

TOWN OF HAVANA
FIREFIGHTERS' PENSION TRUST FUND

SUMMARY PLAN DESCRIPTION

Published:
3/31/2025

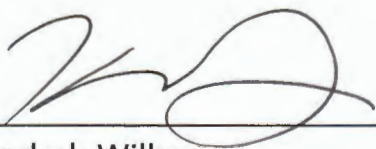
TOWN OF HAVANA
FIREFIGHTERS' PENSION TRUST FUND
SUMMARY PLAN DESCRIPTION

INTRODUCTION

The attached booklet is presented to you as a member of the Town of Havana Firefighters' Pension Trust Fund by the Board of Trustees. This booklet is a brief explanation of certain provisions of your pension plan. You are encouraged to study the booklet in order to become familiar with the benefits provided by the Plan. If you have any questions regarding any provision of the Plan, the Board of Trustees will be happy to answer your questions or get an answer for you.

This booklet is only a brief explanation of the Plan. If there are any conflicts between this booklet and the ordinances of the Town of Havana, the ordinances will govern. A copy of the ordinance establishing the Plan can be obtained from the Town Clerk.

This Summary Plan Description must be published and provided to all members upon joining the Plan and furnished biennially to all existing members of the Plan. On each year that a plan is not published, the Chairman shall publish and make available to all new and existing members a supplement of changes during the previous year. The Plan will be published no later than April 1st of all odd years and a supplement will be issued no later than April 1st of all even years.



Kendrah Wilkerson
Chairman, Board of Trustees
Town of Havana
Firefighters' Pension Trust Fund

3/31/2025

Date

1. BOARD OF TRUSTEES AND PLAN ADMINISTRATION

A. Administration. The Town of Havana Firefighters' Pension Trust Fund is a defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the Plan. The Board consists of 5 Trustees, 2 of whom are appointed by the Town, 2 of whom are Firefighters who are elected by a majority of the members of the Plan and a fifth Trustee who is chosen by a majority of the first 4 Trustees. Each Trustee serves a two year term.

B. The names and addresses of the current Trustees are attached to this Summary Plan Description as Exhibit "A". The Chairman of the Board of Trustees is designated as agent for the service of legal process.

2. ELIGIBILITY FOR PLAN MEMBERSHIP

Each person employed by the Town of Havana as a full-time certified or volunteer Firefighter becomes a member of the Plan as a condition of his or her employment. All certified and volunteer Firefighters are therefore eligible for all plan benefits.

3. PLAN BENEFITS

All claims for benefits under the Plan shall be made in writing to the Board of Trustees.

A. Normal Retirement Eligibility. A Firefighter is eligible for retirement at the earlier of: 1) age 55 and the completion of 10 years of Creditable Service, or 2) age 52 and the completion of 25 years of Creditable Service.

B. Amount of Normal Retirement Benefits. The amount of the Normal Retirement benefit is based on a Firefighter's Creditable Service and Average Final Compensation:

"Creditable Service" means the total number of years and completed months of contributing service as a Firefighter omitting intervening years and months when not employed by the Town. A Firefighter does not receive credit for periods of employment for which he or she has received a refund of his or her own contributions to the Fund.

"Average Final Compensation" is 1/12 of the average Salary of the highest 5 consecutive years of the last 10 years of Creditable Service prior to termination, retirement or death of the Firefighter. A year is 12 consecutive months.

"Salary" is fixed compensation (base pay).

The Normal Retirement benefit is calculated by multiplying 3.5% times years of Creditable Service times the Firefighter's Average Final Compensation: $(3.5\% \times CS \times AFC = \text{Normal Retirement benefit})$.

The benefit is paid to the Firefighter for his or her life, but the retiree or his beneficiary shall receive at least 10 years of payments in any event.

C. Early Retirement. A Firefighter is eligible for Early Retirement upon the attainment of age 50 and completion of 10 years of Creditable Service.

D. Amount of Early Retirement Benefits. The amount of the Early Retirement benefit is calculated in the same manner as for Normal Retirement and is available as follows:

(1) The full formula benefit beginning on the date the Firefighter would have been eligible for Normal Retirement; or

(2) A reduced benefit beginning immediately upon Retirement. The benefit payable at Early retirement is reduced 3.0% for each year that the Early Retirement Date precedes the Normal Retirement Date.

E. Optional Forms of Retirement. In lieu of the amount and form of Retirement income payable under Normal and Early Retirement (a benefit for life with 120 payments guaranteed), a member may elect to receive a Retirement benefit in a different form so long as the form elected by the Firefighter is of equal actuarial value as the Normal benefit. The optional forms of benefit which are available are:

(1) A Retirement income of a larger monthly amount, payable to the Firefighter for his or her lifetime only.

(2) A Retirement income, payable to the Firefighter during the joint lifetime of the Firefighter and a dependent beneficiary named by the Firefighter. Following the death of the retiree, 100%, 75%, 66-2/3% or 50% of the monthly benefit will be paid for the lifetime of the Firefighter's beneficiary.

(3) Any actuarially equivalent form approved by the Board.

F. Death Before Retirement. If a Firefighter dies prior to Retirement from the Town of Havana, his or her beneficiary shall receive the following benefit:

(1) The beneficiary of a deceased Firefighter who had completed fewer than 10 years of Creditable Service shall receive a refund of 100% of the Firefighter's Accumulated Contributions.

(2) For any actively employed Firefighter who had completed 10 or more years of Creditable Service as of his or her date of death, the benefit

payable to the beneficiary shall be the monthly amount which would have been payable had the deceased Firefighter retired under Normal or Early Retirement. The benefit is paid to the designated beneficiary for ten (10) years beginning at the Firefighter's otherwise Early (reduced basis) or Normal (unreduced) Retirement Date.

G. Disability Retirement. A Firefighter is considered disabled when he or she becomes totally and permanently unable to perform useful and efficient service as a Firefighter. A written application is made to the Board of Trustees for a disability pension and the Board of Trustees receives evidence of the disability and decides whether or not the pension is to be granted. Members are covered for service-incurred disability benefits from date of hire. Members are covered for non-service incurred benefits following the completion of 10 years of Creditable Service. If the pension is granted and it is determined that the disability is service-incurred, the benefit amount shall be the accrued benefit as of the date of determination, but not less than 42% of the Firefighter's Average Final Compensation. If the pension is granted and it is determined that the disability is not service-incurred, the benefit amount shall be the accrued benefit as of the date of determination, but not less than 25% of the Firefighter's Average Final Compensation.

Any condition or impairment of health of a Firefighter caused by tuberculosis, hypertension or heart disease resulting in death or total disability is presumed to have been suffered in the line of duty unless the contrary is shown by competent evidence.

Each Firefighter who is claiming disability benefits shall establish, to the satisfaction of the Board, that such disability was not the result of:

- a. Excessive or habitual use of any drugs, intoxicants or alcohol;

- b. Injury or disease sustained while willfully and illegally participating in fights, riots or civil insurrections;
- c. Injury or disease sustained while committing a crime;
- d. Injury or disease sustained while serving in any branch of the Armed Forces;
- e. Injury or disease sustained after his employment as a Firefighter with the Town of Havana has terminated or while working for an employer other than the Town of Havana.

A retired disabled Firefighter is subject to periodic medical examinations as directed by the Board to determine whether a disability continues.

