,137,373,281	1,137,373,281
	(12,722,832,094)	2013-2014	5.0	(10,178,265,676)	(2,544,566,418)	0	(2,544,566,418)	0	0	0
		Total		**($4,318,250,020)**	**($9,160,684,111)**	**$8,427,634,417**	**($1,661,356,822)**	**($7,566,475,788)**	**$5,239,298,518**	**$883,209,596**
Economic/demographic (gains) or losses	$554,811,477	2017-2018	6.4	NA	NA	NA	$86,689,293	$0	$468,122,184	$86,689,293
	1,412,462,453	2016-2017	6.4	$220,697,258	$0	$1,191,765,195	220,697,258	0	971,067,937	220,697,258
	980,191,881	2015-2016	6.4	306,309,962	0	673,881,919	153,154,981	0	520,726,938	153,154,981
	1,620,863,000	2014-2015	6.3	771,839,523	0	849,023,477	257,279,841	0	591,743,636	257,279,841
	(448,818,280)	2013-2014	6.3	(284,963,988)	(163,854,292)	0	(71,240,997)	(92,613,295)	0	(71,240,997)
		Total		**$1,013,882,755**	**($163,854,292)**	**$2,714,670,591**	**$646,580,376**	**($92,613,295)**	**$2,551,660,695**	**$646,580,376**
Assumption changes or inputs	$2,235,654,000	2017-2018	6.4	NA	NA	NA	$349,320,938	$0	$1,886,333,062	$349,320,938
	10,398,344,000	2016-2017	6.4	$1,624,741,250	$0	$8,773,602,750	1,624,741,250	0	7,148,861,500	1,624,741,250
	1,030,667,368	2015-2016	6.4	322,083,552	0	708,583,816	161,041,776	0	547,542,040	161,041,776
	0	2014-2015	6.3	0	0	0	0	0	0	0
	1,256,045,470	2013-2014	6.3	797,489,188	0	458,556,282	199,372,297	0	259,183,985	199,372,297
		Total		**$2,744,313,990**	**$0**	**$9,940,742,848**	**$2,334,476,261**	**$0**	**$9,841,920,587**	**$2,334,476,261**

Exhibit C- FRS Pension Plan Schedule of Employer Allocations

Exhibit C - FRS Pension Plan

Schedule of Employer Allocations

June 30, 2018 Measurement Date (MD)

Employer / Agency Number	Employer / Agency Name	Employer Contribution for Pension Plan Funding in 2017-2018 Measurement Period	Proportion at Measurement Date 06/30/2018
	Example COUNTY CLERK OF CIRCUIT COURT	310,618	0.010899191%
	Example COUNTY BOARD OF COUNTY COMMISSIONERS	5,286,108	0.185482698%
	Example COUNTY PROPERTY APPRAISER	209,002	0.007333601%
	Example CO TAX COLLECTOR	221,747	0.007780808%
	Example CO SHERIFF'S DEPT	4,365,323	0.153173538%
	Example CO SUPERVISOR OF ELECTIONS	69,080	0.002423930%
	Total	10,461,877	0.367093766%

Exhibit E- FRS Pension Plan Schedule of Pension Amounts by Employer

Exhibit E - FRS Pension Plan

Schedule of Pension Amounts by Employer

2017 - 2018 Measurement Period Ending on June 30, 2018 Measurement Date (MD) - For Use in Employer Financial Statements as of a Fiscal Year-End 9/30/18 or 6/30/19 Reporting Date (RD)

			Deferred Outflows of Resources				Deferred Inflows of Resources			
Employer / Agency Number	Employer / Agency Name	Employer Net Pension Liability/(Asset) at Measurement Date (MD) for Employer Financial Reporting as of Fiscal Year-End 9/30/2018 or 6/30/2019	Differences between Expected and Actual Experience	Changes in Assumptions	Net Differences between Projected and Actual Investment Earnings	Employer-Specific Amounts Due to Changes in Employer Proportion	Differences between Expected and Actual Experience	Changes in Assumptions	Net Differences between Projected and Actual Investment Earnings	Employer-Specific Amounts Due to Changes in Employer Proportion
	Example COUNTY CLERK OF CIRCUIT COURT	3,282,893	278,110	1,072,690	0	79,573	(10,094)	0	(253,643)	(185,323)
	Example COUNTY BOARD OF COUNTY COMMISSIONERS	55,868,350	4,732,889	18,255,060	0	1,941,594	(171,782)	0	(4,316,511)	(911,797)
	Example COUNTY PROPERTY APPRAISER	2,208,919	187,129	721,767	0	110,176	(6,792)	0	(170,666)	(57,280)
	Example CO TAX COLLECTOR	2,343,620	198,540	765,781	0	188,484	(7,206)	0	(181,073)	(30,324)
	Example CO SHERIFF'S DEPT	46,136,664	3,908,469	15,075,218	0	2,076,137	(141,859)	0	(3,564,620)	(1,522,169)
	Example CO SUPERVISOR OF ELECTIONS	730,100	61,850	238,561	0	89,852	(2,245)	0	(56,409)	0
	Totals	110,570,545	9,366,987	36,129,077	0	4,485,816	(339,978)	0	(8,542,923)	(2,706,893)

NPL

49,981,880
DO's

11,589,792
DI's

Exhibit E- FRS Pension Plan Schedule of Pension Amounts by Employer (cont'd)

Exhibit E - FRS Pension Plan

Schedule of Pension Amounts by Employer

2017 - 2018 Measurement Period Ending on June 30, 2018 Measurement Date (MD)

Employer / Agency Number	Employer / Agency Name	Employer Share of Collective Pension Expense/(Income)	Net Amortization of Employer-Specific Amounts Due to Changes in Employer Proportion	Employer Total Pension Expense/(Income) for Employer Fiscal Year-End 9/30/2018 or 6/30/2019 Financial Reporting
	Example COUNTY CLERK OF CIRCUIT COURT	563,017	19,465	582,482
	Example COUNTY BOARD OF COUNTY COMMISSIONERS	9,581,433	200,280	9,781,714
	Example COUNTY PROPERTY APPRAISER	378,830	60,011	438,841
	Example CO TAX COLLECTOR	401,931	92,358	494,290
	Example CO SHERIFF'S DEPT	7,912,447	(217,158)	7,695,289
	Example CO SUPERVISOR OF ELECTIONS	125,212	45,213	170,425
	Totals	18,962,871	200,170	19,163,040

Exhibit F-3 – FRS Pension Plan Deferred Outflows for Employer Contributions in Three Month Period Subsequent to the Measurement Date

Exhibit F-3 - FRS Pension Plan

Deferred Outflows for Employer Contributions in Three-Month Period Subsequent to the Measurement Date (for Use by Employers with Fiscal Years Ending September 30)

Employer / Agency Number	Employer / Agency Name	June 30, 2014 Measurement Date to September 30, 2014 Reporting Date	June 30, 2015 Measurement Date to September 30, 2015 Reporting Date	June 30, 2016 Measurement Date to September 30, 2016 Reporting Date	June 30, 2017 Measurement Date to September 30, 2017 Reporting Date	June 30, 2018 Measurement Date to September 30, 2018 Reporting Date
	Example COUNTY CLERK OF CIRCUIT COURT	81,997	79,670	69,316	70,711	81,966
	Example COUNTY BOARD OF COUNTY COMMISSIONERS	891,071	1,004,053	1,099,849	1,182,764	1,266,747
	Example COUNTY PROPERTY APPRAISER	51,999	42,850	47,001	51,174	57,306
	Example CO TAX COLLECTOR	45,794	44,901	29,934	48,804	55,627
	Example CO SHERIFF'S DEPT	889,808	985,616	929,757	1,025,725	1,146,229
	Example CO SUPERVISOR OF ELECTIONS	14,085	14,530	12,815	15,743	17,733
	Total	1,974,754	2,171,619	2,188,672	2,394,922	2,625,607

Accounting Entries – GASB 68 Cost Sharing

First, obtain the beginning and ending balances for the NPL, DO's and DI's related to each plan. Exclude the Contributions after the Measurement Date from the DO.

	NPL	DO's	DI's
6/30/2018	110,570,545	49,981,880	11,589,792
6/30/2017	108,546,704	51,946,477	6,839,814
$ Change	2,023,841	(1,964,597)	4,749,978

Assuming the beginning of year NPL, DO's and DI's related to pensions are already recorded:

Entry 1

To Record change in NPL, DO's (excluding contributions after the MD) and DI's related to FRS plan:

	DR	CR
Net Pension Liability		2,023,841
Deferred Outflows Related to Pensions		1,964,597
Deferred Inflows Related to Pensions		4,749,978
Pension Expense (allocated to functions)	8,738,416	

Accounting Entries – GASB 68 Cost Sharing

	Contribution after MD
6/30/2018	2,625,607
6/30/2017	2,394,922
$ Change	230,685

Entry 2

To record the change in the Deferred Outflow- Contributions after the MD

	DR	CR
Deferred Outflows Related to Pensions	230,685	
Pension Expense (allocated to functions)		230,685

Pension Expense:	
Entry 1	8,738,416
Entry 2	(230,685)
Fund Level Contributions	10,692,565
Total Pension Expense	19,200,296

Sample Journal Entries Specific to Employers with Fiscal Year Ended September 30, 2018

Collective Pension Amounts at 6/30/18 are shown below:

(Refer to Notes to Schedules and Actuary's Schedules, Exhibits A, B and E)

	Collective Plan Amounts					Employer Amounts					
	2018 Total	Expense (includes 2014-2017 "Layers")	Balance of Deferred Outflows (includes 2014-2017 "Layers")	Balance of Deferred (Inflows) (includes 2014-2017 "Layers")	Amortization Period in Years	Employer Share of Collective Expense	2018 Employer Share of Deferred Outflows / (Inflows) (D)			Reverse 2017 Employer Share of Deferred Outflows / (Inflows) (E)	Net Effect
Beginning Net Pension Liability, 6/30/17	29,589,481,842						108,583,961	Beg. NPL			108,583,961
Service Cost	2,423,986,932	2,423,986,932				8,898,305					0
Interest on Total Pension Liability	12,847,930,021	12,847,930,021				47,163,950					0
Plan Changes	0	0				-					0
Demo)	554,811,477	646,580,376	2,551,660,695		6.4	2,373,556	9,366,987	***DOR - Experience***		(9,961,975)	(594,988)
Demo)				(92,613,295)			(339,978)	***DIR - Experience***		601,293	261,315
Assumptions	2,235,654,000	2,334,476,261	9,841,920,587	0	6.4	8,569,717	36,129,077	***DOR - Assumptions***		(36,479,355)	(350,278)
Assumptions				0			0	***DIR - Assumptions***		0	0
Employer Contributions	(2,849,919,659)	0	0				(10,461,877)	***Contributions***			(10,461,877)
Projected Investment Earnings	(10,699,748,948)	(10,699,748,948)				(39,278,111)					0
Member Contributions	(746,370,411)	(746,370,411)				(2,739,879)					0
(Gain)/Loss on Investments	(3,255,484,398)	(1,661,356,822)		(2,327,177,270)	5	(6,098,737)	(8,542,923)	***DIR - Investments***		2,690,059	(5,852,864)
(Gain)/Loss on Investments							0	***DOR - Investments***		0	0
Admin Expense	20,177,535	20,177,535				74,070					0
											0
Net Pension Liability, 6/30/18	30,120,518,391	5,165,674,944	12,393,581,282	(2,419,790,565)		18,962,871	18,962,871	***Expense - Collective***			18,962,871
							200,167	***Expense - Employer Proportion***			200,167
Employer Proportion	0.00367093766	0.00367093766	0.00367093766				4,485,816	***DOR - Employer Proportion***		(5,505,147)	(1,019,331)
Employer Share at 6/30/17 *(A)*	***108,583,961***						(2,706,893)	***DIR - Employer Proportion***		3,548,462	841,569
Employer Share at 6/30/18 *(GASB 68, paragraphs 48 and 53) (B)*	***110,570,545***	***18,962,871***	***45,496,064***				***47,093,247***	End. NPL - calc.		(45,106,663)	***110,570,545***
Difference in Employer Share of NPL *(C)*	***(1,986,584)***										
											(1,986,584)
											(C)
Employer proportion at Prior Measurement Date, 6/30/17	0.00366968106										
Employer proportion at Measurement Date, 6/30/18	0.00367093766										
(Refer to Actuary's Schedules, Exhibit C or Exhibit D)											
Employer Contributions subsequent to Prior Measurement Date, 6/30/17	2,392,922	(F)									
Employer Contributions subsequent to Measurement Date, 6/30/18	2,625,607	(G)									
(Refer to Actuary's Schedules, Exhibit F)											

2017 NPL increased to reflect OPEB PPA of $10,152,810

Note - 2017 schedules were re-issued in January 2018, and ExF-3 amounts changed

0 Check

Net Change in NPL - (increase)/decrease

Sample Journal Entries Specific to Employers with Fiscal Year Ended September 30, 2018 (cont'd)

