

CITY OF PALMETTO  
GENERAL EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2021

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

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



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

January 18, 2022

Board of Trustees  
City of Palmetto  
General Employees' Pension Board

Re: City of Palmetto General Employees' Retirement System

Dear Board:

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

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

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

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

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

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


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


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

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

Respectfully submitted,

Foster & Foster, Inc.

By:   
\_\_\_\_\_  
Douglas H. Lozen, EA, MAAA  
Enrolled Actuary #20-7778

By:   
\_\_\_\_\_  
Kevin H. Peng, ASA, EA, MAAA  
Enrolled Actuary #20-7783

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Enclosures

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## SUMMARY OF REPORT

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

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

Valuation Date Applicable to Fiscal Year Ending	10/1/2021 <u>9/30/2023</u>	10/1/2020 <u>9/30/2022</u>
Minimum Required Contribution <sup>1</sup> % of Projected Annual Payroll	11.71%	20.03%
Member Contributions (Est.) % of Projected Annual Payroll	5.00%	5.00%
City Required Contribution % of Projected Annual Payroll	6.71%	15.03%

<sup>1</sup> The Minimum Required Contribution in the left column is based on the statutory Normal Cost Minimum plus expected Administrative Expenses. Please refer to the Funding Method description in the Actuarial Assumptions and Methods section for additional information.

As you can see, the Minimum Required Contribution shows a decrease when compared to the results determined in the October 1, 2020 actuarial valuation report. The decrease is attributable to the amortization loss established in conjunction with the 2020 valuation being fully paid off and favorable actuarial experience as described below. The decrease was offset in part by assumption changes described in the next page.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was an investment return of 9.44% (Actuarial Asset Basis) which exceeded the 7.00% assumption. This gain was offset in part by losses associated with unfavorable retirement experience and inactive mortality experience.

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

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

### Actuarial Assumption/Method Changes

As approved by the Board at their August 30, 2021 meeting, the following changes were made to the assumptions as a results of the experience study dated August 25, 2021.

- Investment Return reduced from 7.00% to 6.75%, net of investment related expenses.
- Change assumed individual Salary increases to be 6.25% for those with less than 2 years of service, 4.00% for those with 2-4 year of service, and 3.75% for those with 5 or more years of service.
- Changes to the normal retirement rates result in generally lower than previously assumed, while no changes to early retirement rates.
- Increasing the assumed rates of termination for most of the participants.

There have been no method changes since the prior valuation.

## CONTRIBUTION IMPACT OF ANNUAL CHANGES

(1) Contribution Determined as of October 1, 2020	15.03%
(2) Summary of Contribution Impact by component:	
Change in Normal Cost Rate	0.23%
Change in Administrative Expense Percentage	0.19%
Payroll Change Effect on UAAL Amortization	-0.05%
UAAL Amortization Impact from Contribution Policy	-8.66%
Assumption Change	0.06%
Other	<u>-0.09%</u>
Total Change in Contribution	-8.32%
(3) Contribution Determined as of October 1, 2021	6.71%



COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
A. Participant Data			
Actives	66	66	73
Service Retirees	42	42	41
DROP Retirees	5	5	2
Beneficiaries	9	9	7
Disability Retirees	2	2	2
Terminated Vested	<u>14</u>	<u>14</u>	<u>10</u>
 Total	 138	 138	 135
 Total Annual Payroll	 \$3,125,145	 \$3,137,475	 \$3,300,207
Payroll Under Assumed Ret. Age	3,010,616	3,022,670	3,188,402
 Annual Rate of Payments to:			
Service Retirees	734,018	734,018	707,467
DROP Retirees	100,668	100,668	39,007
Beneficiaries	112,710	112,710	89,708
Disability Retirees	33,778	33,778	33,778
Terminated Vested	49,324	49,324	64,020
 B. Assets			
Actuarial Value (AVA) <sup>1</sup>	17,394,535	17,394,535	16,243,902
Market Value (MVA) <sup>1</sup>	18,608,391	18,608,391	16,045,522
 C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	7,190,540	7,527,113	7,895,359
Disability Benefits	301,868	293,100	295,286
Death Benefits	59,412	57,002	57,205
Vested Benefits	609,593	535,544	547,088
Refund of Contributions	238,844	209,258	215,478
Service Retirees	7,226,983	7,093,025	6,977,632
DROP Retirees <sup>1</sup>	1,473,723	1,444,943	516,750
Beneficiaries	1,186,714	1,164,064	960,374
Disability Retirees	367,893	359,883	363,842
Terminated Vested	<u>443,364</u>	<u>430,251</u>	<u>527,511</u>
 Total	 19,098,934	 19,114,183	 18,356,525