H. Termination of Employment and Vesting. If a Firefighter's employment is terminated, either voluntarily or involuntarily, the following benefits are payable:

(1) If the Firefighter has less than 10 years of Credited Service upon termination, he or she shall be entitled to a refund of the money they have contributed or they may leave it deposited with the Fund.

(2) If the Firefighter has 10 or more years of Creditable Service upon termination, he or she shall be entitled to a monthly Retirement benefit starting at the Firefighter's Normal or Early Retirement date, provided he does not elect to withdraw his contributions and provided the Firefighter survives to his or her Normal or Early Retirement Date. If the benefit is paid at the Early Retirement Date, it will be reduced in the same manner as for Early Retirement.

I. Contributions and Funding. The Town is paying the portion of the cost of the pension over and above the Firefighter's contributions and those received

from the State of Florida. Each Firefighter contributes .5% of his or her Salary to the Plan. The Firefighter's contributions are guaranteed refundable in any event.

J. Minimum Benefits. In no event will the benefits paid from this Plan be any less than the value of the accumulated contributions.

K. Maximum Benefits. In no event will the benefits paid from this Plan exceed the lesser of:

(1) The limits provided in Section 415 of the Internal Revenue Code, or

(2) 100% of the Member's Average Monthly Earnings, unless hired before January 1, 1980.

L. Conviction and Forfeiture; False, Misleading or Fraudulent Statements. It is unlawful to willingly and knowingly make, or cause to be made, or to assist, conspire with, or urge another to make, or cause to be made, any false, fraudulent, or misleading oral or written statement or withhold or conceal material information to obtain any benefit from the Plan. To do so is a misdemeanor of the first degree, punishable as provided in Section 775.082 or Section 775.083, Florida Statutes.

In addition to any applicable criminal penalty, upon conviction for a violation described above, you or your beneficiary may, in the discretion of the Board, be required to forfeit the right to receive any or all benefits to which you would otherwise be entitled under the Plan. For purposes of this subsection, "conviction" means a determination of guilt that is the result of a plea or trial, regardless of whether adjudication is withheld.

M. Claims Procedure Before the Board. Any member may request, in writing, that the Board review any denial of any claim for benefits under the Plan. The

Board will review the case and enter a decision as it deems proper within 60 days from the date of receipt of such written request.

The Board will render a decision on the claim within 60 days from the receipt of the claim. The Board may extend the time for rendering a decision by an additional 45 days if it determines that such time is necessary for discovery and full and adequate review.

In the event that the Board denies the claim for benefits, the order of the Board will be in writing and will include:

- (1) The specific reasons for the denial;
- (2) A description of any additional information that the Board feels is necessary for the member to perfect his or her claim;
- (1) An explanation of the review procedure next open to the member which includes a formal hearing

4. NON-FORFEITURE OF PENSION BENEFITS

A. Liquidation of Pension Fund Assets. In the event of repeal, or if contributions to the Fund are discontinued by the Town, there will be a full vesting of benefits accrued to date of repeal.

B. Interest of Members in Pension Fund. At no time prior to the satisfaction of all liabilities under the Plan shall any assets of the Plan be used for any purpose other than for the Firefighter's exclusive benefit. In any event, a Firefighter's contributions to the Plan are non-forfeitable.

5. VESTING OF BENEFITS

A Firefighter's Retirement benefits are fully vested after 10 years of Creditable Service.

6. APPLICABLE LAWS AND REGULATIONS

The Plan is governed by the following federal, state and local laws:

- A. Internal Revenue Code and amendments thereto.
- B. Chapter 175, Florida Statutes "Municipal Firefighters' Retirement Trust Funds".
- C. Part VIII, Chapter 112, Florida Statutes, "Actuarial Soundness of Retirement Systems".
- D. Ordinances of the Town of Havana.
- E. Administrative rules and regulations adopted by the Board of

Trustees.

7. PLAN YEAR AND PLAN RECORDS

The Plan year begins on October 1 of each year and ends on September 30 of the following year. All records of the Plan are maintained on a Plan year basis.

8. FINANCIAL AND ACTUARIAL INFORMATION

A report of pertinent financial and actuarial information on the solvency and actuarial soundness of the Plan has been prepared by the Pension Plan's actuary, Foster & Foster, Inc., and is attached as Exhibit "B".

EXHIBIT "A"

BOARD OF TRUSTEES

The names and addresses of the members of the Board of Trustees are:

Chairman: Kendrah Wilkerson

PO Box 1068

Havana, FL 32333

850-539-2820

Appointed April 2025 by Town Council

Secretary: Dan Solomon

PO Box 1068

Havana, FL 32333

850-539-2820

Appointed April 2025 by Fire Department

Member: John Donohue

PO Box 1068

Havana, FL 32333

850-539-2820

Appointed April 2025 by Fire Department

Member: Wade Nelson

PO Box 1068

Havana, FL 32333

850-539-2820

Appointed April 2025 by Town Council

Member: Kenny Lewis

PO Box 1068

Havana, FL 32333

850-539-2820

Appointed April 2025 by Fire Pension Board of Trustees

EXHIBIT "B"

**Town of Havana
Firefighters' Pension Trust Fund**

(See attached Actuarial Report)



October 17, 2024

Mr. Keith Brinkman
Florida Department of Management Services
Chief, Local Retirement Funds
4050 Esplanade Way
Tallahassee, FL 32399-0950

Re: Town of Havana Firemen's Municipal Pension Fund

Dear Keith:

As requested, we are pleased to enclose ten (10) copies of the October 1, 2021 Actuarial Valuation Report for the Town of Havana Firemen's Municipal Pension Fund.

Please note our report includes GASB Statement No. 67 information as of measurement date September 30, 2021 and a disclosure to satisfy the requirement set forth in Chapter 112.664, F.S. as of October 1, 2021.

Please note we understand the following items must be posted on the Fund's website and must be posted on any website containing budget information relating to the City or actuarial or performance information relating to the Fund:

- this actuarial valuation report
- most recent financial statement
- a link to the Division of Retirement Actuarial Summary Fact Sheet
http://www.dms.myflorida.com/workforce_operations/retirement/local_retirement_plans/local_retirement_section/actuarial_summary_fact_sheets
- for the previous five years - a side-by-side comparison of the Fund's assumed rate of return compared to the actual rate of return as well as the percentages of cash, equity, bond and alternative investments in the Fund portfolio
- the Fund's funded ratio as determined in the most recent actuarial valuation – 2157.7% on a market value of assets basis as of October 1, 2021

We will upload an electronic copy of the Actuarial Valuation Report along with the required disclosure information to the State portal as required by the State.

We appreciate the opportunity to have performed this important assignment.

Mr. Keith Brinkman
October 17, 2024
Page Two

If you should have any questions concerning the above, please do not hesitate to contact us.