SAMPLE JOURNAL ENTRIES - Year 2 of Implementation and Following

	Description	Dr	Cr
	Entry #1 (Year 2 and Following) - To record Employer's share of collective pension amounts for the measurement period		
(D)	Pension Expense - Collective	18,962,871	0
(D)	Pension Expense - Employer Specific (Change in Proportion)	200,167	0
(calc)	Pension Expense - Contributions (reverse contributions included in NPL)		8,068,955
(D)	Deferred Outflows - Assumptions	36,129,077	
(E)	Deferred Outflows - Assumptions (reverse prior year)		36,479,355
(D)	Deferred Inflows - Assumptions		0
(E)	Deferred Inflows - Assumptions (reverse prior year)	0	
(D)	Deferred Outflows - Investments	0	
(E)	Deferred Outflows - Investments (reverse prior year)		0
(D)	Deferred Inflows - Investments		8,542,923
(E)	Deferred Inflows - Investments (reverse prior year)	2,690,059	
(D)	Deferred Outflows - Experience	9,366,987	
(E)	Deferred Outflows - Experience (reverse prior year)		9,961,975
(D)	Deferred Inflows - Experience		339,978
(E)	Deferred Inflows - Experience (reverse prior year)	601,293	
(D)	Deferred Outflows - Change in Proportion	4,485,816	
(E)	Deferred Outflows - Change in Proportion (reverse prior year)		5,505,147
(D)	Deferred Inflows - Change in Proportion		2,706,893
(E)	Deferred Inflows - Change in Proportion (reverse prior year)	3,548,462	
(F)	Deferred Outflows - Contributions Subsequent to Prior Measurement Date		2,392,922
(C)	Net Pension Liability *(net change - decrease in NPL is debit; increase in NPL is credit)*	0	1,986,584
		75,984,732	75,984,732
	Entry #2 (Year 2 and Following) - To reclassify contributions paid subsequent to the Measurement Date		
(G)	Deferred Outflow - Contributions Subsequent to Measurement Date of 6/30/18	2,625,607	
(G)	Retirement Contribution Expense		2,625,607
	(this entry assumes that Retirement Contribution Expense was debited at the time contributions were paid to the Plan)		

(0)

(This is a check to show that pension amounts are

	Pension Liability	
(A)	(108,583,961)	Beginning NPL, 7/1/17
(C)	(1,986,584)	Net change
(B)	(110,570,545)	Ending NPL, 6/30/18
	0	Check

(A)	(108,583,961)	Beginning NPL, 7/1/17
(D)	(49,981,880)	Deferred Outflows
(D)	11,589,793	Deferred Inflows
(D)	(19,163,038)	Expense
(D)	10,461,877	Contributions
(E)	46,441,330	Reverse PY Collective DOR
(E)	(3,291,352)	Reverse PY Collective DIR
(E)	1,956,685	Reverse PY Employer Proportion
(B)	(110,570,545)	Ending NPL, 6/30/18
	(0)	Check

The County ran the prior period adjustment for GASB 75
Of $37,257 through pension expense instead of a prior period adjustment

What about the Current Portion of the NPL?

- Comprehensive Implementation Guide Q 7.22.6
- Q—If a government reports a liability to employees for defined benefit pensions or defined benefit OPEB in its government-wide statement of net position, how is the "amount due within one year" determined?
- A—If the government reports a pension or OPEB liability to employees under Statement 68, as amended, Statement 73, as amended, or Statement 75, as amended, the amount of the pension or OPEB liability that is "due" within one year is the amount of benefit payments expected to be paid within one year, net of the pension or OPEB plan's fiduciary net position, if any, available to pay that amount. Therefore, for a pension liability to employees reported under Statement 68, as amended, or for an OPEB liability to employees for benefits provided through an OPEB plan that is administered through a trust (or equivalent arrangement) that meets the criteria in paragraph 4 of Statement 75, there would be no amount that is "due" within one year unless the pension or OPEB plan's fiduciary net position is less than the amount of benefit payments expected to be paid within one year. For a pension liability to employees reported under Statement 73, as amended, or an OPEB liability to employees for benefits provided through an OPEB plan that is not administered through a trust (or equivalent arrangement) that meets the criteria in paragraph 4 of Statement 75, there is no pension or OPEB plan fiduciary net position; therefore, the amount "due" within one year would be the full amount of benefit payments expected to be paid within one year.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

for the fiscal year ended June 30, 2018

	Defined Benefit		
	Florida Retirement System	Retiree Health Insurance Subsidy	National Guard
ADDITIONS			
Contributions and other deposits			
Pension contributions - employer	$ 2,849,919,659	$ 542,302,523	$ -
Pension contributions - employee	740,723,687	236,854	-
Purchase of time by employees	5,646,724	-	-
General revenue	1,124,183	-	-
Other income	2,264,871	200,156	-
Total contributions and other deposits	3,599,679,124	542,739,533	-
Transfers			
Other funds - FRS investment plan	70,597,178	-	-
General revenue	-	-	14,904,972
Total transfers	70,597,178	-	14,904,972
Total contributions and transfers	3,670,276,302	542,739,533	14,904,972
Investment income			
Net appreciation in fair value	9,026,875,605	22,476	-
Interest income	767,603,995	3,047,826	-
Dividends	1,863,240,710	-	-
Real estate operating income, net	464,194,571	-	-
Other investment income	2,390,246,445	41,337	-
Total investment income (loss)	14,512,161,326	3,111,639	-
Investment activity expense	(601,775,463)	(486)	-
Net income (loss) from investing activity	13,910,385,863	3,111,153	-
Security lending activity			
Security lending income	71,625,252	-	-
Security lending expense	(29,042,640)	-	-
Net income from security lending	42,582,612	-	-
Total net investment income (loss)	13,952,968,475	3,111,153	-
Total additions	17,623,244,777	545,850,686	14,904,972
DEDUCTIONS			
Benefit payments	9,831,837,726	491,529,836	-
Benefit payments - general revenue funded	1,124,183	-	14,897,472
Refund of contributions	19,324,969	-	-
Transfers to FRS investment plan	597,009,913	-	-
Payments to annuity companies	-	-	-
Administrative expenses	20,177,535	168,322	7,500
Total deductions	10,469,474,326	491,698,158	14,904,972
Change in fiduciary net position	7,153,770,451	54,152,528	-
Fiduciary net position - beginning, restated (Note 2)	154,043,110,158	178,310,841	-
Fiduciary net position - ending	$ 161,196,880,609	$ 232,463,369	$ -

Current Portion of HIS Liability:

Benefit Payments	491,529,836
Net Position	(232,463,369)
	259,066,467
x Prop. Share	0.00235431734
Current Portion	609,924.68

Source: FRS Comprehensive Annual Financial Report -6/30/18

GASB 68 Note Disclosures

- Descriptive information
  - Name of plan, type of plan, identification of administrator
  - Benefit terms – types of benefits, key elements of benefit formula, classes of employees covered, legal authority
  - Contributions – basis, authority, rates ($ or % of pay), contributions in reporting period
  - Availability of plan report
- Significant assumptions/other inputs in TPL
  - Inflation, salary changes, postemployment benefit changes, mortality assumptions, dates of experience studies
  - Discount rate – rate, assumptions regarding cash flows, how the LTeRoR is determined, municipal bond rate (if applicable), periods to which each rate applied, assumed asset allocation/expected real rates of return, NPL at discount rate +/- 1%

GASB 68 Note Disclosures

- Information regarding pension plan's fiduciary net position or reference to plan report
- Measurement date, actuarial valuation date
- Changes of assumptions or other inputs and changes in benefit terms
- Changes subsequent to measurement date
- Pension expense in the current reporting period
- Deferred outflows/deferred inflows of resources (balances by source)
- A schedule presenting the net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources that will be recognized in the employer's pension expense for each of the subsequent five years, and in the aggregate thereafter

GASB 68 Note Disclosures

- Single/Agent only
  - Schedule of changes in NPL by source for current period
    - Service cost, interest, benefit changes, contributions by source, plan investment income, etc.
    - Number of employees covered – inactive receiving benefits, inactive not receiving benefits, active
    - Allocated insurance contracts
    - If a special funding situation:
      - Amounts in schedule for collective NPL
      - Nonemployer contributing entity's proportionate share (amount of collective NPL)
      - Employer's proportionate share of collective NPL

GASB 68 Note Disclosures

- Cost Sharing only
  - Employer's proportion, basis for proportion, change in proportion
  - Employer's proportionate share (amount) of collective NPL
  - If special funding situation:
    - Nonemployer contributing entity's proportionate share
    - Total of employer's an nonemployer entity's proportionate shares

Example Note Disclosures – GASB 68

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2017-2018 fiscal year were as follows:

	Year Ended June 30, 2017 Percent of Gross Compensation		Year Ended June 30, 2018 Percent of Gross Compensation	
Class	**Employee**	**Employer**	**Employee**	**Employer**
FRS, Regular	3.00	6.20	3.00	6.54
FRS. Elected County Officers	3.00	43.78	3.00	46.78
FRS, Senior Management Service	3.00	20.99	3.00	22.34
FRS, Special Risk Regular	3.00	21.55	3.00	22.78
DROP—Applicable to Members from All of the Above Classes	0.00	11.60	0.00	12.37
FRS, Reemployed Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed. Employer contributions are also required for members in the FRS Investment Plan for a portion of the unfunded actuarial accrued liability.

The County contributions, including employee contributions, to the Plan totaled $10,692,565 for the fiscal year ended September 30, 2018. This excludes the HIS defined benefit pension plan contributions.

FRS Pension Plan Contribution Rates

FRS Employer Statutory Contribution Rates (2012-2019)