C. Liabilities - (Continued)	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
Present Value of Future Salaries	19,506,625	20,466,562	20,768,092
Present Value of Future Member Contributions	975,331	1,023,328	1,038,405
Normal Cost (Retirement)	206,837	244,285	253,661
Normal Cost (Disability)	13,053	14,585	15,309
Normal Cost (Death)	2,770	3,075	3,084
Normal Cost (Vesting)	43,484	38,258	39,225
Normal Cost (Refunds)	<u>38,881</u>	<u>35,439</u>	<u>35,602</u>
Total Normal Cost	305,025	335,642	346,881
Present Value of Future Normal Costs	1,755,449	2,076,180	2,105,464
Accrued Liability (Retirement)	5,925,841	5,935,936	6,294,581
Accrued Liability (Disability)	217,385	193,666	193,067
Accrued Liability (Death)	42,588	37,334	37,731
Accrued Liability (Vesting)	385,034	322,767	324,693
Accrued Liability (Refunds)	73,960	56,134	54,880
Accrued Liability (Inactives) <sup>1</sup>	<u>10,698,677</u>	<u>10,492,166</u>	<u>9,346,109</u>
Total Actuarial Accrued Liability (EAN AL)	17,343,485	17,038,003	16,251,061
Unfunded Actuarial Accrued Liability (UAAL)	(51,050)	(356,532)	7,159
Funded Ratio (AVA / EAN AL)	100.3%	102.1%	100.0%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
Vested Accrued Benefits			
Inactives <sup>1</sup>	10,698,677	10,492,166	9,346,109
Actives	3,054,966	3,023,924	3,455,109
Member Contributions	<u>1,055,145</u>	<u>1,055,145</u>	<u>1,119,817</u>
Total	14,808,788	14,571,235	13,921,035
Non-vested Accrued Benefits	<u>548,062</u>	<u>566,537</u>	<u>500,729</u>
Total Present Value			
Accrued Benefits (PVAB)	15,356,850	15,137,772	14,421,764
Funded Ratio (MVA / PVAB)	121.2%	122.9%	111.3%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	219,078	0	
Plan Experience	0	725,865	
Benefits Paid	0	(984,909)	
Interest	0	975,052	
Other	<u>0</u>	<u>0</u>	
Total	219,078	716,008	

	New Assump	Old Assump	
Valuation Date	10/1/2021	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2023</u>	<u>9/30/2022</u>

#### E. Pension Cost

Normal Cost (with interest)			
% of Total Annual Payroll <sup>2</sup>	10.47	11.49	11.26
Administrative Expenses (with interest)			
% of Total Annual Payroll <sup>2</sup>	1.24	1.24	1.05
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 15 years (as of 10/1/2021, with interest)			
% of Total Annual Payroll <sup>2</sup>	(0.21)	(1.29)	7.72
Minimum Required Contribution <sup>3</sup>			
% of Total Annual Payroll <sup>2 3</sup>	11.71	12.73	20.03
Expected Member Contributions			
% of Total Annual Payroll <sup>2</sup>	5.00	5.00	5.00
Expected City Contribution			
% of Total Annual Payroll <sup>2 3</sup>	6.71	7.73	15.03

#### F. Past Contributions

Plan Years Ending:	<u>9/30/2021</u>
Total Required Contribution	656,903
City Requirement	492,018
Actual Contributions Made:	
Members (excluding buyback)	164,885
City	<u>496,359</u>
Total	661,244

G. Net Actuarial (Gain)/Loss (84,397)

<sup>1</sup> The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2021 and 9/30/2020.

<sup>2</sup> Contributions developed as of 10/1/2021 are expressed as a percentage of total annual payroll at 10/1/2021 of \$3,010,616 after assumption changes and of \$3,022,670 before assumption changes.

<sup>3</sup> Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2021	(51,050) <sup>1</sup>

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2021	5.05%	4.74%
Year Ended 9/30/2020	2.80%	4.77%
Year Ended 9/30/2019	4.82%	4.94%
Year Ended 9/30/2018	5.51%	4.85%
Year Ended 9/30/2017	7.10%	4.81%

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

	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2021	18.49%	9.44%	7.00%
Year Ended 9/30/2020	7.09%	7.58%	7.00%
Year Ended 9/30/2019	2.81%	8.09%	7.00%
Year Ended 9/30/2018	10.07%	7.93%	7.00%
Year Ended 9/30/2017	11.78%	7.12%	7.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2021	\$3,010,616
	10/1/2011	2,629,733
(b) Total Increase		14.48%
(c) Number of Years		10.00
(d) Average Annual Rate		1.36%

<sup>1</sup> Based on current State law and the existing UAAL bases, the UAAL is projected to never be positive.