Sincerest regards,
Gabriel, Roeder, Smith & Company

Michelle Jones

Shelly L. Jones, A.S.A., E.A.
Consultant and Actuary

Enclosures



TOWN OF HAVANA FIREMEN'S MUNICIPAL PENSION FUND

ACTUARIAL VALUATION AS OF OCTOBER 1, 2021

This Valuation Determines the Annual Contribution for the Fund Years October 1, 2022 through September 30, 2025 with Town contribution to be Paid in Fiscal Years October 1, 2022 through September 30, 2025

October 17, 2024





**Town of Havana
Firemen's Municipal Pension Fund**

TABLE OF CONTENTS

	<u>Page</u>
Transmittal Letter	1
Executive Summary	4
Risk Associated with Measuring the Accrued Liabilities and Actuarially Determined Contributions	5
I. State Required Exhibit	8
II. Accounting Disclosure Exhibit	12
III. Outline of Principal Provisions of the Pension Trust Fund	17
IV. Actuarial Assumptions and Actuarial Cost Methods Used	19
V. Asset Allocation and Reconciliation.....	23
VI. Actuarial Gain / (Loss).....	25
VII. Participant Information	26
VIII. Chapter 112.664, F.S Results	29
IX. Glossary	35





October 17, 2024

Mr. Keith Brinkman
Florida Department of Management Services
Bureau Chief, Local Retirement Funds
4050 Esplanade Way
Tallahassee, FL 32399-0950

Dear Keith:

We are pleased to present our October 1, 2021 Actuarial Valuation report for the Town of Havana Firemen's Municipal Pension Fund (Fund). The purpose of our report is to indicate appropriate contribution levels, comment on the actuarial stability of the Fund and to satisfy State requirements.

Our report consists of this cover letter, executive summary and risk assessment followed by detailed Tables I through VIII and a Glossary on Table IX. The State Required Exhibit is presented on Table I, GASB Statement No. 67 information is presented on Table II and the Chapter 112.664, F.S.. Results are presented on Table VIII. The Tables contain basic Fund cost figures plus significant details on the benefits, liabilities and experience of the Fund. We suggest you thoroughly review the Report at your convenience and contact us with any questions that may arise.

The findings in this report are based on data or other information through September 30, 2021. The valuation was based upon information furnished by the Annual State Report concerning Retirement Fund benefits, plan provisions and active members, terminated members, retirees and beneficiaries. We received financial information as of September 30, 2021 from the Annual State Report.

We do not audit the Member census data and asset information that is provided to us; however, we perform certain reasonableness checks. The Fund is responsible for the accuracy of the data reported to us.

In our opinion the benefits provided for under the current Fund will be sufficiently funded through the payment of the amount as indicated in this and future Actuarial Valuation reports. This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed. We will continue to update you on the future payment requirements for the Fund through our actuarial reports. These reports will also continue to monitor emerging experience of the Fund.

The actuarial assumptions used in this Actuarial Valuation are as adopted by the Fund. The economic and demographic actuarial assumptions are based on the results of an actuarial experience study for

the period October 1, 2012 – September 30, 2017. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future Fund experience. The combined effect of the assumptions is expected to have no significant bias (i.e. not significantly optimistic or pessimistic).

The Entry Age Normal Unfunded Actuarial Accrued Liability (UAAL) may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations.

If all actuarial assumptions are met and if all future minimum required contributions are paid, Fund assets will be sufficient to pay all Fund benefits and future contributions are expected to remain relatively stable as a percent of payroll. Fund minimum required contributions are determined in compliance with the requirements of the Florida Protection of Public Employee Retirement Benefits Act and Firefighters' Retirement Chapter 175 with normal cost determined as a level percent of covered payroll.

The GASB Net Pension Liability and Fund Fiduciary Net Position as a Percentage of Total Pension Liability may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determinations of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement Funds. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

This report was prepared at the request of the Fund and is intended for use by the Fund and those designated or approved by the Fund. This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Fund. GRS is not responsible for unauthorized use of this report.



Mr. Keith Brinkman
October 17, 2024
Page Three

The signing actuaries are independent of the Fund sponsor.

The undersigned are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are available to respond to any questions with regards to matters covered in this report.

Sincerely,
Gabriel Roeder Smith & Company

Michelle Jones

Shelly L. Jones, A.S.A., E.A., F.C.A., M.A.A.A.
Consultant and Actuary

Jennifer Borregard

Jennifer M. Borregard, E.A., F.C.A., M.A.A.A.
Consultant and Actuary



EXECUTIVE SUMMARY

Pension Fund Costs

Our Actuarial Valuation develops the required minimum Pension Fund payment under the Florida Protection of Public Employee Retirement Benefits Act and Firefighters' Retirement Chapter 175. The minimum payment consists of payment of annual normal costs including expenses.

The minimum payment for **Fund Year beginning October 1, 2022** is **\$2,130 (17.4%)**. The figure in parentheses is the Fund cost expressed as a percentage of projected covered annual payroll for fiscal year beginning October 1, 2022 (\$12,254).

For Fund Years beginning **October 1, 2023** and **October 1, 2024**, the minimum payment is **17.4%** of actual covered annual payroll for fiscal years beginning October 1, 2023 and October 1, 2024.

This total cost is to be met by Member, Town and State contributions. We anticipate Members will contribute **\$61 (0.5%)** and the State will contribute **\$8,820 (72.0%)**. The resulting minimum required Town contribution **to be paid in fiscal year ending September 30, 2023** is **\$0 (0.0%)**.

Please note, if the State contributions are less than **16.9%** of payroll for Fund years covered by this actuarial valuation, the Town must make the contribution.

Changes in Actuarial Assumptions, Methods and Fund Benefits

The Fund provisions are unchanged from the previous Actuarial Valuation. Fund benefits are summarized on Table III.

The actuarial assumptions and methods are unchanged from the previous Actuarial Valuation and are outlined on Table IV.

Conclusion and Recommendations

The Fund currently has a funded ratio of 2157.7% on a market value basis meaning the Fund currently has enough assets to cover the actuarially accrued liability.

The remainder of this Report includes detailed actuarial valuation results, information relating to the pension fund, financial accounting information, miscellaneous employee data and a summary of plan provisions and actuarial assumptions and methods.

RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: Fund experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Fund's funded status); and changes in Fund provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the fund's future financial condition include:

1. Investment risk – actual investment returns may differ from expected returns;
2. Asset / Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and the actuarially determined contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the Fund's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll or other relevant contribution base;
4. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and the actuarially determined contributions differing from expected;
5. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
6. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and the actuarially determined contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the actuarially determined contribution can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in the actuarially determined contribution can be anticipated.

The actuarially determined contribution rate shown on page four may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the Fund. Users of this report should



be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.

Fund Maturity Measures

Risks facing a pension fund evolve over time. A young fund with virtually no investments and paying few benefits may experience little investment risk. An older fund with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted fund maturity measures include the following:

	<u>2018</u>	<u>2021</u>
Ratio of the market value of assets to payroll	109.47	123.26
Ratio of actuarial accrued liability to payroll	5.76	5.71
Ratio of actives to retirees and beneficiaries	N/A	15.00
Ratio of net cash flow to market value of assets	0.1%	1.2%
Duration of the actuarial accrued liability	13.44	11.57

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of the actuarially determined contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in the actuarially determined contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of the actuarially determined contributions for a fully funded Fund. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also the actuarially determined contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young fund with many active members and few retirees will have a high ratio of active to retirees. A mature open fund may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed fund may have significantly more retirees than actives resulting in a ratio below 1.0.



Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature fund or a need for additional contributions.

Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, a duration of 10 indicates the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

Table I

Actuarial Valuation as of October 1, 2021

State Required Exhibit

	<u>10/01/2018</u>	<u>10/01/2021</u>
A. <u>Participant Data</u>		
1. Active participants	17	15
2. Retired participants and beneficiaries receiving benefits	0	1
3. Disabled participants receiving benefits	0	0
4. Terminated vested participants	5	5
5. Annual payroll of active participants	\$ 10,710	\$ 12,254
6. Annual benefits payable to those currently receiving benefits	\$ 0	\$ 817
B. <u>Value of Assets</u>		
1. Net Smoothed Value of Assets	\$ 1,172,468	\$ 1,510,423
2. Net Market Value of Assets	\$ 1,172,468	\$ 1,510,423
C. <u>Liabilities</u>		
1. Actuarial present value of future expected benefit payments for active members		
a. Retirement benefits	\$ 48,256	\$ 49,634
b. Vesting benefits	6,244	5,336
c. Death benefits	308	316
d. Disability benefits	971	1,096
e. Total	\$ 55,779	\$ 56,382
2. Actuarial present value of future expected benefit payments for terminated vested members	\$ 20,604	\$ 13,564
3. Actuarial present value of future expected benefit payments for members currently receiving benefits		
a. Service retired	\$ 0	\$ 8,114
b. Disability retired	0	0
c. Beneficiaries	0	0
d. Miscellaneous (refunds in process)	9	6,799
e. Total	\$ 9	\$ 14,913

Table I
(Cont'd)

Actuarial Valuation as of October 1, 2021

State Required Exhibit

	<u>10/01/2018</u>	<u>10/01/2021</u>
4. Total actuarial present value of future expected benefit payments	\$ 76,392	\$ 84,859
5. Actuarial accrued liabilities (Entry Age Normal)	\$ 61,705	\$ 70,000
6. Unfunded actuarial accrued liabilities (Entry Age Normal)	\$ (1,110,763)	\$ (1,440,423)
 <u>D. Statement of Accumulated Fund Benefits</u>		
1. Actuarial present value of accumulated vested benefits		
a. Participants currently receiving benefits	\$ 0	\$ 8,114
b. Other participants	46,683	49,143
c. Total	<u>\$ 46,683</u>	<u>\$ 57,257</u>
2. Actuarial present value of accumulated non-vested Fund benefits	<u>\$ 5,074</u>	<u>\$ 4,254</u>
3. Total actuarial present value of accumulated Fund benefits	\$ 51,757	\$ 61,511
 <u>E. Statement of Change in Accumulated Fund Benefits</u>		
1. Actuarial present value of accumulated Fund benefits as of October 1, 2018		\$ 51,757
2. Increase (decrease) during years attributable to:		
a. Fund amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid including refund		0
d. Other, including benefits accumulated and increase for interest due to decrease in the discount period		<u>9,754</u>
e. Net increase		<u>\$ 9,754</u>
3. Actuarial present value of accumulated Fund benefits as of October 1, 2021		\$ 61,511

Actuarial Valuation as of October 1, 2021

State Required Exhibit

	<u>10/01/2018</u>	<u>10/01/2021</u>
F. <u>Pension Cost</u>		
1. Total normal cost	\$ 0	\$ 0
2. Estimated expenses	6,500	2,000
3. Interest adjustment	423	130
4. Total required contribution	\$ 6,923	\$ 2,130
5. Item 4 as a percentage of payroll	64.6%	17.4%
6. Estimated employee contributions	\$ 54	\$ 61
7. Item 6 as a percentage of payroll	0.5%	0.5%
8. Estimated State contributions *	\$ 6,884	\$ 8,820
9. Item 8 as a percentage of payroll	64.3%	72.0%
10. Net amount payable by Town	\$ 0	\$ 0
11. Item 10 as a percentage of payroll	0.0%	0.0%
G. <u>Past Contributions</u>		
1. Total contribution required (previous valuation)	\$ 5,519	\$ 5,039
2. Actual contributions made:		
a. Employees	\$ 42	\$ 39
b. State (net)	7,626	15,295
c. Town (net)	0	0
d. Total	\$ 7,668	\$ 15,334
H. <u>Disclosure of Following Items:</u>		
1. Actuarial present value of future salaries - attained age	\$ 71,868	\$ 71,904
2. Actuarial present value of future employee contributions - attained age	\$ 359	\$ 360
3. Actuarial present value of future contributions from other sources	N/A	N/A
4. Amount of active members' accumulated contributions	\$ 1,370	\$ 1,240
5. Actuarial present value of future salaries and future benefits at entry age	N/A	N/A
6. Actuarial present value of future employee contributions at entry age	N/A	N/A

* Expected State Money must be released by the state.

Actuarial Valuation as of October 1, 2021

State Required Exhibit

	<u>Actual</u>	<u>Assumed</u>
I. <u>Disclosure of Following Items:</u>		
1. Comparison of Actual and Assumed Salary Increases		
as of:		
September 30, 2019	0.00%	5.00%
September 30, 2020	0.00%	5.00%
September 30, 2021	0.00%	5.00%
2. Comparison of Actual and Assumed Investment Return		
as of:		
September 30, 2019	1.90%	6.50%
September 30, 2020	3.30%	6.50%
September 30, 2021	19.70%	6.50%

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate, and in our opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the Fund and / or paid from the Fund's assets for which liabilities or current costs have not been established or other wise provided for in the valuation. All known events or trends which may require material increase in Fund costs or required contribution rates have been taken into account in the valuation.

Michelle Jones

Shelly L. Jones, A.S.A., E.A.
Enrollment Number: 23-08646

Jennifer Borregard

Jennifer M. Borregard, E.A.
Enrollment Number: 23-07624

Dated: October 17, 2024

Table II

Accounting Disclosure Exhibit

	<u>10/01/2018</u>	<u>10/01/2021</u>
I. <u>Number of Fund Members</u>		
a. Receiving benefits	0	1
b. Terminated due deferred benefits	5	5
c. Active Fund members	17	15
d. Total	<u>22</u>	<u>21</u>
II. <u>Financial Accounting Standards Board Allocation</u> <u>As of October 1, 2021</u>		
A. <u>Statement of Accumulated Fund Benefits</u>		
1. Actuarial present value of accumulated vested Fund benefits		
a. Participants currently receiving benefits	\$ 0	\$ 8,114
b. Other participants	46,683	49,143
c. Total	<u>\$ 46,683</u>	<u>\$ 57,257</u>
2. Actuarial present value of accumulated non-vested Fund benefits	<u>\$ 5,074</u>	<u>\$ 4,254</u>
3. Total actuarial present value of accumulated Fund benefits	<u>\$ 51,757</u>	<u>\$ 61,511</u>
B. <u>Statement of Change in Accumulated Fund Benefits</u>		
1. Actuarial present value of accumulated Fund benefits as of October 1, 2018		\$ 51,757
2. Increase (decrease) during year attributable to:		
a. Fund amendment		\$ 0
b. Change in actuarial assumptions		0
c. Benefits paid including refunds		0
d. Other, including benefits accumulated, increase for interest due to decrease in the discount period		9,754
e. Net increase		<u>\$ 9,754</u>
3. Actuarial present value of accumulated Fund benefits as of October 1, 2021		\$ 61,511
C. <u>Significant Matters Affecting Calculations</u>		
1. Assumed rate of return used in determining actuarial present values		6.50%
2. Change in Fund provisions		None.
3. Change in actuarial assumptions		None.