As a % of Salary

Year	Cost Items	Regular	Special Risk Regular	Special Risk Admin.	EOC Judicial	EOC J/A/C	EOC County	SMSC	DROP	Cost Items	SUS ORP	SMS OAP	Local Annuity	SCCS ORP	AUTHORITY
7/12 - 6/13	Uniform ER Blended Rate	3.55	11.01	3.94	10.02	6.51	8.36	4.84	4.33	DC - ER	5.14	6.27		5.15	HB 5005
	Uniform UAL Rate	0.49	2.75	0.83	0.77	0.88	0.73	0.32	0.00	DC - EE	3.00	3.00		3.00	
	RET	**4.04**	**13.76**	**4.77**	**10.79**	**7.39**	**9.09**	**5.16**	**4.33**	DC - Total	8.14 [1]	9.27 [1]	[2]	8.15 [1]	
	IP ADM	0.03	0.03	0.03	0.03	0.03	0.03	0.03	N/A	FRS ADM	0.00	0.00		0.00	
	HIS	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	ADM	0.01	0.00		0.00 [3]	
	TOTAL Employer Contributions	5.18	14.90	5.91	11.93	8.53	10.23	6.30	5.44	UAL	0.49	0.32		0.49	
	Employee Contributions	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	TOTAL	**8.64**	**9.59**		**8.64**	
	TOTAL Contributions Submitted	**8.18**	**17.90**	**8.91**	**14.93**	**11.53**	**13.23**	**9.30**	**5.44**						
7/13 - 6/14	Uniform ER Blended Rate	3.53	11.00	4.17	10.05	6.52	8.44	4.81	4.63	DC - ER	5.14	6.27		5.15	SB 1810
	Uniform UAL Rate	2.19	6.83	30.56	17.00	24.85	23.36	12.27	7.01	DC - EE	3.00	3.00		3.00	
	RET	**5.72**	**17.83**	**34.73**	**27.05**	**31.37**	**31.80**	**17.08**	**11.64**	DC - Total	8.14 [1]	9.27 [1]	[2]	8.15 [1]	
	IP ADM	0.03	0.03	0.03	0.03	0.03	0.03	0.03	N/A	FRS ADM	0.00	0.00		0.00	
	HIS	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	ADM	0.01	0.00		0.00 [3]	
	TOTAL Employer Contributions	6.95	19.06	35.96	28.28	32.60	33.03	18.31	12.84	UAL	2.19	12.27		2.19	
	Employee Contributions	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	TOTAL	**10.34**	**21.54**		**10.34**	
	TOTAL Contributions Submitted	**9.95**	**22.06**	**38.96**	**31.28**	**35.60**	**36.03**	**21.31**	**12.84**						
7/14 - 6/15	Uniform ER Blended Rate	3.53	11.01	4.18	10.10	6.30	8.36	4.80	4.30	DC - ER	5.14	6.27		5.15	HB 5005
	Uniform UAL Rate	2.54	7.51	36.59	21.77	38.66	33.58	15.04	6.72	DC - EE	3.00	3.00		3.00	
	RET	**6.07**	**18.52**	**40.77**	**31.87**	**44.96**	**41.94**	**19.84**	**11.02**	DC - Total	8.14 [1]	9.27 [1]	[2]	8.15 [1]	
	IP ADM	0.04	0.04	0.04	0.04	0.04	0.04	0.04	N/A	FRS ADM	0.00	0.00		0.00	
	HIS	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	ADM	0.01	0.00		0.00 [3]	
	TOTAL Employer Contributions	7.37	19.82	42.07	33.17	46.26	43.24	21.14	12.28	UAL	2.54	15.04		2.54	
	Employee Contributions	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	TOTAL	**10.69**	**24.31**		**10.69**	
	TOTAL Contributions Submitted	**10.37**	**22.82**	**45.07**	**36.17**	**49.26**	**46.24**	**24.14**	**12.28**						
7/15 - 6/16	Uniform ER Blended Rate	2.91	11.35	3.71	11.39	6.48	8.48	4.32	4.10	DC - ER	5.14	6.27		5.15	SB 2515-A
	Uniform UAL Rate	2.65	8.99	27.54	22.62	37.62	32.09	15.41	7.12	DC - EE	3.00	3.00		3.00	
	RET	**5.56**	**20.34**	**31.25**	**34.01**	**44.10**	**40.57**	**19.73**	**11.22**	DC - Total	8.14 [1]	9.27 [1]	[2]	8.15 [1]	
	IP ADM	0.04	0.04	0.04	0.04	0.04	0.04	0.04	N/A	FRS ADM	0.00	0.00		0.00	
	HIS	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	ADM	0.01	0.00		0.00 [3]	
	TOTAL Employer Contributions	7.26	22.04	32.95	35.71	45.80	42.27	21.43	12.88	UAL	2.65	15.41		2.65	
	Employee Contributions	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	TOTAL	**10.80**	**24.68**		**10.80**	
	TOTAL Contributions Submitted	**10.26**	**25.04**	**35.95**	**38.71**	**48.80**	**45.27**	**24.43**	**12.88**						
7/16 - 6/17	Uniform ER Blended Rate	2.97	11.80	3.87	11.68	6.63	8.55	4.38	4.23	DC - ER	5.14	6.27		5.15	HB 5005
	Uniform UAL Rate	2.83	9.05	22.47	23.30	33.75	32.20	15.67	7.10	DC - EE	3.00	3.00		3.00	SB 7012
	RET	**5.80**	**20.85**	**26.34**	**34.98**	**40.38**	**40.75**	**20.05**	**11.33**	DC - Total	8.14 [1]	9.27 [1]	[2]	8.15 [1]	
	IP ADM	0.06	0.06	0.06	0.06	0.06	0.06	0.06	N/A	FRS ADM	0.00	0.00		0.00	
	HIS	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	ADM	0.01	0.00		0.00 [3]	
	TOTAL Employer Contributions	7.52	22.57	28.06	36.70	42.10	42.47	21.77	12.99	UAL	2.83	15.67		2.83	
	Employee Contributions	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	TOTAL	**10.98**	**24.94**		**10.98**	
	TOTAL Contributions Submitted	**10.52**	**25.57**	**31.06**	**39.70**	**45.10**	**45.47**	**24.77**	**12.99**						
7/17 - 6/18	Uniform ER Blended Rate	2.90	11.86	3.83	11.67	6.45	8.54	4.29	4.17	DC - ER	5.14	6.27		5.15	SB 7022
	Uniform UAL Rate	3.30	9.69	29.08	26.25	42.69	35.24	16.70	7.43	DC - EE	3.00	3.00		3.00	
	RET	**6.20**	**21.55**	**32.91**	**37.92**	**49.14**	**43.78**	**20.99**	**11.60**	DC - Total	8.14 [1]	9.27 [1]	[2]	8.15 [1]	
	IP ADM	0.06	0.06	0.06	0.06	0.06	0.06	0.06	N/A	FRS ADM	0.00	0.00		0.00	
	HIS	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	ADM	0.01	0.00		0.00 [3]	
	TOTAL Employer Contributions	7.92	23.27	34.63	39.64	50.86	45.50	22.71	13.26	UAL	3.30	16.70		3.30	
	Employee Contributions	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	TOTAL	**11.45**	**25.97**		**11.45**	
	TOTAL Contributions Submitted	**10.92**	**26.27**	**37.63**	**42.64**	**53.86**	**48.50**	**25.71**	**13.26**						
7/18 - 6/19	Uniform ER Blended Rate	3.04	12.18	3.64	12.00	6.65	8.50	4.45	4.41	DC - ER	5.14	6.27		5.15	HB 5007
	Uniform UAL Rate	3.50	10.60	29.62	27.05	48.38	38.48	17.89	7.96	DC - EE	3.00	3.00		3.00	
	RET	**6.54**	**22.78**	**33.26**	**39.05**	**55.03**	**46.98**	**22.34**	**12.37**	DC - Total	8.14 [1]	9.27 [1]	[2]	8.15 [1]	
	IP ADM	0.06	0.06	0.06	0.06	0.06	0.06	0.06	N/A	FRS ADM	0.00	0.00		0.00	
	HIS	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66	ADM	0.01	0.00		0.00 [3]	
	TOTAL Employer Contributions	8.26	24.50	34.98	40.77	56.75	48.70	24.06	14.03	UAL	3.50	17.89		3.50	
	Employee Contributions	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00	TOTAL	**11.65**	**27.16**		**11.65**	
	TOTAL Contributions Submitted	**11.26**	**27.50**	**37.98**	**43.77**	**59.75**	**51.70**	**27.06**	**14.03**						

Source: www.dms.myflorida.com

2019-2020 Contribution Rates

Uniform FRS CONTRIBUTION RATES EFFECTIVE JULY 1, 2019 TO JUNE 30, 2020

	Regular Class (%)	Special Risk Class (%)		Elected Officers' Class (%)			SMSC (%)	DROP (%)[1]
		SR Regular	SR Admin Support	State - Judicial	State - L/A/C	Local		
FRS Defined Benefit Program (FRS Pension Plan) Cost - Employer Contribution Rates Before Blending								
Normal Cost Rate Valuation Based used in Blended Rates	3.09	12.36	3.26	12.46	6.61	8.63	4.47	4.68
UAL Cost	4.30	13.17	40.04	31.59	58.20	53.62	25.75	8.24
Total Pension Plan Cost	7.39	25.53	43.30	44.05	64.81	62.25	30.22	12.92
FRS Investment Plan Rates - Employer Contribution Rates Before Blending								
Employer Contribution to Investment Plan Account[2]	3.30	11.00	4.95	10.23	6.38	8.34	4.67	N/A
Disability Program Funding to FRS Trust Fund	0.25	1.33	0.45	0.73	0.41	0.41	0.26	N/A
ILOD Death Benefit Funding (all classes) to FRS Trust Fund	0.05	1.21	0.03	0.09	0.15	0.20	0.05	N/A
Total Investment Plan Employer Contribution Rates	3.60	13.54	5.43	11.05	6.94	8.95	4.98	N/A
Blended Employer Contribution Rate Covering FRS Pension Plan and FRS Investment Plan Members								
Blended Rates as Enacted	3.19	12.61	3.61	12.30	6.67	8.73	4.60	4.68
Uniform UAL on all payroll bases*	3.56	11.15	33.26	27.98	47.64	38.37	19.09	8.26
Investment Plan Administration and Financial Guidance Assessment	0.06	0.06	0.06	0.06	0.06	0.06	0.06	N/A
HIS Contribution	1.66	1.66	1.66	1.66	1.66	1.66	1.66	1.66
Total Employer Contribution Rate	8.47	25.48	38.59	42.00	56.03	48.82	25.41	14.60
Total Employee Contribution Rate	3.00	3.00	3.00	3.00	3.00	3.00	3.00	0.00
Total Contribution Rate Submitted to the Division of Retirement Effective July 1, 2019	11.47	28.48	41.59	45.00	59.03	51.82	28.41	14.60
*(Payroll base includes SMSOAP, SUSORP, and SCCORP)								
Comparison to the Total Contributions Submitted by Employer for 2018-19	11.26	27.50	37.98	43.77	59.75	51.70	27.06	14.03
Difference in total employer contribution rates for 2019-20	0.21	0.98	3.61	1.23	-0.72	0.12	1.35	0.57
Reemployed Retirees Without Renewed Membership 2019-20								
UAL	3.56	11.15	0.00	27.98	47.64	38.37	19.09	0.00
HIS Contribution	1.66	1.66	0.00	1.66	1.66	1.66	1.66	0.00
Total Employer Contribution Rate Submitted to the Division of Retirement Effective July 1, 2019	5.22	12.81	0.00	29.64	49.30	40.03	20.75	0.00

Non-Integrated Defined Contribution Plans 2019-20

	SUSORP (%)	SMSOAP (%)	SCCSORP (%)	
Required Employee Contribution Rate to Member Account	3.00	3.00	3.00	
Employer Contribution Rate to Member Account	5.14	6.27	5.15	Voluntary employee contributions are limited to the employer contribution to the account.
Total Contribution to DC Investment Account	8.14	9.27	8.15	
Employer UAL Contribution - to FRS Trust Fund	3.56	19.09	3.56	
Non-Integrated DC Plan Administrative Assessment	0.01	0.00	0.00	SCCSORP is administered by each state college that sets any administrative assessment.
Total Contribution Rate Submitted	11.71	28.36	11.71	
Total Contribution Rate Submitted by Employer for 2018-19	11.65	27.16	11.65	
Difference effective 2019-20	0.06	1.20	0.06	

[1] DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL Cost in the traditional sense.

[2] Amount deposited into Investment Plan account by the employer is based upon Investment Plan account rate in law, not the blended rate that is paid by the employer.

Source: www.dms.myflorida.com

Example Note Disclosures – Cost Sharing Plan

For the year ended September 30, 2018, the County's contributions to all Plans totaled $12,730,337. For further information of contributions by plan for each of the Constitutional Officers, see the schedule below:

	Florida Retirement System (FRS)	Health Insurance Subsidy (HIS)	Investment Plan	Total
Board of County Commissioners	$ 5,370,091	$ 696,054	$ 350,401	$ 6,416,546
Clerk of Circuit Court	321,873	65,994	33,329	421,196
Property Appraiser	215,134	32,353	4,889	252,376
Tax Collector	228,570	31,458	12,443	272,471
Sheriff	4,485,827	453,497	345,746	5,285,070
Supervisor of Elections	71,070	6,652	4,956	82,678
	10,692,565	1,286,008	751,764	12,730,337

Payables to the Pension Plan—The County reported a payable of $1,197,823 for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2018

Example Note Disclosures – Cost Sharing Plan

For the year ended September 30, 2018, the County recognized pension expense of $19,163,041 related to the Plan. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	2,625,607	
Difference between Expected and Actual Experience	9,366,987	339,978
Changes in Assumptions	36,129,077	
Employer Specific Amounts Due to Changes in Employer Proportion	4,485,816	2,706,891
Net Difference between Projected and Actual Earnings on Pension Plan Investments		8,542,923
Total	52,607,487	11,589,792

Example Note Disclosures – Cost Sharing Plan

The deferred outflows of resources related to pensions, totaling $2,625,607, resulting from County contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending		Amount
2019	$	14,385,650
2020		10,421,608
2021		2,106,030
2022		6,599,520
2023		4,237,652
Thereafter		641,628
Total	$	38,392,088

Where does this information come from? Use Exhibit D

Example Note Disclosures – Cost Sharing Plan

	FRS System (from Exhibit A)
2019	$ 3,864,266,233
2020	$ 2,637,201,043
2021	$ 367,703,146
2022	$ 1,756,030,568
2023	$ 1,174,185,636
Thereafter	$ 174,404,091
	$ 9,973,790,717

These amounts do not include the Employer Specific Changes in Proportion

Proportion at June 30, 2018 0.36709376500%

	Employer Allocation	Employer Specific (from Exhibit D)	Aggregate
2019	$ 14,185,480	$ 200,170	$ 14,385,650
2020	$ 9,681,001	$ 740,607	$ 10,421,608
2021	$ 1,349,815	$ 756,215	$ 2,106,030
2022	$ 6,446,279	$ 153,241	$ 6,599,520
2023	$ 4,310,362	$ (72,710)	$ 4,237,652
Thereafter	$ 640,227	$ 1,401	$ 641,628
	$ 36,613,164	$ 1,778,924	$ 38,392,088

From Exhibit D - Next Slide

Exhibit D – Deferred Inflows and Outflows for Employer Specific Adjustments per Paragraph 54 of GASB 68