Table II
(Cont'd)

Accounting Disclosure Exhibit

III. Net Pension Liability and Related Ratios (GASB Statement Numbers 67)

Measurement date	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021
A. <u>Total Pension Liability (TPL)</u>							
Service Cost	\$ 2,220	\$ 2,375	\$ 2,541	\$ 1,706	\$ 1,985	\$ 2,114	\$ 1,693
Interest	3,379	3,778	4,217	3,975	4,140	4,546	4,441
Benefit Changes	-	-	-	-	-	-	-
Difference Between Actual and Expected Experience	-	-	-	(8,306)	(3,428)	-	(7,865)
Assumption Changes	-	-	-	3,305	-	-	-
Benefit Payments, including Refunds of Member Contributions	-	(102)	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net Change in Total Pension Liability	\$ 5,598	\$ 6,051	\$ 6,758	\$ 680	\$ 2,697	\$ 6,660	\$ (1,731)
Total Pension Liability (TPL) - (beginning of year)	46,046	51,644	57,695	64,453	65,133	67,830	74,490
Total Pension Liability (TPL) - (end of year)	\$ 51,644	\$ 57,695	\$ 64,453	\$ 65,133	\$ 67,830	\$ 74,490	\$ 72,759
B. <u>Fund Fiduciary Net Position</u>							
Contributions - Town and State	\$ 12,795	\$ 46,805	\$ 7,587	\$ 7,626	\$ 7,731	\$ 6,557	\$ 15,295
Contributions - Member	53	54	51	42	47	45	39
Net Investment Income	(8,679)	80,808	83,305	60,855	22,215	39,336	247,290
Benefit Payments, including Refunds of Member Contributions	-	(102)	-	-	-	-	-
Administrative Expenses	(7,467)	(3,607)	(2,000)	(6,500)	(600)	-	-
Other	-	-	-	-	-	-	-
Net Change in Fund Fiduciary Net Position	\$ (3,298)	\$ 123,958	\$ 88,943	\$ 62,023	\$ 29,393	\$ 45,938	\$ 262,624
Fund Fiduciary Net Position - (beginning of year)	900,842	897,544	1,021,502	1,110,445	1,172,468	1,201,861	1,247,799
Fund Fiduciary Net Position - (end of year)	\$ 897,544	\$ 1,021,502	\$ 1,110,445	\$ 1,172,468	\$ 1,201,861	\$ 1,247,799	\$ 1,510,423
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (845,900)	\$ (963,807)	\$ (1,045,992)	\$ (1,107,335)	\$ (1,134,031)	\$ (1,173,309)	\$ (1,437,664)
D. <u>Fund Fiduciary Net Position as a Percentage of TPL: (B) / (A)</u>	1,737.94 %	1,770.52 %	1,722.88 %	1,800.11 %	1,771.87 %	1,675.12 %	2,075.93 %
E. <u>Covered Payroll</u> *	\$ 7,200	\$ 10,800	\$ 10,200	\$ 8,400	\$ 9,400	\$ 9,050	\$ 7,800
F. <u>NPL as a Percentage of Covered Payroll: (C) / (E)</u>	(11,748.61)%	(8,924.14)%	(10,254.82)%	(13,182.56)%	(12,064.16)%	(12,964.74)%	(18,431.59)%
G. <u>Notes to Schedule:</u>							
Valuation Date	N/A	N/A	10/1/2015	10/1/2017	10/1/2018	10/1/2018	10/1/2020
Prior to Measurement Date 9/30/2017, results provided by prior actuary. Roll-forward procedures used measurement date 9/30/2017 based on results provided by prior actuary.							

* Reported payroll used to determine contribution as provided under GASB Statement Number 82.



**Table II
(Cont'd)**

Accounting Disclosure Exhibit

IV. Schedule of Employer Contributions (GASB Statement Numbers 67)

<u>Fiscal Year End 9/30¹</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll²</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 7,303	\$ 12,795	\$ (5,492)	\$ 7,200	177.71%
2016	7,441	46,805	(39,364)	10,800	433.38%
2017	8,197	7,587	610	10,200	74.38%
2018	5,477	7,626	(2,149)	8,400	90.79%
2019	6,129	7,731	(1,602)	9,400	82.24%
2020	5,819	6,557	(738)	9,050	72.45%
2021	5,015	15,295	(10,280)	7,800	196.09%

¹ Fiscal Year ending 9/30/2017 and prior provided by prior actuary. Fiscal Year ending 9/30/2018, based on percentage of Salary provided by prior actuary.

² Reported payroll used to determine contribution as provided under GASB Statement Number 82.



Accounting Disclosure Exhibit

V. Notes to Schedule of Contributions (GASB Statement Numbers 67)

Valuation Date: Actuarially determined contributions are calculated as of October 1st - three years prior the fiscal year end in which contributions are paid.

Methods and Assumptions Used to Determine Contribution Rates for fiscal year ending September 30, 2021:

Actuarial Cost Method	Aggregate
Amortization Method	N/A
Amortization Period	N/A
Asset Valuation Method	Market Value
Inflation	2.5%
Salary Increases	5.0%
Investment Rate of Return	6.5% (net of investment related expenses)
Retirement Age	Varies by Age and Service
Mortality	For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Cost of Living Adjustment None

Other Information:

Benefit Changes None.

Assumption Changes 2018 - Updated investment return, salary increases, withdrawal, and retirement rates. Mortality assumptions were updated as required by Chapter 2015-157, Laws of Florida and inflation assumption was lowered from 3.00% to 2.50%.

As of October 1, 2020, there were 14 active, 1 retired and 6 term-vested members of the Fund.

Accounting Disclosure Exhibit

VI. Discount Rate (GASB Statement Numbers 67)

A discount rate of 6.5% was used to measure the TPL. This discount rate was based on the expected rate of return on Fund investments of 6.5%. The projection of cash flows used to determine this discount rate assumed member contributions will be made at the current member contribution rate and employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member contribution rate. Based on these assumptions, the Fund's fiduciary net position was projected to be available to make all projected future expected benefit payments of current Fund members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the TPL.

VII. Sensitivity of the NPL to the Discount Rate Assumption (GASB Statement Numbers 67)

	Measurement date: September 30, 2021		
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	5.5%	6.5%	7.5%
NPL	\$ (1,428,841)	\$ (1,437,664)	\$ (1,445,091)

Outline of Principal Provisions of the Retirement Fund

A. Effective Date:

October 1, 1986.

B. Eligibility:

All actively employed full time Firefighters of the Town are eligible on date of employment.

C. Contributions:

Employee:	0.5% of Salary.
State:	Premium Tax Revenue.
Town:	Balance required to maintain Fund on sound actuarial basis.

D. Average Final Compensation:

Average Final Compensation (AFC) is determined by the average compensation over the highest 5 years in the last 10 years.

E. Normal Retirement:1. Eligibility:

Earlier of:

- (a) Attainment of age 55 with completion of 10 years of Credited Service.
- (b) Attainment of age 52 with completion of 25 years of Credited Service.

2. Benefit:

3.5% times AFC times Credited Service.

F. Early Retirement:1. Eligibility:

Attainment of age 50 with completion of 10 years of Credited Service.

2. Benefit:

Benefit accrued to date of retirement, reduced by 3% for each year early retirement date precedes Normal Retirement Age.

G. Delayed Retirement:

Computed the same as set forth under Normal Retirement, based upon AFC and Credited Service as of delayed retirement date.



Outline of Principal Provisions of the Retirement Fund

H. Disability Retirement:

1. Service Incurred:

Accrued benefit, but not less than 42% of AFC. There is no service credit requirement.