Employer / Agency Name	Beginning of Measurement Period for Initial Recognition	Original Balance of Outflow/(Inflow)	Original Amortization Period	Remaining Amortization Period	Measurement Date Deferred Outflow/(Inflow) Balance for Employer Financial Reporting as of Fiscal Year End 9/30/2018 or	Measurement Period Outflow/(Inflow) Recognized in Employer Expense for Fiscal Year Ending 9/30/2018 or 6/30/2019	Measurement Period Outflow/(Inflow) Recognized in Employer Expense for Fiscal Year Ending 9/30/2019 or 6/30/2020	Measurement Period Outflow/(Inflow) Recognized in Employer Expense for Fiscal Year Ending 9/30/2020 or 6/30/2021	Measurement Period Outflow/(Inflow) Recognized in Employer Expense for Fiscal Year Ending 9/30/2021 or 6/30/2022	Measurement Period Outflow/(Inflow) Recognized in Employer Expense for Fiscal Year Ending 9/30/2022 or 6/30/2023	Measurement Period Outflow/(Inflow) Recognized in Employer Expense for Fiscal Year Ending 9/30/2023 or 6/30/2024	Outflow/(Inflow) Recognized in Employer Expense of Subsequent Fiscal Year(s)
Example COUNTY CLERK OF CIRCUIT COURT	6/30/2017	(72,141)	6.4	5.4	(60,869)	(11,272)	(11,272)	(11,272)	(11,272)	(11,272)	(11,272)	(4,509)
Example COUNTY CLERK OF CIRCUIT COURT	6/30/2016	(142,684)	6.4	4.4	(98,095)	(22,294)	(22,294)	(22,294)	(22,294)	(22,294)	(8,918)	0
Example COUNTY CLERK OF CIRCUIT COURT	6/30/2015	(43,915)	6.4	3.4	(23,330)	(6,862)	(6,862)	(6,862)	(6,862)	(2,745)	0	0
Example COUNTY CLERK OF CIRCUIT COURT	6/30/2014	(8,297)	6.3	2.3	(3,029)	(1,317)	(1,317)	(1,317)	(395)	0	0	0
Example COUNTY CLERK OF CIRCUIT COURT	6/30/2013	385,624	6.3	1.3	79,573	61,210	61,210	18,363	0	0	0	0
Example COUNTY BOARD OF COUNTY COMMISSIONERS	6/30/2017	(391,431)	6.4	5.4	(330,270)	(61,161)	(61,161)	(61,161)	(61,161)	(61,161)	(61,161)	(24,464)
Example COUNTY BOARD OF COUNTY COMMISSIONERS	6/30/2016	(191,647)	6.4	4.4	(131,757)	(29,945)	(29,945)	(29,945)	(29,945)	(29,945)	(11,978)	0
Example COUNTY BOARD OF COUNTY COMMISSIONERS	6/30/2015	2,767,470	6.4	3.4	1,470,218	432,417	432,417	432,417	432,417	172,967	0	0
Example COUNTY BOARD OF COUNTY COMMISSIONERS	6/30/2014	1,291,158	6.3	2.3	471,375	204,946	204,946	204,946	61,484	0	0	0
Example COUNTY BOARD OF COUNTY COMMISSIONERS	6/30/2013	(2,179,652)	6.3	1.3	(449,770)	(345,977)	(345,977)	(103,793)	0	0	0	0
Example COUNTY PROPERTY APPRAISER	6/30/2017	3,743	6.4	5.4	3,158	585	585	585	585	585	585	234
Example COUNTY PROPERTY APPRAISER	6/30/2016	7,499	6.4	4.4	5,156	1,172	1,172	1,172	1,172	1,172	469	0
Example COUNTY PROPERTY APPRAISER	6/30/2015	(107,821)	6.4	3.4	(57,280)	(16,847)	(16,847)	(16,847)	(16,847)	(6,739)	0	0
Example COUNTY PROPERTY APPRAISER	6/30/2014	26,654	6.3	2.3	9,731	4,231	4,231	4,231	1,269	0	0	0
Example COUNTY PROPERTY APPRAISER	6/30/2013	446,485	6.3	1.3	92,132	70,871	70,871	21,261	0	0	0	0
Example CO TAX COLLECTOR	6/30/2017	(4,442)	6.4	5.4	(3,748)	(694)	(694)	(694)	(694)	(694)	(694)	(278)
Example CO TAX COLLECTOR	6/30/2016	79,242	6.4	4.4	54,479	12,382	12,382	12,382	12,382	12,382	4,953	0
Example CO TAX COLLECTOR	6/30/2015	(50,026)	6.4	3.4	(26,576)	(7,817)	(7,817)	(7,817)	(7,817)	(3,127)	0	0
Example CO TAX COLLECTOR	6/30/2014	119,518	6.3	2.3	43,634	18,971	18,971	18,971	5,691	0	0	0
Example CO TAX COLLECTOR	6/30/2013	437,954	6.3	1.3	90,371	69,516	69,516	20,855	0	0	0	0
Example CO SHERIFF'S DEPT	6/30/2017	473,647	6.4	5.4	399,640	74,007	74,007	74,007	74,007	74,007	74,007	29,603
Example CO SHERIFF'S DEPT	6/30/2016	(980,961)	6.4	4.4	(674,411)	(153,275)	(153,275)	(153,275)	(153,275)	(153,275)	(61,310)	0
Example CO SHERIFF'S DEPT	6/30/2015	2,872,810	6.4	3.4	1,526,180	448,877	448,877	448,877	448,877	179,551	0	0
Example CO SHERIFF'S DEPT	6/30/2014	411,737	6.3	2.3	150,317	65,355	65,355	65,355	19,607	0	0	0
Example CO SHERIFF'S DEPT	6/30/2013	(4,108,367)	6.3	1.3	(847,758)	(652,122)	(652,122)	(195,637)	0	0	0	0
Example CO SUPERVISOR OF ELECTIONS	6/30/2017	13,030	6.4	5.4	10,994	2,036	2,036	2,036	2,036	2,036	2,036	814
Example CO SUPERVISOR OF ELECTIONS	6/30/2016	9,181	6.4	4.4	6,312	1,435	1,435	1,435	1,435	1,435	574	0
Example CO SUPERVISOR OF ELECTIONS	6/30/2015	5,745	6.4	3.4	3,052	898	898	898	898	359	0	0
Example CO SUPERVISOR OF ELECTIONS	6/30/2014	103,296	6.3	2.3	37,711	16,396	16,396	16,396	4,919	0	0	0
Example CO SUPERVISOR OF ELECTIONS	6/30/2013	154,025	6.3	1.3	31,783	24,448	24,448	7,335	0	0	0	0
Total							200,170	740,607	756,215	153,241	(72,710)	1,400

Example Note Disclosures – Cost Sharing Plan

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The Plan's fiduciary net pension position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 7.10% in the July 1, 2017 valuation.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's Proportionate Share of Net Pension Liability	$ 201,795,882	$ 110,570,545	$ 34,802,509

Sensitivity of Discount Rate is calculated as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Collective Net Pension Liability (from FRS CAFR)	54,971,209,391	30,120,518,391	9,480,550,391
County's Proportionate %	0.367093766%	0.367093766%	0.367093766%
County's Proportionate Share	201,795,882	110,570,545	34,802,509

GASB 68 Required Supplementary Information (RSI)

- The following information is required supplementary information for each single-employer and agent multiple-employer plan:
  - Ten year schedule of changes in net pension liability (asset) as of the employer's fiscal year end (Same components as note disclosure)
  - Ten year schedule of total pension liability (TPL), pension plan fiduciary net position, net pension liability (NPL), plan net position as % of TPL, covered-employee payroll, NPL as % of covered-employee payroll
  - Ten year schedule related to contributions, if an actuarially determined employer contribution is determined
  - Include as notes to RSI, factors that significantly affect the identification of trends in the amounts reported
  - Notes to RSI with methods and assumptions for actuarially determined employer contribution changes

GASB 68 Required Supplementary Information (RSI)

Cost Sharing Plans

- Ten year schedules of Employer's proportion (%), proportionate share (amount) of collective net pension liability, covered-employee payroll, proportionate share as % of covered-employee payroll, pension plan's net position as % of total pension liability
- If statutory or contractual contribution requirements
  - Ten year schedules of required contribution, contributions in relation to required, difference, covered-employee payroll, contributions as % of covered-employee payroll
- Notes to RSI as appropriate

Example Required Supplementary Information – Cost Sharing Plans

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
September 30, 2018

Last 10 Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended June 30,	County's Proportion of the FRS Net Pension Plan	County's Proportion Share of the FRS Net Pension Plan Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the FRS Net Pension Liability as a Percentage of its Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.323724689%	$ 19,751,966	$ 63,870,645	30.92%	96.09%
2015	0.336186138%	43,422,948	67,871,564	63.98%	92.00%
2016	0.374836315%	94,646,463	72,504,583	130.54%	84.88%
2017	0.366968106%	108,546,704	73,706,909	147.27%	83.89%
2018	0.367093765%	110,570,546	77,006,547	143.59%	84.26%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended June 30,	County's Proportion of the HIS Net Pension Plan	County's Proportion Share of the HIS Net Pension Liability	County's Covered Payroll (FYE June 30)	County's Proportionate Share of the HIS Net Pension Liability as a Percentage of its Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.214659060%	$ 20,064,413	$ 63,870,645	31.41%	0.99%
2015	0.223082288%	22,750,520	67,871,564	33.52%	0.50%
2016	0.234274954%	27,303,775	72,504,583	37.66%	0.97%
2017	0.230722126%	24,669,874	73,706,909	33.47%	1.64%
2018	0.235431734%	24,918,358	77,006,547	32.36%	2.15%

Note:
Additional information will be provided annually until ten years' data is presented.

Required Supplementary Information – Cost Sharing Plans

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S CONTRIBUTIONS
September 30, 2018

Last 10 Fiscal Years

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	FRS Contribution in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	County's Covered Payroll (FYE September 30)	FRS Contributions as a Percentage of Covered Payroll
2014	$ 9,065,698	$ (9,065,698)	-	$ 64,431,818	14.07%
2015	$ 8,393,369	$ (8,393,369)	-	$ 68,825,669	12.20%
2016	$ 9,279,559	$ (9,279,559)	-	$ 72,387,348	12.82%
2017	$ 9,637,808	$ (9,637,808)	-	$ 74,200,644	12.99%
2018	$ 10,692,565	$ (10,692,565)	-	$ 77,625,482	13.77%

HEALTH INSURANCE SUBSIDY PENSION PLAN

Year Ended September 30,	Contractually Required Contribution	HIS Contribution in Relation to the Contractually Required Contribution	HIS Contribution Deficiency (Excess)	Covered Payroll (FYE September 30)	HIS Contributions as a Percentage of Covered Payroll
2014	$ 939,152	$ (939,152)	-	$ 64,431,818	1.46%
2015	$ 933,326	$ (933,326)	-	$ 68,825,669	1.36%
2016	$ 1,195,301	$ (1,195,301)	-	$ 72,387,348	1.65%
2017	$ 1,233,196	$ (1,233,196)	-	$ 74,200,644	1.66%
2018	$ 1,286,008	$ (1,286,008)	-	$ 77,625,482	1.66%

Note:
Additional information will be provided annually until ten years' data is presented.

Required Supplementary Information – Cost Sharing Plans

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

NOTE 1 – SCHEDULES OF NET PENSION LIABILITY AND SCHEDULES OF CONTRIBUTIONS

Changes in Benefit Terms from the year ended June 30, 2017 to June 30, 2018:

- FRS—No significant changes.
- HIS—No significant changes.

Changes in Assumptions from the year ended June 30, 2017 to June 30, 2018:

- **FRS:** The long-term expected rate of return was decreased from 7.10% to 7.00%, and the active member mortality assumption was updated.
- **HIS:** The municipal bond rate used to determine total pension liability increased from 3.58% to 3.87%.

Does GASB 68 impact the Compensated Absences liability?

- **Question Z.16.1**
- 5.37. Q—A government includes cash payments to retiring employees for unused compensated absences (vacation leave and sick leave to the extent settled by means of a termination payment) as part of the employees' compensation for the final year of service for the purposes of determining employees' defined pension benefits and the employer's contractually required contributions to a cost-sharing pension plan. Does **paragraph 11 of Statement No. 16**, *Accounting for Compensated Absences*, as amended, apply?
- A—No. Paragraph 11, as amended, does not apply. Instead, the projected effects of the termination payment for compensated absences in an employee's compensation in the final year of service on benefit payments is required to be included in the projection of benefit payments for purposes of determining the employer's pension liability under **Statement 68**.

No longer need to compute the retirement rate on the compensated absences liability, as it has already been included in the projected benefit payments and would be double counting the liability.

Single Employer Pension Plan Example

Reporting Date:	**September 30, 2018** (Employer's fiscal year end)
Measurement Date:	**September 30, 2017** (one year prior)
Actuarial Valuation Date:	**October 1, 2016** (less than 30 months and 1 day prior to reporting date)

The Pension Plan does not issue a stand-alone financial report

Single-Employer Pension Plan Actuarial Report

GENERAL EMPLOYEES' PENSION PLAN

ACTUARIAL VALUATION
AS OCTOBER 1, 2017

Funding for FY 19

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2019

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2017

October 1, 2017 actuarial valuation report includes:

- **GASB 67 (Plan) report for the year ended September 30, 2017… will have to wait for next year's GASB 67 report for note disclosures**
- **GASB 68 (Employer) reports for Employer reporting year ended September 30, 2018, liability measured as of September 30, 2017**

Actuarial Valuation Report – Changes Since Prior Valuation

Plan Changes

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

Actuarial Assumption/Method Changes

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation to the rates used in the July 1, 2016 actuarial valuation for non-special risk lives.