Effective July 1, 2019, a Firefighter who becomes totally and permanently unable to perform useful and efficient service as a Firefighter due to a diagnosis of cancer or circumstances that arise out of the treatment of such cancer will be presumed to be disabled in-line of duty subject to the limitations in Chapter 112.1816, Florida Statutes.

2. Non-Service Incurred:

a. Eligibility: 10 or more years of Credited Service.

b. Benefit: The greatest of:
(i) Accrued benefit
(ii) 25% of AFC

I. Pre-Retirement Death Benefit:

a. Not Vested: Refund of accumulated contributions without interest.

b. Vested: Accrued benefit, beneficiary receives accrued retirement benefit at early (actuarially reduced) or normal retirement date payable for 10 years.

J. Termination Benefits:

1. Eligibility:

100% vesting upon the completion of 10 years of credited service. Employees who have not completed 10 years of credited service at date of termination of employment shall only be entitled to the return of their accumulated contributions without interest.

2. Benefit:

Accrued benefit based upon credited service and AFC as of date of termination, payable at normal retirement date.

K. Normal Form of Retirement Income:

Monthly benefit payable for ten (10) years certain and life thereafter.

L. Changes Since Previous Valuation

None.



**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

A. Mortality

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Sample Ages (2021)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	30.53	34.39	27.68	31.26
60	25.58	29.33	23.10	26.47
62	23.66	27.32	21.36	24.63

Sample Ages (2041)	Pre-retirement Future Life Expectancy (Years)		Post-retirement Future Life Expectancy (Years)	
	Men	Women	Men	Women
55	32.17	35.88	29.58	33.09
60	27.15	30.77	24.88	28.22
62	25.19	28.74	23.09	26.33

B. Interest to be Earned by Fund

6.5% (net of investment expenses), compounded annually - includes inflation at 2.5%.

C. Allowances for Expenses or Contingencies

Actual admin expenses incurred during the prior Fund year - no less than \$2,000 per year.

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

D. Salary Increase Factors

Current salary is assumed to increase at a rate of 5.0% - includes wage inflation of 3.0%.

E. Disability Rates

Disability rates for males and for females were used in accordance with the following illustrative example.

<u>Age</u>	<u>Disability Rates Per 100 Employees</u>
20	0.03
30	0.04
40	0.07
50	0.18

85% of occurrences are assumed to be duty-related.

F. Employee Withdrawal Rates

Withdrawal rates for males and for females were used in accordance with the following illustrative example.

<u>Service</u>	<u>Withdrawal Rate</u>
0 - 2	20.0%
3 - 4	15.0%
5 - 10	7.5%
11 +	5.0%

G. Rates of Retirement

Retirement rates for participants with 10 to 24 years of service:

<u>Age</u>	<u>Annual Rate of Retirement</u>
50 - 54	5%
55 - 61	10%
62 +	50%

**Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation**

G. Rates of Retirement (cont'd)

Retirement rates for participants with 25 or more years of service:

<u>Age</u>	<u>Annual Rate of Retirement</u>
50 - 51	5%
52 - 64	50%
65 +	100%

H. Cost Method

Normal Retirement, Termination, Disability, and Death Benefits: Aggregate

Under this method the excess of the Actuarial Present Value of Projected Benefits of the group included in the valuation, over the Market Value of Assets is allocated as a level percentage of earnings of the group between the valuation date and the assumed retirement age. This allocation is performed for the group as a whole, not as a sum of individual allocations. The portion of this Actuarial Present Value allocated to a specific year is called the Normal Cost. Under this method, actuarial gains (losses) reduce (increase) future Normal Costs.

Vested Normal Retirement, Termination, Disability, and Death Benefits: Unit Credit

Under this method, the actuarial present value of vested accrued benefits is an amount calculated to be the sum of the present values of each individual's vested accrued or earned benefit under the Fund as of the valuation date. Each individual's calculation is based on pay and service as of the valuation date.

Accounting Normal Retirement, Termination, Disability, and Death Benefits: Entry-Age-Normal

Under this method the normal cost for each active employee is the amount which is calculated to be a level percentage of pay that would be required annually from his entry age to his assumed retirement age to fund his estimated benefits, assuming the System had always been in effect. The normal cost for the Fund is the sum of such amounts for all employees. The actuarial accrued liability as of any valuation date for each active employee or inactive employee who is eligible to receive benefits under the Fund is the excess of the actuarial present value of estimated future benefits over the actuarial present value of current and future normal costs. The unfunded actuarial accrued liability as of any valuation date is the excess of the actuarial accrued liability over the assets of the Fund.

Actuarial Assumptions and Actuarial Cost Methods
Used in the Valuation

I. Asset Valuation Method

The actuarial value of assets is the market value.

J. Disclosure of Assumptions

The investment return, salary increases, withdrawal and retirement rates were updated based on the most recent experience study performed for the five years ending September 30, 2017. The mortality rates were updated as required under F.S., Chapter 2015-157 based upon the July 1, 2021 FRS Actuarial Valuation.

K. Changes Since Previous Valuation

None.

Table V

Statement of Fund Assets as of October 1, 2021

	<u>Market Value</u>
A. <u>Cash and cash equivalents</u>	\$ 148,085
B. <u>General Investments</u>	
1. U.S. Government obligations	-
2. Corporate bonds	-
3. Mutual Funds - Fixed Income	383,117
4. Mutual Funds - Equity	979,221
5. Common stock	-
6. Accrued income	-
C. <u>Receivables</u>	
1. Employee contribution	-
2. State contribution	-
3. Town Contribution	-
D. <u>Payables</u>	
1. Investment expense	-
2. Administrative expense	-
E. <u>Total Fund Assets</u> (A + B + C - D)	1,510,423

Table V
(Cont'd)

Reconciliation of System Assets

A. <u>Total Market Value of Assets as of October 1, 2020</u>		\$	1,247,799
B. <u>Receipts During Period</u>			
1. Contributions			
a. Employee	\$	39	
b. Town		0	
c. State		15,295	
d. Total	\$	15,334	
2. Investment Income			
a. Interest, dividends and other	\$	20,780	
b. Investment expenses		(1,828)	
c. Net investment income	\$	18,952	
3. Realized gains / (losses)		0	
4. Unrealized gains / (losses)		228,338	
5. Total receipts during period		\$	262,624
C. <u>Disbursements During Period</u>			
1. Pension payments	\$	0	
2. Contribution refunds		0	
3. Administrative expenses		0	
4. Total disbursements during period		\$	0
D. <u>Total Market Value of Assets as of September 30, 2021</u>		\$	1,510,423
E. <u>Credit Balance as of September 30, 2021</u>		\$	0
F. <u>Net Market Value of Assets as of September 30, 2021</u> (D - E)		\$	1,510,423



Table VI

Actuarial Gain / (Loss)

A. Derivation of Actuarial Gain / (Loss)

1. Normal cost for benefits *	
(a) Prior valuation	\$ (163,341)
(b) Current valuation	(242,947)
2. Actuarial gain / (loss): (1.a. - 1.b.)	\$ 79,606

B. Approximate Portion of Gain / (Loss)
due to Investments

1. Market value of net assets previous valuation	\$ 1,172,468
2. Net contributions during period	29,714
3. Benefits and admin expenses during period	600
4. Expected net appreciation for period	236,385
5. Expected market value of net assets current year: (1. + 2. - 3. + 4.)	\$ 1,437,967
6. Actual market value of net assets current year	\$ 1,510,423
7. Approximate investment gain / (loss) due to investments: (6. - 5.)	\$ 72,456

C. Approximate Portion of Gain / (Loss)
due to Liabilities: (A. - B.)

	\$ 7,150
--	----------

* For purposes of determining the actuarial gain / (loss).