Net Pension Liability

GASB 68 Report

CHANGES IN NET PENSION LIABILITY

Ensure beginning balances agree to prior year ending balances

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2017	$ 27,354,529	$ 18,042,439	$ 9,312,090
Changes for a Year:			
Service Cost	623,020	-	623,020
Interest	2,080,456	-	2,080,456
Differences between Expected and Actual Experience	80,987	-	80,987
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,745,906	(1,745,906)
Contributions - Employee	-	324,519	(324,519)
Net Investment Income	-	1,938,085	(1,938,085)
Benefit Payments, including Refunds of Employee Contributions	(2,265,908)	(2,265,908)	-
Administrative Expense	-	(40,481)	40,481
Net Changes	518,555	1,702,121	(1,183,566)
Reporting Period Ending September 30, 2018	$ 27,873,084	$ 19,744,560	$ 8,128,524

Measurement Period Ending September 30, 2017

Change in Net Pension Liability:	
As of 9/30/18	8,128,524
As of 9/30/17	9,312,090
Decrease (Dr) in NPL	(1,183,566)

Deferred Inflows/Outflows of Resources

Using Deferred Outflows of Resources and Deferred Inflows of Resources Related Table for current and prior years...

Source: 2018 GASB 68 Report

On September 30, 2018, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	60,741	327,848
Changes of assumptions	498,030	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	113,238
Employer contributions subsequent to the measurement date	1,739,561	-
Total	$ 2,298,332	$ 441,086

Change in Deferred Outflows:	
As of 9/30/18	2,298,332
As of 9/30/17	2,975,349
Decrease (Cr) in DOR	(677,017)

Change in Deferred Inflows:	
As of 9/30/18	441,086
As of 9/30/17	491,771
Decrease (Dr) in DIR	(50,685)

Source: 2017 GASB 68 Report

On September 30, 2017, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	491,771
Changes of assumptions	747,044	-
Net difference between Projected and Actual Earnings on Pension Plan investments	482,399	-
Employer contributions subsequent to the measurement date	1,745,906	-
Total	$ 2,975,349	$ 491,771

Ensure beginning balances agree to prior year ending balances

Pension Expense

GASB 68 Report

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ 9,312,090	$ 662,622	$ 3,146,200	$ -
Employer Contributions made after 09/30/2017	-	-	1,739,561	-
Total Pension Liability Factors:				
Service Cost	623,020	-	-	623,020
Interest	2,080,456	-	-	2,080,456
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	80,987	-	80,987	-
Current year amortization of experience difference	-	(163,923)	(20,246)	(143,677)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(249,014)	249,014
Benefit Payments, including Refunds of Employee Contributions	(2,265,908)	-	-	-
Net change	518,555	(163,923)	1,551,288	2,808,813
Plan Fiduciary Net Position:				
Contributions - Employer	1,745,906	-	(1,745,906)	-
Contributions - Employee	324,519	-	-	(324,519)
Projected Net Investment Income	1,389,145	-	-	(1,389,145)
Difference between projected and actual earnings on Pension Plan investments	548,940	548,940	-	-
Current year amortization	-	(171,053)	(217,750)	46,697
Benefit Payments, including Refunds of Employee Contributions	(2,265,908)	-	-	-
Administrative Expenses	(40,481)	-	-	40,481
Net change	1,702,121	377,887	(1,963,656)	(1,626,486)
Ending Balance	$ 8,128,524	$ 876,586	$ 2,733,832	$ 1,182,327

Total pension expense to be reported by Employer (Dr)

Single-Employer Example – Deferred Inflows/Outflows

On September 30, 2018, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	60,741	327,848
Changes of assumptions	498,030	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	113,238
Employer contributions subsequent to the measurement date	1,739,561	-
Total	$ 2,298,332	$ 441,086

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ 9,312,090	$ 662,622	$ 3,146,200	$ -
Ending Balance	$ 8,128,524	$ 876,586	$ 2,733,832	$ 1,182,327

Difference between schedules is due to netting of the ***difference between projected and actual earnings on pension plan investments*** in accordance with GASB 68.

Single-Employer Example Journal Entry

	Dr	Cr
Decrease in Net Pension Liability	1,183,566	
Decrease in Deferred Outflows		677,017
Decrease in Deferred Inflows	50,685	
Pension Expense	1,182,327	
	2,416,578	677,017

Entry should balance…

Pension Expense

GASB 68 Report

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	$ 9,312,090	$ 662,622	$ 3,146,200	$ -
Employer Contributions made after 09/30/2017	-	-	1,739,561	-
Total Pension Liability Factors:				
Service Cost	623,020	-	-	623,020
Interest	2,080,456	-	-	2,080,456
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	80,987	-	80,987	-
Current year amortization of experience difference	-	(163,923)	(20,246)	(143,677)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(249,014)	249,014
Benefit Payments, including Refunds of Employee Contributions	(2,265,908)	-	-	-
Net change	518,555	(163,923)	1,551,288	2,808,813
Plan Fiduciary Net Position:				
Contributions - Employer	1,745,906	-	(1,745,906)	-
Contributions - Employee	324,519	-	-	(324,519)
Projected Net Investment Income	1,389,145	-	-	(1,389,145)
Difference between projected and actual earnings on Pension Plan investments	548,940	548,940	-	-
Current year amortization	-	(171,053)	(217,750)	46,697
Benefit Payments, including Refunds of Employee Contributions	(2,265,908)	-	-	-
Administrative Expenses	(40,481)	-	-	40,481
Net change	1,702,121	377,887	(1,963,656)	(1,626,486)
Ending Balance	$ 8,128,524	$ 876,586	$ 2,733,832	$ 1,182,327

Contributions recorded in pension expense during reporting year

Single-Employer Example
Journal Entry

- During the year, contributions were recorded as pension expense.
- Employer should reverse that pension expense for entry to balance.

Pension Expense	**1,182,327**
Pension Expense - Reverse Contributions	**(1,739,561)**
Net Pension Expense Entry	**(557,234)**

	Dr	Cr
Decrease in Net Pension Liability	1,183,566	
Decrease in Deferred Outflows		677,017
Decrease in Deferred Inflows	50,685	
Pension Expense		557,234
	1,234,251	1,234,251

Allocations

- Many governments have multiple enterprise funds to which net pension liability, deferred outflows and inflows and pension expense should be allocated.
- At government-wide level, governmental activities generally have multiple functions to which pension expense should be allocated.
- GASB 68 does not provide specific guidance for allocating pension liabilities and related costs among fund financial statements and between governmental and business-type activities.
- Possible allocation methods:
  - Contributions
  - Covered-payroll
  - Other reasonable methods; should be consistent

Allocations (Illustration)

The basis for the allocation in this example is retirement expense (contributions).
Back out contributions unrelated to General Employee Plan (ICMA and Police and Fire Plan Contributions, including Insurance Premium Tax).

		Account	Less:			GE Plan
		Balance	ICMA/Nat Def	Police and Fire	State Contrib.	Contributions
CITY CLERK	001-1200-512-51-52200	64,812				64,812
CITY MANAGER	001-1210-512-51-52200	66,486	(12,793)			53,693
FINANCE	001-1300-513-51-52200	102,151				102,151
INFORMATION TECH	001-1310-513-51-52200	43,013				43,013
HUMAN RESOURCES	001-1350-513-51-52200	59,225				59,225
LEGAL	001-1400-514-51-52200	31,203	(13,786)			17,417
FAC MAINT	001-1930-519-51-52200	80,366				80,366
POLICE	001-2100-521-52-52200	940,661		(790,067)	(109,334)	41,260
FIRE	001-2200-522-52-52200	819,671		(620,767)	(115,767)	83,137
CODE ENFORCEMENT	001-2420-524-52-52200	195,036				195,036
STREETS	004-4100-541-54-52200	210,838				210,838
RECREATION	001-7200-572-57-52200	80,284				80,284
GYM	001-7220-572-57-52200	16,131				16,131
YOUTH PROGRAMS	001-7230-572-57-52200	23,775				23,775
AQUATICS	001-7240-572-57-52200	17,515				17,515
CEMETERY	170-0000-539-53-52200	22,750				22,750
AIRPORT	420-0000-542-54-52200	39,100				39,100
SEWER	450-0000-535-53-52200	167,291				167,291
WATER	460-0000-536-53-52200	195,872				195,872
STORMWATER	470-0000-538-53-52200	69,642				69,642
CENTRAL GARAGE	510-0000-519-51-52200	23,622				23,622
UTILITY BILLING & ADMIN	530-0000-519-51-52200	132,631				132,631
		3,402,075				1,739,561
Contributions per GASB 68 report						**1,739,561**

Allocations (Illustration)

Calculate percentage of total contributions for each account and assign function/fund:

	GE Plan Contributions	% of Total	Function/Fund
CITY CLERK	64,812	3.73%	GA - General Government
CITY MANAGER	53,693	3.09%	GA - General Government
FINANCE	102,151	5.87%	GA - General Government
INFORMATION TECH	43,013	2.47%	GA - General Government
HUMAN RESOURCES	59,225	3.40%	GA - General Government
LEGAL	17,417	1.00%	GA - General Government
FAC MAINT	80,366	4.62%	GA - General Government
POLICE	41,260	2.37%	GA - Public Safety
FIRE	83,137	4.78%	GA - Public Safety
CODE ENFORCEMENT	195,036	11.21%	GA - Public Safety
STREETS	210,838	12.12%	GA - Transportation
RECREATION	80,284	4.62%	GA - Culture/Recreation
GYM	16,131	0.93%	GA - Culture/Recreation
YOUTH PROGRAMS	23,775	1.37%	GA - Culture/Recreation
AQUATICS	17,515	1.01%	GA - Culture/Recreation
CEMETERY	22,750	1.31%	GA - Physical Environment
AIRPORT	39,100	2.25%	BTA - Airport
SEWER	167,291	9.62%	BTA - Sewer
WATER	195,872	11.26%	BTA - Water
STORMWATER	69,642	4.00%	BTA - Stormwater
CENTRAL GARAGE	23,622	1.36%	ISF - Central Garage
UTILITY BILLING & ADMIN	132,631	7.62%	ISF - Utility Billing & Admin
	1,739,561	100%	

General Gov	420,677	37.85%
Public Safety	319,433	28.74%
Transportation	210,838	18.97%
Culture/Rec	137,705	12.39%
Physical Env	22,750	2.05%
	1,111,403	100.00%

Allocate gov. activities further into functions.

First determine % of total contributions by fund, aggregating all governmental activities.

Gov Activities	1,111,403	63.89%
Airport	39,100	2.25%
Sewer	167,291	9.62%
Water	195,872	11.26%
Stormwater	69,642	4.00%
Central Garage	23,622	1.36%
Utility Admin	132,631	7.62%
	1,739,561	100%

Allocations (Illustration)

Changes in Allocation Percentages from Prior Year								
	Gov Activities	Airport	Sewer	Water	Stormwater	Central Garage	Utility Admin	Total
% of Total Contributions at 9/30/17	62.52%	1.90%	5.65%	8.33%	15.43%	0.97%	5.20%	100.00%
% of Total Contributions at 9/30/18	63.89%	2.25%	9.62%	11.26%	4.00%	1.36%	7.62%	100.00%
Net Pension Liability								
Beginning	5,821,919	176,930	526,133	775,697	1,436,855	90,327	484,229	9,312,090
Ending	5,193,302	182,704	781,708	915,260	325,419	110,380	619,751	8,128,524
Change	**(628,616)**	**5,775**	**255,575**	**139,563**	**(1,111,436)**	**20,052**	**135,522**	**(1,183,566)**
Deferred Outflows								
Beginning	1,860,188	56,532	168,107	247,847	459,096	28,861	154,718	2,975,349
Ending	1,468,401	51,659	221,027	258,789	92,012	31,210	175,234	2,298,332
Change	**(391,787)**	**(4,872)**	**52,920**	**10,942**	**(367,084)**	**2,349**	**20,516**	**(677,017)**
Deferred Inflows								
Beginning	307,455	9,344	27,785	40,965	75,880	4,770	25,572	491,771
Ending	281,809	9,914	42,419	49,666	17,659	5,990	33,630	441,086
Change	**(25,646)**	**571**	**14,634**	**8,701**	**(58,222)**	**1,219**	**8,058**	**(50,685)**
Pension Expense (Net)	**(262,475)**	**11,217**	**217,289**	**137,322**	**(802,574)**	**18,923**	**123,064**	**(557,234)**

Further Allocate Governmental Activities Pension Expense:		
General Gov	38%	(99,349)
Public Safety	29%	(75,439)
Transportation	19%	(49,793)
Culture/Rec	12%	(32,521)
Physical Env	2%	(5,373)
% of Total Governmental Activities	100%	(262,475)

Journal Entries (Allocated NPL)

Recurring Annual GE Pension Entry

	Debit	Credit
Governmental Activities (GASB 34 Adj)		
Net Pension Liability	628,616	
Deferred Outflows		391,787
Deferred Inflows	25,646	
Pension Expense - General Government		99,349
Pension Expense - Public Safety		75,439
Pension Expense - Transportation		49,793
Pension Expense - Culture/Recreation		32,521
Pension Expense - Physical Environment		5,373
	654,262	654,262
Airport		
Net Pension Liability		5,775
Deferred Outflows		4,872
Deferred Inflows		571
Pension Expense	11,218	
	11,218	11,218
Sewer		
Net Pension Liability		255,575
Deferred Outflows	52,920	
Deferred Inflows		14,634
Pension Expense	217,289	
	270,209	270,209

	Debit	Credit
Water		
Net Pension Liability		139,563
Deferred Outflows	10,942	
Deferred Inflows		8,701
Pension Expense	137,322	
	148,264	148,264
Stormwater		
Net Pension Liability	1,111,436	
Deferred Outflows		367,084
Deferred Inflows	58,222	
Pension Expense		802,574
	1,169,658	1,169,658
Central Garage		
Net Pension Liability		20,052
Deferred Outflows	2,349	
Deferred Inflows		1,219
Pension Expense	18,922	
	21,271	21,271
Utility Billing & Administration		
Net Pension Liability		135,522
Deferred Outflows	20,516	
Deferred Inflows		8,058
Pension Expense	123,064	
	143,580	143,580

Single-Employer Plan Note Disclosures

- If similar information is required by this Statement and **Statement 67**, an employer that includes the pension plan in its financial reporting entity as a pension trust fund or as a fiduciary component unit should present information in a manner that avoids unnecessary duplication.

- Disclosures related to more than one pension plan should be combined in a manner that avoids unnecessary duplication.

- In circumstances in which the employees of a primary government and its component units are provided with pensions through the same single-employer or agent pension plan, the note disclosures in the reporting entity's financial statements should separately identify amounts associated with its discretely presented component units.

Single-Employer Plan Note Disclosures

(No separately issued financial statements; different measurement dates)

- Descriptive information
  - Name of plan, type of plan, identification of administrator
    - GASB 67 also requires information regarding pension plan board and its composition
  - Benefit terms – types of benefits, key elements of benefit formula, classes of employees covered, legal authority
    - Same requirements for GASB 67, therefore number of plan members/employees covered should be reported for both years
  - Contributions – basis, authority, rates ($ or % of pay) and amount of contributions during the reporting period
    - GASB 67 requires only authority and rates
  - Availability of plan report

Single-Employer Plan Note Disclosures

Other Plan (GASB 67) Disclosure Requirements

- Pension plan investments
  - Policies, how fair value is determined, concentrations, annual money-weighted rate of return
- Receivables
  - Terms of any long-term contracts for contributions to the pension plan and balance outstanding
- Allocated insurance contracts excluded from pension plan assets
- Reserves
- DROP balances and description of terms
- Components of the net pension liability

Single-Employer Plan Note Disclosures

(No separately issued financial statements and different measurement dates)

- Significant assumptions/other inputs in NPL
  - Inflation, salary changes, postemployment benefit changes, mortality assumptions, dates of experience studies
    - Same requirements for GASB 67, therefore different information could be required with different measurement dates if there were changes in assumptions from year to year
  - Discount rate – rate, assumptions regarding cash flows, how the long-term expected rate of return is determined, municipal bond rate (if applicable), periods to which each rate applied, assumed asset allocation/expected real rates of return, NPL at discount rate +/- 1%
    - Same requirements for GASB 67, some information may need to be disclosed for both years

Single-Employer Plan Note Disclosures

- Schedule of changes in NPL by source for current period
  - Service cost, interest, benefit changes, contributions by source, plan investment income, etc.
- Additional disclosures for special funding situations (not covered)
- Information regarding pension plan's fiduciary net position or reference to plan report
- Measurement date, actuarial valuation date
- Changes of assumptions or other inputs and changes in benefit terms
- Changes subsequent to measurement date
- Pension expense in the current reporting period
- Deferred outflows/deferred inflows of resources
  - Balances by source
  - A schedule presenting the net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources that will be recognized in the employer's pension expense for each of the subsequent five years, and in the aggregate thereafter

Single-Employer Plan Note Disclosures (Illustration)
Descriptive Information: Name, Type, Administration

General Employees' Pension Plans (GEPP)

- *Plan Description*—All regular full-time City employees who are not classified as full-time sworn police officers or firefighters are eligible to participate in the GEPP, a single-employer, defined benefit pension plan.

- *Plan Administration*—The GEPP is administered by a Board of Trustees established by City Ordinance. The Board of Trustees is comprised of two Commission appointees, two members elected by the membership, and a fifth member elected by the other four and appointed by the Commission. GEPP provides retirements, disability, and death benefits to plan members. These benefits are established and may be amended by City Ordinance.

Board composition added because Plan is not separately issued

Single-Employer Plan Note Disclosures (Illustration)
Descriptive Information: Benefit Terms, Plan Membership

General Employees' Pension Plans (GEPP)

- *Plan Membership*—Plan membership as of September 30, 2018 and 2017, consisted of the following:

	September 30, 2018	September 30, 2017
Retirees and Beneficiaries		
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	78	77
Inactive Plan Members Entitled to but not yet Receiving Benefits	32	35
Active Plan Members	103	95
Total Retirees and Beneficiaries	213	207

GASB IG Qs 5.82.1 and 5.147.1 clarify that information about benefit terms required by GASB 67 are for Plan FYE and those required by GASB 68 are as of measurement date of NPL

Single-Employer Plan Note Disclosures (Illustration)
Descriptive Information: Benefit Terms

Benefits Provided—The plan provides retirement, termination, disability, and death benefits. Normal retirement is the earlier of: 1) age 55 and 25 years of credited service, 2) age 65 and 6 years of credited service, or 3) 35 years of credited service regardless of age. Early retirement is the earlier of: 1) age 55 and have completed 6 years of credited service, or 2) 25 years of credited service, regardless of age. Vesting in the plan occurs 100% after six years of credited service. Employees employed prior to February 1, 1993, had the option to elect either Plan A or Plan B. Any employees employed after February 1, 1993, are under Plan A. Benefits under Plan A are 2.75% of Average Final Compensation times Credited Service. Benefits under Plan B are 1.9% of Average Final Compensation times Credited Service. Benefits under early retirement are reduced by 2% per year. Eligibility for disability is based upon the date through which service is considered incurred from the date of employment, while non-service incurred is based upon 10 years of credited service. Disability benefits are accrued to the date of disability but not less than 42% of average final compensation (service incurred) or 25% of average final compensation (non-service incurred). Pre-retirement death benefits for vested employees pay the monthly accrued benefit payable to the designated beneficiary for 10 years beginning at otherwise early (reduced) or normal (unreduced) retirement date. Pre-retirement death benefits for non-vested employees include a refund of accumulated contributions, if any.

Single-Employer Plan Note Disclosures (Illustration)
Descriptive Information: Contributions

Contributions—City Ordinance 83-251 grants the authority to establish and amend the contribution requirements of the City and active employees to the Board of Trustees. The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended September 30, 2018, Plan A members' contribution rate was 6.5% of covered payroll, and the City's contribution rate was 32.85%. Plan B members do not contribute to the plan. The City's actual contributions to the Plan during the year totaled $1,739,559.

If the amount of contributions to the pension plan from the City differ from the amount of contributions to the pension plan reported in the schedule of changes in the net pension liability, the City should disclose the contributions during the reporting year.

Actuarial Valuation Report – Contribution Requirements

The contribution requirements, compared with amounts developed in the October 1, 2016, actuarial valuation, are as follows:

Valuation Date	10/1/2017	10/1/2016
Applicable Fiscal Year	9/30/2019	9/30/2018
Total Required Contribution		
% of Total Annual Payroll	37.45%	39.35%
Expected Member Contributions		
% of Total Annual Payroll	6.50%	6.50%
Balance from City		
% of Total Annual Payroll	30.95%	32.85%

Single-Employer Plan Note Disclosures (Illustration)
Other Plan (GASB 67) Disclosure Requirements: Investments

Investments:

- *Investment Policy*—The following table illustrates the GEPP and FPOP Boards' adopted asset allocation policy as of September 30, 2018 and 2017:

Asset Class	Target Allocation
Domestic Equity	55.0%
International Equity	10.0%
Broad Market Fixed Income	25.0%
Real Estate	10.0%
Total	100%

- *Investment Value*—Equities and fixed income instruments are reported at fair value based upon quoted market prices. Real Estate is reported at fair value based upon appraisals of the underlying assets.

- *Concentrations*—The GEPP and FPOP plans did not hold investments in any one organization that represent 5% or more of their respective fiduciary net positions.

- *Rate of Return*—For the year ended September 30, 2018, the annual money-weighted rate of return on plan investments, net of pension plan investment expenses, was 8.31% for the GEPP and 11.09% for FPOP. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Single-Employer Plan Note Disclosures (Illustration)
Other Plan (GASB 67) Disclosure Requirements: DROP Balance

Deferred Retirement Option Program (DROP)—For both plans, eligibility for DROP occurs upon satisfaction of normal or early retirement requirements. Participation in DROP cannot be more than 60 months. A DROP member may elect the actual rate of investment return, or 6.5% rate of return. Earnings are credited to DROP each fiscal quarter. The DROP balance as of September 30, 2018, is $208,200 for GEPP and $578,683 for FPOP.

Obtained from October 1, 2018 Actuarial Valuation report

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

Beginning of the Year Balance	145,508.04
Plus Additions	51,769.14
Investment Return Earned	10,922.37
Less Distributions	0.00
End of the Year Balance	208,199.55

Single-Employer Plan Note Disclosures (Illustration)
Significant Assumptions

Net Pension Liability

The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016, rolled-forward to the measurement date. The total pension liability as September 30, 2018, the Plan's fiscal year end, was determined by an actuarial valuation as of October 1, 2017, rolled-forward to the Plan's fiscal year end.

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions applied to all measurement periods.

	General Employees'	
Valuation Date	10/1/17	10/1/16
Measurement Date	9/30/18	9/30/17
Inflation	2.5%	2.5%
Salary Increases	4-10% Service Based	4-10% Service Based
Investment Rate of Return	7.75%	7.75%
Discount Rate	7.75%	7.75%
Mortality Rate Healthy Lives		
Female:	RP2000 Generational, 100% Annuitant White Collar, Scale BB	
Male:	RP2000 Generational, 100% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB	
Mortality Rate Disabled Lives		
Female:	100% RP2000 Disabled Female set forward two years	
Male:	100% RP2000 Disable Male set back four years	

The most recent actuarial experience study used to review the other significant assumptions was dated November 10, 2016.

Could be combined into one column if no changes.

Single-Employer Plan Note Disclosures (Illustration)
Discount Rate

The long-term expected rate of return on pension investments was determined using a building block method in which best-estimate ranges of expected future rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEPP Plan's target asset allocation as of September 30, 2018 and 2017, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Real Estate	4.50%

Discount Rate:

The discount rate used to measure the total pension liability for was 7.75% for the years ended September 30, 2018 and 2017. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net positions were 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.

Single-Employer Plan Note Disclosures (Illustration)
Sensitivity of the NPL to Changes in the Discount Rate

As of September 30, 2018 (measurement date):

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
General Employee Net Pension Liability	$ 10,633,589	$ 7,316,147	$ 4,526,904

As of September 30, 2017 (measurement date):

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
General Employee Net Pension Liability	$ 11,308,450	$ 8,128,524	$ 5,455,794

Single-Employer Plan Note Disclosures (Illustration)
Changes in Net Pension Liability

The components of the net pension liability for the Plan as of September 30, 2017, (measurement date) and for the year then ended, were as follows:

General Employees'

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2016	$ 27,354,529	$ 18,042,439	$ 9,312,090
Changes for the Year:			
Service Cost	623,020	0	623,020
Interest	2,080,456	0	2,080,456
Contributions - Employer	0	1,745,906	(1,745,906)
Contributions - Employee	0	324,519	(324,519)
Net Investment Income	0	1,938,085	(1,938,085)
Differences between Expected and Actual Experience	80,987	0	80,987
Changes in Assumptions	0	0	0
Benefit Payments, Including Refunds of Contributions	(2,265,908)	(2,265,908)	0
Administrative Expenses	0	(40,481)	40,481
Net Changes	518,555	1,702,121	(1,183,566)
Balances at September 30, 2017	$ 27,873,084	$ 19,744,560	$ 8,128,524

Single-Employer Plan Note Disclosures (Illustration)

Other Plan (GASB 67) Disclosure Requirements: Components of NPL

The components of the net pension liability of the sponsor using a measurement date of September 30, 2018, were as follows:

	General Employees'
Total Pension Liability	$ 29,209,568
Plan Fiduciary Net Positon	(21,893,421)
Net Pension Liability	$ 7,316,147
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.95%

Components of net pension liability and fiduciary net position as a percentage of total pension liability for Plan year end as required by GASB 67.

For the year ended September 30, 2018, the City recognized total pension expense of $1,182,327.

Single-Employer Plan Note Disclosures (Illustration)
Deferred Outflows and Inflows of Resources

	General Employees'
Contributions Made after the Measurement Date	$ 1,739,559
Changes of Assumptions	498,030
Differences between Expected and Actual Experience	60,741
Total Deferred Outflows of Resources	$ 2,298,330
Net Difference Between Projected and Actual Earnings on Investments	$ 113,238
Differences between Expected and Actual Experience	327,848
Total Deferred Inflows	$ 441,086

Not included in schedule below as this is a reduction of NPL in subsequent year.