Table VII

**Distribution by Attained Age Groups
and Service Groups as of October 1, 2021**

<u>Attained</u>	<u>COMPLETED YEARS OF SERVICE</u>							
<u>Age Group</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 & Over</u>	<u>Total</u>
Under 25	-	-	-	-	-	-	-	0
25-29	2	-	-	-	-	-	-	2
30-34	2	-	-	-	-	-	-	2
35-39	-	-	-	1	-	-	-	1
40-44	-	-	-	-	-	1	-	1
45-49	-	1	1	-	-	-	-	2
50-54	1	-	1	-	1	-	1	4
55-59	-	-	-	-	-	1	-	1
60-64	-	1	-	-	-	-	-	1
65 & Over	-	1	-	-	-	-	-	1
TOTAL	5	3	2	1	1	2	1	15
		<u>10/01/2018</u>		<u>10/01/2021</u>				
Average Attained Age		42.8 years		46.0 years				
Average Hire Age		32.0 years		33.8 years				
Average Pay		\$ 600		\$ 778				
Percent Female		11.8%		13.3%				

Table VII
(Cont'd)

Statistics for Participants Entitled to Deferred Benefits
and Participants Receiving Benefits

A. Entitled to Deferred Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit*</u>	<u>Average Annual Benefit</u>
Less than 40	1	\$ 219	\$ 219
40 - 44	-	-	-
45 - 49	1	220	220
50 - 54	1	255	255
55 - 59	1	191	191
60 - 64	-	-	-
65 & Over	1	616	616
TOTAL	5	\$ 1,501	300

* Estimated Benefit for Valuation Purposes

B. Receiving Benefits

<u>Current Age Group</u>	<u>Count</u>	<u>Total Annual Benefit</u>	<u>Average Annual Benefit</u>
Less than 50	-	\$ -	\$ -
50 - 54	-	-	-
55 - 59	-	-	-
60 - 64	-	-	-
65 - 69	1	817	817
70 - 74	-	-	-
75 - 79	-	-	-
80 - 84	-	-	-
85 - 89	-	-	-
90 & Over	-	-	-
TOTAL	1	\$ 817	817

Table VII
(Cont'd)

Reconciliation of Member Data

A. Active Participants

1. Active participants previous valuation	17
2. Retired during period	0
3. Died during period	0
4. Disabled during period	0
5. Non-vested terminated during period	(2)
6. Vested terminated during period	(2)
7. New active participants	2
8. Re-instated during period	0
9. Active participants current year	<u>15</u>

B. Participants Receiving Benefits

1. Participants receiving benefits previous valuation	0
2. New retired participants	0
3. New terminated vested receiving benefits	1
4. New disabled receiving benefits	0
5. New beneficiaries receiving benefits	0
6. Died or ceased payment during period	0
7. Retired or terminated vested receiving benefits current year	<u>1</u>

C. Terminated Vested Participants Entitled to Future Benefits

1. Terminated vested entitled previous valuation	5
2. Died during period	0
3. Commenced receiving benefits during period	(1)
4. New terminated vested	2
5. Terminated vested paid lump sum	(1)
6. Adjustments	0
7. Terminated vested entitled current year	<u>5</u>

Chapter 112.664, F.S. Results

Table VIII sets forth the requirements in Chapter 112.664, F.S. and as further required pursuant to Chapter 60T-1.0036, F.A.C.

The purpose of Table VIII is to provide the required information specified in Chapter 112.664, F.S. and to supplement this information with additional exhibits. This Table should not be relied on for any purpose other than the purpose described above.

Except where specific assumptions are required by Chapter 112.664, F.S, this Table was prepared using actuarial assumptions adopted by the Fund as described in Table IV. For funding results, the economic and non- prescribed demographic actuarial assumptions are based upon the results of an actuarial experience study for the five years ending September 30, 2017. The mortality assumptions are prescribed by statute. Each assumption represents an estimate of future Fund experience.

The Fund's funded ratio as of October 1, 2021 is 2157.7% defined as the ratio of the market value of Fund assets to the actuarial accrued liability.

The Fund's funded ratio and the GASB Net Pension Liability may not be appropriate for assessing the sufficiency of Fund assets to meet the estimated cost of settling benefit obligations but may be appropriate for assessing the need for or the amount of future contributions.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this Table were prepared and completed by us or under our direct supervision and we acknowledge responsibility for the results.

To the best of our knowledge, the results are complete and accurate, and in our opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

Table VIII
(Cont'd)

Net Pension Liability
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using assumptions required under Section 112.664(1)(a), F.S.

Measurement Date	September 30, 2021
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 1,693
Interest	4,441
Benefit Changes	0
Difference Between Actual and Expected Experience	(7,865)
Assumption Changes	0
Benefit Payments	0
Other	0
Net Change in Total Pension Liability	\$ (1,731)
Total Pension Liability (TPL) - (beginning of year)	74,490
Total Pension Liability (TPL) - (end of year)	\$ 72,759
B. <u>Fund Fiduciary Net Position</u>	
Contributions - Town	\$ 0
Contributions - State	15,295
Contributions - Member	39
Net Investment Income	247,290
Benefit Payments	0
Administrative Expenses	0
Other	0
Net Change in Fund Fiduciary Net Position	\$ 262,624
Fund Fiduciary Net Position - (beginning of year)	1,247,799
Fund Fiduciary Net Position - (end of year)	\$ 1,510,423
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (1,437,664)
Valuation Date	October 1, 2020

Certain Key Assumptions

Investment Return Assumption 6.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Table VIII
(Cont'd)

Net Pension Liability
Using Assumptions Required Under 112.664(1)(b), F.S.

Measurement Date	September 30, 2021
A. <u>Total Pension Liability (TPL)</u>	
Service Cost	\$ 2,757
Interest	3,981
Benefit Changes	0
Difference Between Actual and Expected Experience	(11,025)
Assumption Changes	0
Benefit Payments	0
Other	0
Net Change in Total Pension Liability	\$ (4,287)
Total Pension Liability (TPL) - (beginning of year)	96,732
Total Pension Liability (TPL) - (end of year)	\$ 92,445
B. <u>Fund Fiduciary Net Position</u>	
Contributions - Town	\$ 0
Contributions - State	15,295
Contributions - Member	39
Net Investment Income	247,290
Benefit Payments	0
Administrative Expenses	0
Other	0
Net Change in Fund Fiduciary Net Position	\$ 262,624
Fund Fiduciary Net Position - (beginning of year)	1,247,799
Fund Fiduciary Net Position - (end of year)	\$ 1,510,423
C. <u>Net Pension Liability (NPL) - (end of year): (A) - (B)</u>	\$ (1,417,978)
Valuation Date	October 1, 2020

Certain Key Assumptions

Investment Return Assumption 4.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.