498,030
60,741
(113,238)
(327,848)
117,685

Contributions made after the measurement date in the amount of $1,739,559 will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	General Employees'
2019	$ 152,036
2020	189,139
2021	(113,702)
2022	(109,788)

152,036
189,139
(113,702)
(109,788)
117,685

Single-Employer Plan
Required Supplementary Information (RSI)

- Schedule of Changes in Net Pension Liability and Related Ratios
  - Ten year schedule of changes in net pension liability (asset) as of the employer's fiscal year end (same components as note disclosure)
  - Ten year schedule of total pension liability (TPL), pension plan fiduciary net position, net pension liability (NPL), plan net position as % of TPL, covered-employee payroll, NPL as % of covered-employee payroll
  - Notes to RSI: factors that significantly affect the identification of trends in the amounts reported
- Schedule of Contributions
  - Ten year schedule related to contributions, if an actuarially determined employer contribution is determined
  - Notes to RSI with methods and assumptions for actuarially determined employer contribution changes
- Schedule of Annual Money-Weighted Rate of Return (if no separate Plan financial statements)

Single-Employer Plan
RSI: Schedule of Change in NPL and Related Ratios

Measurement Date: → Include 9/30/18 MD for Plan reporting

	09/30/2018	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability					
Service Cost	689,139	623,020	640,943	658,841	638,941
Interest	2,154,276	2,080,456	2,040,323	1,992,049	1,905,236
Changes of benefit terms	-	-	-	-	-
Differences between Expected and Actual Experience	23,304	80,987	(289,022)	(458,339)	-
Changes of assumptions	-	-	996,058	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,530,235)	(2,265,908)	(1,793,747)	(1,348,707)	(1,609,123)
Net Change in Total Pension Liability	1,336,484	518,555	1,594,555	843,844	935,054
Total Pension Liability - Beginning	27,873,084	27,354,529	25,759,974	24,916,130	23,981,076
Total Pension Liability - Ending (a)	$ 29,209,568	$ 27,873,084	$ 27,354,529	$ 25,759,974	$ 24,916,130
Plan Fiduciary Net Position					
Contributions - Employer	1,739,561	1,745,906	1,590,471	1,291,060	1,222,791
Contributions - Employee	344,206	324,519	302,123	265,734	268,700
Net Investment Income	1,627,575	1,938,085	1,445,907	209,869	1,372,874
Benefit Payments, including Refunds of Employee Contributions	(1,530,235)	(2,265,908)	(1,793,747)	(1,348,707)	(1,609,123)
Administrative Expense	(32,246)	(40,481)	(33,274)	(31,336)	(23,442)
Net Change in Plan Fiduciary Net Position	2,148,861	1,702,121	1,511,480	386,620	1,231,799
Plan Fiduciary Net Position - Beginning	19,744,560	18,042,439	16,530,959	16,144,339	14,912,541
Plan Fiduciary Net Position - Ending (b)	$ 21,893,421	$ 19,744,560	$ 18,042,439	$ 16,530,959	$ 16,144,339
Net Pension Liability - Ending (a) - (b)	$ 7,316,147	$ 8,128,524	$ 9,312,090	$ 9,229,015	$ 8,771,791
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74.95%	70.84%	65.96%	64.17%	64.79%
Covered Employee Payroll[1]	$ 5,295,468	$ 4,992,596	$ 4,648,051	$ 4,533,367	$ 4,133,843
Net Pension Liability as a percentage of Covered Employee Payroll	138.16%	162.81%	200.34%	203.58%	212.19%

Single-Employer Plan

RSI: Schedule of Change in NPL and Related Ratios (Notes)

Notes to Schedule:

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

Changes of assumptions:

For measurement date 09/30/2016, as a result of the Experience Study dated November 10, 2016, the Board has made the following changes:

1. Salary Increases - The assumed rate of individual salary increases was changed from a flat 5.0% each year to a service-based table.
2. Mortality Rates - The assumed rates of mortality were changed to match what is used by the Florida Retirement System (FRS) for other than special risk participants.
3. Retirement Rates – The rates for Normal and Early Retirement were modified to reflect historical participant behavior.
4. Withdrawal Rates – The assumed rates of turnover changed from an age-based table to a service-based table.
5. Investment Return - Lowered from 8.00% to 7.75%.

Details of the above assumptions can be found in the Actuarial Assumptions and Methods section of the 10/01/2016 Valuation report.

Additionally, all future bases of the Unfunded Actuarial Accrued Liability (beginning with those established on October 1, 2016) will be amortized utilizing a level-dollar approach. Future bases attributed to actuarial gains or losses will be amortized over 10 years, assumption changes amortized over 20 years, and benefit changes amortized over 30 years.

Finally, the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

Single-Employer Plan
RSI: Schedule of Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Employee Payroll[1]	Contributions as a percentage of Covered Employee Payroll
09/30/2018	$ 1,739,561	$ 1,739,561	$ -	$ 5,295,468	32.85%
09/30/2017	$ 1,745,911	$ 1,745,906	$ 5	$ 4,992,596	34.97%
09/30/2016	$ 1,574,760	$ 1,590,471	$ (15,711)	$ 4,648,051	34.22%
09/30/2015	$ 1,291,060	$ 1,291,060	$ -	$ 4,533,367	28.48%
09/30/2014	$ 1,222,791	$ 1,222,791	$ -	$ 4,133,843	29.58%
09/30/2013	$ 1,018,294	$ 1,018,294	$ -	$ 4,220,035	24.13%

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

Single-Employer Plan
RSI: Schedule of Contributions (Notes)

Notes to Schedule

Valuation Date:	10/01/2016

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

Methods and assumptions used to determine contribution rates:

Mortality Rate:	*Healthy Lives:* Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB. Disabled Lives: Female: 100% RP2000 Disabled Female set forward two years. Male: 100% RP2000 Disabled Male setback four years. The above assumption rates were mandated by Chapter 2015- 157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2015 FRS valuation report for other than special risk participants. We feel this assumption sufficiently accommodates future mortality improvements.
Normal Retirement:	For Members with less than 25 years of Credited Service, a 100% assumption at age 65. For Members with 25 or more years of Credited Service, an 80% assumption at ages 55 and 56, and a 100% assumption for ages 57 and older. For 35 or more years of Credited Service, no change to prior assumption of 100% assumed retirement upon the completion of 35 years of Credited Service. These rates were adopted as a result of our November 10, 2016 Experience Study.
Early Retirement:	For Members with less than 25 years of Credited Service, an 8% assumption for each year of eligibility from ages 55-59, and a 25% assumption for each year of eligibility for ages 60-64. For Members with 25 or more years of Credited Service, a 25% assumption for 25 to 28 years of Credited Service, and a 100% assumption for 29 or more years of Credited Service. These rates were adopted as a result of our November 10, 2016 Experience Study.

Single-Employer Plan
RSI: Schedule of Contributions (Notes)

Disability Rates:

See table below (1201). It is assumed that 75% of disablements are service related. The assumed rates of disablement were developed from those used by other plans containing Florida municipal employees.

Age	% Becoming Disabled During the Year
20	0.03%
30	0.04%
40	0.07%
50	0.18%

Termination Rates:

Credited Service	Termination Probability
Less than 2 Years	25.0%
2-3 Years	10.0%
4-9 Years	8.5%
10 Years and Greater	5.0%

This assumption was adopted as a result of our November 10, 2016 Experience Study.

Interest Rate:

7.75% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class, and also approved by the Board of Trustees as a result of our November 10, 2016 Experience Study.

Salary Increases:

Credited Service	Increase
Less than 1 Year	10.0%
1 Year	6.0%
2-5 Years	4.5%
6 Years and Greater	4.0%

This assumption was adopted as a result of our November 10, 2016 Experience Study.

Payroll Growth:

0% per year for amortization of the Unfunded Actuarial Accrued Liability. This assumption was adopted as a result of our November 10, 2016 Experience Study.

Funding Method:

Entry Age Normal Actuarial Cost Method.

Actuarial Asset Method:

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric four-year average Market Value returns, net of fees. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

Single-Employer Plan
RSI: Money-Weighted Rate of Return

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2018	8.31%
09/30/2017	11.09%
09/30/2016	8.95%
09/30/2015	1.31%
09/30/2014	9.41%
09/30/2013	12.91%

Calculation of Money-Weighted Rate of Return

	A	B	D	F	H	I	J
1		Plan Investments/			Money Weighted	Money Weighted	Investment
2		Net External	Periods	Period	Rate of	Rate of	Income
3		Cash Flows	Invested	Weight	Investment	Investment	Solve for r_{mw}
4		(a)	(b)	(c) = (b)/12	(d) = (a) x $(1+r_{mw})^{(c)}$	(d) = (a) x $(1+r_{mw})^{(c)}$	r_{mw} = 7.96%
5	**Excel Formulas:**	18,907,442	12	=D5/12	=B5*(1+ ?)^F5	=B5*(1+K4)^F5	
6							
7	**Beginning fair value--July 1**	18,907,442	12	1.00	$18,907,442 x $(1+r_{mw})^{1.00}$	20,412,932	
9	**Monthly net external cash flows:**						
10	**July**	(25,240)	11	0.92	(25,240) x $(1+r_{mw})^{0.92}$	(27,076)	
11	**August**	(32,334)	10	0.83	(32,334) x $(1+r_{mw})^{0.83}$	(34,466)	
12	**September**	(29,969)	9	0.75	(29,969) x $(1+r_{mw})^{0.75}$	(31,741)	
13	**October**	(27,605)	8	0.67	(27,605) x $(1+r_{mw})^{0.67}$	(29,052)	
14	**November**	(35,290)	7	0.58	(35,290) x $(1+r_{mw})^{0.58}$	(36,903)	
15	**December**	(24,649)	6	0.50	(24,649) x $(1+r_{mw})^{0.50}$	(25,612)	
16	**January**	(30,561)	5	0.42	(30,561) x $(1+r_{mw})^{0.42}$	(31,552)	
17	**February**	(25,831)	4	0.33	(25,831) x $(1+r_{mw})^{0.33}$	(26,499)	
18	**March**	(29,378)	3	0.25	(29,378) x $(1+r_{mw})^{0.25}$	(29,946)	
19	**April**	(32,925)	2	0.17	(32,925) x $(1+r_{mw})^{0.17}$	(33,348)	
20	**May**	(28,787)	1	0.08	(28,787) x $(1+r_{mw})^{0.08}$	(28,971)	
21	**June**	(29,969)	-	-	(29,969) x $(1+r_{mw})^{0.00}$	(29,969)	
22							
23					Recalculated Ending Fair Value	20,047,797	
24					**Ending fair value--June 30 Actual**	20,047,797	
25					Difference	0.00	

Copy formula down

Other Postemployment Benefits (OPEB)

GASB 74/75

- GASB 74 - Financial Reporting for Postemployment Benefits Other Than Pension Plans (Plan Accounting)
  - Replaces GASB 43
  - Effective for fiscal years after 6/15/16 (6/30/17 FYE's and after)
- GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (Employer Accounting)
  - Replaces GASB 45
  - Effective for fiscal years after 6/15/17 (6/30/18 FYE's and after)

OPEB in Brief

- OPEB is divided into two categories:
  - Postemployment health care benefits are always accounted for separately from pensions
    - Healthcare benefits include medical, dental, vision, hearing, and other health-related benefits
  - Other forms of OPEB such as death benefits, life and disability benefits are only accounted for separately when provided separately from a pension plan
- Implicit Rate Subsidy considerations are built into GASB 75
- OPEB's do not include termination benefits or termination payments for sick leave

Implicit/Explicit Benefits

- Implicit Benefits
  - Florida Statute 112.0801 allows retirees to stay on Health Plans after they retire and pay the group rate.
  - Even if the retiree pays the full cost, this group rate is higher than it would be if the retiree wasn't participating
- Explicit Benefits
  - Government pays for a portion of the insurance rate for retired employees

Is OPEB provided through a Trust?

- Employer contributions must be irrevocable
- Plan Assets must be dedicated to paying OPEB to plan members
- Plan Assets are legally protected from creditors

Changes in Accounting

- Discount Rate: changes to GASB 67 and 68 methodology
- Cost Method: no longer a choice, must use entry age normal
- More rapid recognition of actuarial gains and losses and changes in actuarial assumptions for OPEB expense
- Immediate recognition of plan changes for OPEB expense
- No longer have a three year valuation option for very small plans (under 200 plan members); now a two year requirement
- Includes Alternative Measurement Method for plans with fewer than 100 plan members
- More robust note disclosures and required supplementary information (RSI)
  - Additional sensitivity measurements required for both discount rate sensitivity and trend rate sensitivity.