Table VIII
(Cont'd)

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions From the Employer, State or Employee
Using Financial Reporting Assumptions per GASB Statements No. 67 and No. 68
and Using Assumptions Required Under 112.664(1)(a), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2022	\$ 1,510,423	\$ 98,087	\$ 2,581	\$ 1,605,929
2023	1,605,929	104,283	2,947	1,707,265
2024	1,707,265	110,853	3,417	1,814,701
2025	1,814,701	117,826	3,713	1,928,814
2026	1,928,814	125,236	3,923	2,050,127
2027	2,050,127	133,121	3,938	2,179,310
2028	2,179,310	141,518	3,943	2,316,885
2029	2,316,885	150,455	4,099	2,463,241
2030	2,463,241	159,966	4,149	2,619,058
2031	2,619,058	170,088	4,319	2,784,827
2032	2,784,827	180,856	4,524	2,961,159
2033	2,961,159	192,319	4,490	3,148,988
2034	3,148,988	204,526	4,549	3,348,965
2035	3,348,965	217,527	4,458	3,562,034
2036	3,562,034	231,377	4,465	3,788,946
2037	3,788,946	246,128	4,414	4,030,660
2038	4,030,660	261,841	4,359	4,288,142
2039	4,288,142	278,581	4,257	4,562,466
2040	4,562,466	296,416	4,137	4,854,745
2041	4,854,745	315,419	3,999	5,166,165
2042	5,166,165	335,660	4,047	5,497,778
2043	5,497,778	357,219	3,922	5,851,075
2044	5,851,075	380,188	3,780	6,227,483
2045	6,227,483	404,660	3,638	6,628,505
2046	6,628,505	430,731	3,507	7,055,729
2047	7,055,729	458,505	3,358	7,510,876
2048	7,510,876	488,095	3,212	7,995,759
2049	7,995,759	519,617	3,064	8,512,312
2050	8,512,312	553,199	2,917	9,062,594
2051	9,062,594	588,972	2,772	9,648,794

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Town, Members or State:

All Future Years

Certain Key Assumptions

Investment return assumption

6.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Fund assets does not include future contributions from the Town, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the Fund can sustain benefit payments. Under the Government Accounting Standards Board standards which include Town, Member and State contributions, the Fund is expected to be able to pay all future benefit payments.



Table VIII
(Cont'd)

Asset and Benefit Payment Projection
Not Reflecting Any Future Contributions From the Employer, State or Employee
Using Assumptions Required Under 112.664(1)(b), F.S.

FYE	Market Value of Assets (BOY)	Expected Investment Return	Projected Benefit Payments	Market Value of Assets (EOY)
2022	\$ 1,510,423	\$ 67,907	\$ 2,581	\$ 1,575,749
2023	1,575,749	70,837	2,947	1,643,639
2024	1,643,639	73,881	3,417	1,714,103
2025	1,714,103	77,045	3,713	1,787,435
2026	1,787,435	80,340	3,923	1,863,852
2027	1,863,852	83,778	3,938	1,943,692
2028	1,943,692	87,371	3,943	2,027,120
2029	2,027,120	91,121	4,099	2,114,142
2030	2,114,142	95,036	4,149	2,205,029
2031	2,205,029	99,122	4,319	2,299,832
2032	2,299,832	103,383	4,524	2,398,691
2033	2,398,691	107,832	4,490	2,502,033
2034	2,502,033	112,481	4,549	2,609,965
2035	2,609,965	117,340	4,458	2,722,847
2036	2,722,847	122,420	4,465	2,840,802
2037	2,840,802	127,729	4,414	2,964,117
2038	2,964,117	133,280	4,359	3,093,038
2039	3,093,038	139,084	4,257	3,227,865
2040	3,227,865	145,154	4,137	3,368,882
2041	3,368,882	151,503	3,999	3,516,386
2042	3,516,386	158,139	4,047	3,670,478
2043	3,670,478	165,077	3,922	3,831,633
2044	3,831,633	172,332	3,780	4,000,185
2045	4,000,185	179,920	3,638	4,176,467
2046	4,176,467	187,856	3,507	4,360,816
2047	4,360,816	196,155	3,358	4,553,613
2048	4,553,613	204,835	3,212	4,755,236
2049	4,755,236	213,911	3,064	4,966,083
2050	4,966,083	223,403	2,917	5,186,569
2051	5,186,569	233,328	2,772	5,417,125

Number of years for which current market value of assets are adequate to sustain the payment of expected retirement benefits reflecting no contributions from the Town, Members or State:

All Future Years

Certain Key Assumptions

Investment return assumption

4.5%

Mortality Table:

For healthy participants during employment, PUB-2010 Headcount Weighted Safety Employee Female Mortality Table and Safety Below Median Employee Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For healthy participants post employment, PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018. For disabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table / 20% PUB-2010 Headcount Weighted Safety Disabled Retiree Mortality Table, separate rates for males and females, without projected mortality improvements.

Note: As required in Section 112.664(1)(c) of the Florida Statutes, the projection of Fund assets does not include future contributions from the Town, Members or State. For this reason, this projection should not be viewed as representative of the amount of time the Fund can sustain benefit payments. Under the Government Accounting Standards Board standards which include Town, Member and State contributions, the Fund is expected to be able to pay all future benefit payments.



Table XIII
(Cont'd)

ACTUARIALLY DETERMINED CONTRIBUTION				
	Valuation Assumptions and 112.664(1)(a), F.S. Assumptions		112.664(1)(b), F.S. Assumptions	
A. Valuation Date	October 1, 2021		October 1, 2021	
B. Actuarial Determined Contribution to Be Paid During Fiscal Year Ending	September 30, 2023		September 30, 2023	
C. Annual Payroll of Active Employees	\$	12,254	\$	12,254
D. Total Required Contribution				
1. Total Normal Cost	\$	0	\$	0
2. Estimated Expenses		2,000		2,000
3. Interest Adjustment		130		90
4. Total Required Contribution	\$	2,130	\$	2,090
E. Expected Payroll of Active Employees for Following Plan Year (\$ / % of pay) (C x 1.000)	\$	12,254 100.00%	\$	12,254 100.00%
F. Expected Contribution Sources (\$ / % of pay)				
1. Town	\$	0 0.00%	\$	0 0.00%
2. Member		61 0.50%		61 0.50%
3. State		8,820 71.98%		8,820 71.98%
4. Total	\$	8,881 72.47%	\$	8,881 72.47%

Glossary

Actuarial Accrued Liability. The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.

Actuarial Assumptions. Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members and other items.

Actuarial Cost Method. A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.

Actuarial Equivalent. Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.

Actuarial Present Value of Future Benefits. The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits and inactive, non-retired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

Actuarial Valuation. The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB No. 67.

Actuarial Value of Assets. The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially required contribution.

Amortization Method. A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.

Glossary

Amortization Payment. That portion of the plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Amortization Period. The period used in calculating the Amortization Payment.

Annual Required Contribution. The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation. The annual required contribution consists of the Employer Normal Cost and Amortization Payment plus interest adjustment.

Closed Amortization Period. A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.

Employer Normal Cost. The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.

Equivalent Single Amortization Period. For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.

Experience Gain/Loss. A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. Losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.

Funded Ratio. The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.

GASB. Governmental Accounting Standards Board.

Glossary

GASB No. 67 and GASB No. 68. These are the governmental accounting standards that set the accounting rules for public retirement plans and the employers that sponsor or contribute to them. Statement No. 67 sets the accounting rules for the plans themselves, while Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement plans.

Normal Cost. The annual cost assigned, under the Actuarial Cost Method, to the current plan year.

Open Amortization Period. An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.

Unfunded Actuarial Accrued Liability. The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.

Valuation Date. The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.