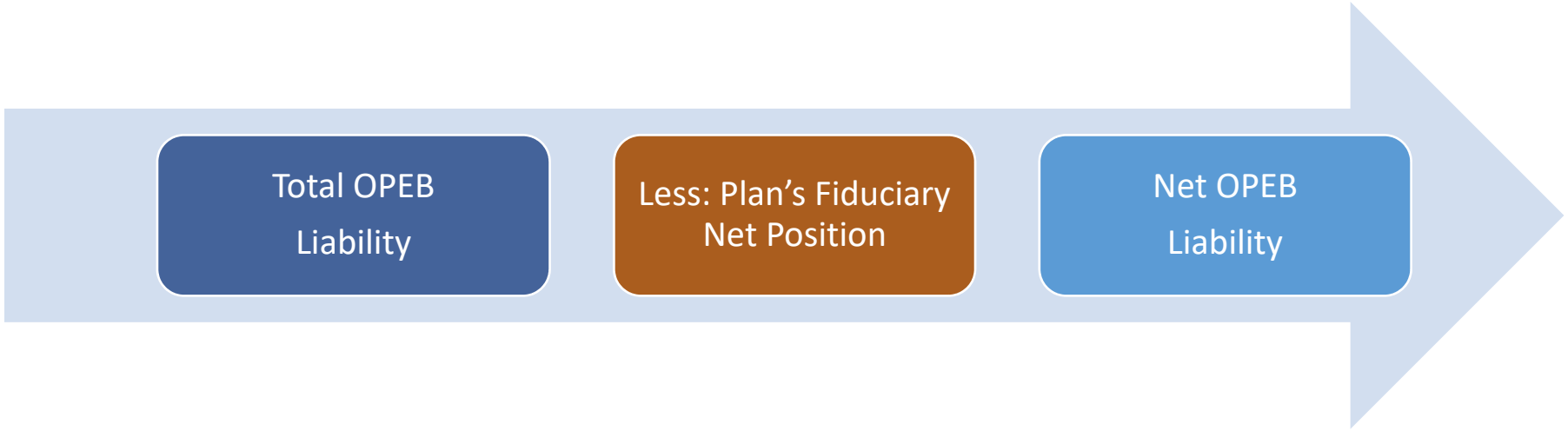
GASB 75 – Employer Accounting

- Net (or Total) OPEB Liability goes on the employer's balance sheet (similar to GASB 68)
- OPEB expense, deferred outflows and deferred inflows are calculated similar to pension expense under GASB 68
- Discount rate determined under the crossover test likely to be less than the current rate resulting in a larger liability than the UAAL previously used
- Market value of assets is used – no smoothing
  - Five year amortization of investment gains/losses

OPEB Liability

If a Plan is administered as a trust or equivalent arrangement –
Employer reports a Net OPEB Liability in their financial statements

If there is no Trust or equivalent arrangement –
Employer reports a Total OPEB liability in their financial statements



Timing and Frequency of Measuring the Total OPEB Liability

- Measurement date must be as of a date no earlier than the end of the employer's prior fiscal year.
- Measurement must be based on an actuarial valuation performed within 30 months plus one day of the employer's year-end.
- If the actuarial valuation is not performed as of the measurement date, update procedures must be performed to roll forward amounts to the measurement date.

Determining OPEB Expense

- GASB defines OPEB expense almost identical to that of pensions
- Begin with the change in the Net or Total (nontrusted) OPEB liability from the beginning measurement date (MD) to the ending MD
- Defer any amounts specifically required by GASB 75:
  - Actuarial gains and losses on the Total OPEB liability for differences between actual and assumed experience
  - Actuarial gains and losses on assumption changes
  - Differences between expected and actual investment return (trusted only plans)
- Defer an outflow for contributions (trusted) or employer OPEB payments (nontrusted) made subsequent to the MD
- Amortize and recognize into expense deferred outflows and inflows from previous years as well as amortization of current year deferrals

OPEB Expense

- Service Cost
- Interest Cost
- Return on Investments
- Amortization of
  - Assumption Changes
  - Investment (gains)/losses
  - Experience (gains)/losses
- Benefit Payments

Amortization

- The following are possible things that will be amortized:
  - Initial liability when standard is first adopted (immediate)
  - Plan Changes (immediate)
  - Assumption Changes (over avg. remaining service period)
  - Investment gains and losses (over avg. remaining service period)
  - Experience gains and losses (over avg. remaining service period)

  The amounts to be amortized in future periods are reported as Deferred Outflows or Deferred Inflows of Resources.

OPEB Example - Assumptions

	2018
Actuarial Valuation Date	June 30, 2017
Measurement Date of the Total OPEB Liability	June 30, 2017
Employer's Fiscal Year Ending Date (Reporting Date)	June 30, 2018
Membership as of the Measurement Date	
Number of	
- Retirees and Beneficiaries	944
- Inactive, Nonretired Members	0
- Active Members	2,990
- Total	3,934
Estimated Covered-Employee Payroll	$ 114,416,406
Total OPEB Liability	
Total OPEB Liability	$ 30,215,278
Total OPEB Liability as a Percentage of Covered-Employee Payroll	26.41 %
Development of the Single Discount Rate	
Long-Term Municipal Bond Rate*	3.56 %
Total OPEB Expense	$ 1,819,560

Summary of Deferred Outflows and Deferred Inflows of Resources by Source

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 0	$ 0
Changes in assumptions	0	2,068,144
Benefits Paid After the Measurement Date	1,711,610	0
Total	$ 1,711,610	$ 2,068,144

OPEB Example - Assumptions

A. Total OPEB Liability		
1. Service cost	$	1,143,416
2. Interest on the Total OPEB Liability		948,268
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the Total OPEB Liability		0
5. Changes in assumptions and other inputs		(2,340,268)
6. Benefit payments		(1,735,284)
7. Net change in Total OPEB Liability	$	(1,983,868)
8. Total OPEB Liability – Beginning		32,199,146
9. Total OPEB Liability – Ending	$	30,215,278

OPEB Entries

Beginning OPEB liability - GASB 75	32,199,146	
Beginning OPEB liability - GASB 45	17,123,844	
$ Change	15,075,302	Prior Period Adjustment

	OPEB Liability	DO's	DI's
Beg. of Measurement Period	32,199,146	1,735,284	-
End of Measurement Period	30,215,278	1,711,610	2,068,144
$ Change	(1,983,868)	(23,674)	2,068,144

Entry 1

First increase the beginning OPEB liability for the implementation of GASB 75 (prior period adjustment)

	DR	CR
Net Position	15,075,302	
Total OPEB Liability		15,075,302

Entry 2

Record the beginning of year Deferred Outflow of Resources for contributions made after the measurement date (prior period adjustment):

	DR	CR
Deferred Outflow Related to Pension - Contrib. After MD	1,735,284	
Net Position		1,735,284

Would also remove any GASB 45 net OPEB obligation or asset

OPEB Entries (cont'd)

Entry 3

Record the change in OPEB liability and deferred outflows and inflows.

	DR	CR
Deferred inflows related to OPEB		2,068,144
Deferred outflows related to OPEB - Contrib. after MD		23,674
Total OPEB liability	1,983,868	
OPEB Expense	107,950	
	2,091,818	2,091,818

Recalculate OPEB Expense:

Fund level contributions	1,711,610
Entry #3	107,950
	1,819,560

OPEB Note Disclosures

- General information about the plan
  - Plan description
  - Benefits provided
  - Number employees covered
    - Inactive employees currently receiving benefit payments
    - Inactive employees entitled to but not yet receiving benefit payments
    - Active employees
  - Contribution requirements

OPEB Note Disclosures

- Actuarial assumptions used to measure the Total OPEB liability including:
  - Inflation
  - Healthcare cost trend rates
  - Salary changes
  - Ad hoc postemployment benefit changes (including ad hoc COLA's)
  - Source of mortality assumptions
  - Dates of experience studies on which significant assumptions are based
  - Sensitivity of liability to 1% decrease and 1% increase in the healthcare trend rate
  - Discount rate

OPEB Note Disclosures

- Discount Rate
  - Discount rate applied in the measurement of the total OPEB liability and change in discount rate since prior measurement date, if any
  - Assumptions made about projected cash flows into and out of the plan
  - The long-term expected rate of return on OPEB plan investments
  - If the discount rate incorporates a municipal bond rate, the municipal bond rate used and the source of that rate
  - The periods of projected benefit payments to which the long-term expected rate of return and, if used, the municipal bond rate are applied in determining the discount rate
  - The assumed asset allocation of the OPEB plan's portfolio, the long-term expected rate of return for each major asset class, and whether the expected rates of return are presented as arithmetic or geometric means
  - Measures of the net OPEB liability calculated using a discount rate that is 1 percent higher and 1 percent lower than current discount rate

OPEB Note Disclosures

- Schedule of changes in net OPEB liability, including beginning balances, effects of service cost, interest, etc. during the measurement period, and ending balances)
- Measurement date of the net OPEB liability, date of actuarial valuation, and if applicable, the fact that update procedures were used to roll forward the total OPEB liability
- OPEB Expense and Deferred outflows and inflows of resources
  - Amount of OPEB expense recognized during reporting period
  - Balance of deferred inflows and outflows by source
  - Schedule for each of the subsequent five years and in the aggregate thereafter which will be recognized in OPEB expense

OPEB Note Disclosures

General Information about the OPEB Plan

Plan description. The County's defined benefit OPEB plan, Sample County Retiree Benefits Plan (SCRBP), provides OPEB for all permanent full-time general and public safety employees of the County. SCRBP is a single-employer defined benefit OPEB plan administered by the County. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the County Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided. SCRBP provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 55 percent of health insurance premiums for non-Medicare-eligible retirees and 55 percent of supplemental health insurance premiums for Medicare-eligible retirees. The plan also provides all retirees with $5,000 of life insurance benefits.

Employees covered by benefit terms. At June 30, 20X9, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5,477
Inactive employees entitled to but not yet receiving benefit payments	746
Active plan members	10,109
	16,332

OPEB Note Disclosures

Total OPEB Liability

The County's total OPEB liability of $778,984 was measured as of June 30, 20X9, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 20X9 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Salary increases	3.25 percent, average, including inflation
Healthcare cost trend rates	9.5 percent for 20Y0, decreasing 0.5 percent per year to an ultimate rate of 5.5 percent for 20Y8 and later years
Retirees' share of benefit-related costs	45 percent of projected health insurance premiums for retirees

The discount rate was based on [Name of the Index].

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 20X9 valuation were based on the results of an actuarial experience study for the period July 1, 20X5-April 30, 20X7.

OPEB Note Disclosures

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at 6/30/X8	$851,095
Changes for the year:	
Service cost	16,712
Interest	33,898
Changes of benefit terms	(203,619)
Differences between expected and actual experience	58,936
Changes in assumptions or other inputs	45,945
Benefit payments	(23,983)
Net changes	(72,111)
Balance at 6/30/X9	**$778,984**

Changes of assumptions and other inputs reflect a change in the discount rate from 4.37 percent in 20X8 to 4.00 percent in 20X9.

OPEB Note Disclosures

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current discount rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB liability	$873,486	$778,984	$705,338

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8.5 percent decreasing to 4.5 percent) or 1-percentage-point higher (10.5 percent decreasing to 6.5 percent) than the current healthcare cost trend rates:

	1% Decrease (8.5% decreasing to 4.5%)	Healthcare Cost Trend Rates (9.5% decreasing to 5.5%)	1% Increase (10.5% decreasing to 6.5%)
Total OPEB liability	$669,927	$778,984	$911,412

OPEB Note Disclosures

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 20X9, the County recognized negative OPEB expense of $169,031. At June 30, 20X9, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$111,188	$18,327
Changes of assumptions or other inputs	98,543	213,409
Total	**$209,731**	**$231,736**

209,731
231,736
(22,005)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
20Y0	$(15,416)
20Y1	(13,476)
20Y2	(12,781)
20Y3	(12,747)
20Y4	16,702
Thereafter	15,713

(15,416)
(13,476)
(12,781)
(12,747)
16,702
15,713
(22,005)

Required Supplementary Information (RSI)

- 10-year schedule of the changes in net (or total) OPEB liability and related ratios, including notes
  - Also include OPEB plan's fiduciary net position as a percentage of the total OPEB liability; covered employee payroll; net OPEB liability as a percentage of covered employee payroll
- 10-year schedule of contributions (actuarially determined and/or contributions that statutorily or contractually established), including notes
  - Significant methods and assumptions used in calculations the actuarially determined contributions, if any
  - Factors that significantly affect trends in the amounts reported
  - Information about investment-related factors that significantly affect trends in the amounts reported should be limited to those factors over which the OEPB plan or the participating governments have influence

RSI Example

SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS (OPEB) AND RELATED RATIOS

Measurement Year Ended June 30		**2017**
Reporting Year Ended June 30		**2018**
Total OPEB Liability		
Service Cost	$	1,143,416
Interest on the Total OPEB Liability		948,268
Changes of Benefit Terms		0
Difference Between Expected and Actual Experience of the Total OPEB Liability		0
Changes in Assumptions and Other Inputs		(2,340,268)
Benefit Payments		(1,735,284)
Net Change in Total OPEB Liability		(1,983,868)
Total OPEB Liability - Beginning of Year		32,199,147
Total OPEB Liability - End of Year	$	30,215,279
Estimated Covered-employee Payroll		114,416,406
Total OPEB Liability as a percentage of Covered-employee Payroll		26.41%

Notes:

Covered-employee payroll presented above is an estimate based on data provided for the valuation, and needs to be the total payroll paid to all OPEB-eligible employees during the measurement year.

10 years of data will be displayed as information becomes available.

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