STATEMENT BY ENROLLED ACTUARY

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



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

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

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

## RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

(1) Unfunded Actuarial Accrued Liability as of October 1, 2020	\$7,159
(2) Sponsor Normal Cost developed as of October 1, 2020	187,461
(3) Expected administrative expenses for the year ended September 30, 2021	32,226
(4) Expected interest on (1), (2) and (3)	14,751
(5) Sponsor contributions to the System during the year ended September 30, 2021	496,359
(6) Expected interest on (5)	17,373
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	(272,135)
(8) Change to UAAL due to Assumption Change	305,482
(9) Change to UAAL due to Actuarial (Gain)/Loss	(84,397)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2021	(51,050)

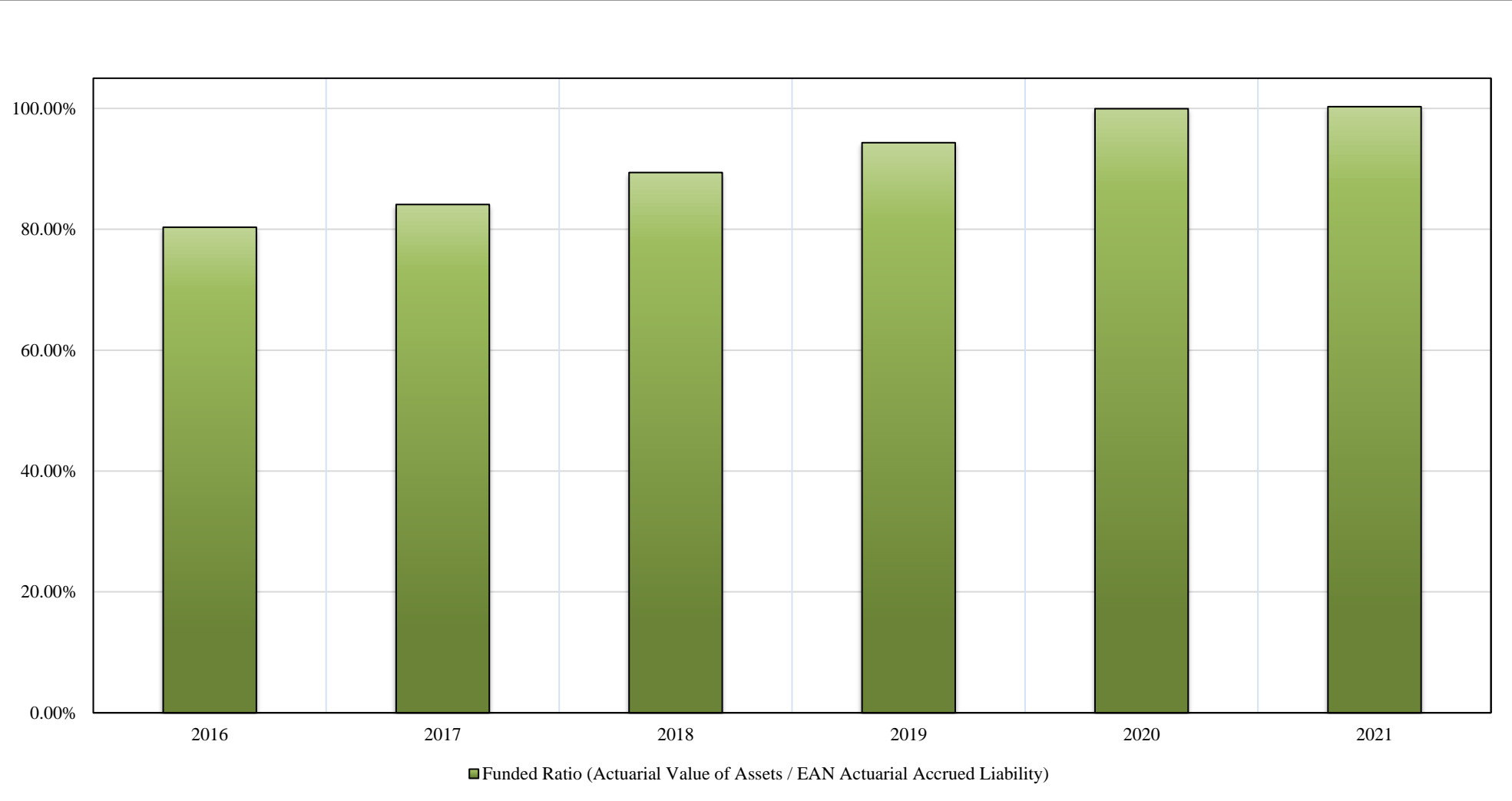
Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2021 <u>Amount</u>	Amortization <u>Amount</u>
Assumption Change	10/1/2020	14	(246,852)	(26,046)
Reconciliation Base	10/1/2021	15	(25,283)	(2,559)
Actuarial Gain	10/1/2021	15	(84,397)	(8,544)
Assump Change	10/1/2021	15	305,482	30,925
			(51,050)	(6,224)

## DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2020	\$7,159
(2) Expected UAAL as of October 1, 2021	(272,135)
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(392,477)
Salary Increases	1,684
Active Decrements	228,383
Inactive Mortality	108,200
Other	<u>(30,187)</u>
Increase in UAAL due to (Gain)/Loss	(84,397)
Assumption Changes	305,482
(4) Actual UAAL as of October 1, 2021	(\$51,050)



# HISTORY OF FUNDING PROGRESS



## ACTUARIAL ASSUMPTIONS AND METHODS

### Mortality Rate

#### *Healthy Active Lives:*

**Female:** PubG.H-2010 for Employees.

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

#### *Healthy Retiree Lives:*

**Female:** PubG.H-2010 (Below Median) for Healthy Retirees.

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

#### *Beneficiary Lives:*

**Female:** PubG.H-2010 (Below Median) for Healthy Retirees.

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

#### *Disabled Lives:*

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

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

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

### Interest Rate

6.75% (prior year 7.00%) per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases

See table later in this section. This assumption is adopted by the Board as the result of an Experience Study dated August 25, 2021.

Payroll Growth

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Terminal Leave Pay

Credited Service as of <u>October 1, 2012</u>	Liability <u>Load</u>
10 or more years	4.50%
At least 5, less than 10 years	3.00%
Less than 5 years	0.00%

The above assumption is based on data provided by the City.

Administrative Expenses

\$36,128 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Funding Method

Entry Age Normal Actuarial Cost Method. In the event the Minimum Required Contribution is based on the statutory Normal Cost Minimum funding requirement, explicit reimbursement of the plan's Administrative Expense is included in determination of the Minimum Required Contribution.

Actuarial Value of Assets

The Actuarial Value of Assets utilizes a four-year smoothing methodology. The annual difference between expected and actual investment earnings (Market Value, net of investment-related expenses), is phased-in over a four-year period.

Amortization Method

New UAAL amortization bases are amortized over 15 years.

Termination Rates

See table later in this section. This assumption is adopted by the Board as the result of an Experience Study dated August 25, 2021.

Disability Rates

See sample rates in table later in this section. This assumption is confirmed as part of an Experience Study dated August 25, 2021.

Normal Retirement

See table later in this section. This assumption is adopted by the Board as the result of an Experience Study dated August 25, 2021.

Early Retirement

A 10% probability of early retirement is assumed for each year of early retirement eligibility between the ages of 55 and 59. This assumption was approved by the Board as the result of an Experience Study dated August 25, 2021.

Assumption Tables

<u>% Terminating During the Year</u>			<u>% Becoming Disabled During the Year</u>		<u>Salary Scale</u>		
<u>Service</u>	<u>Current Rate</u>	<u>Prior Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Service</u>	<u>Current Rate</u>	<u>Prior Rate</u>
0-2	15.50%	15.00%	25	0.09%	0-1	6.25%	6.00%
3	10.50%	15.00%	30	0.12%	2	4.00%	6.00%
4-9	10.50%	8.50%	35	0.14%	3-4	4.00%	4.50%
10-14	10.50%	7.50%	40	0.25%	5-9	3.75%	4.50%
15-19	5.50%	5.00%	45	0.35%	10+	3.75%	4.00%
20+	0.00%	0.00%	50	0.55%			
			55	0.74%			
			60	0.97%			
			65	1.19%			

<u>% Retiring During the Year (10-30 Years of Service)</u>			<u>% Retiring During the Year (&gt;= 30 Years of Service)</u>			
<u>Age</u>	<u>Current Rate</u>	<u>Prior Rate</u>	<u>Age</u>	<u>Service</u>	<u>Current Rate</u>	<u>Prior Rate</u>
60-63	40%	80%	Any	30	33%	33%
64-66	40%	25%	Any	31	50%	33%
67-69	60%	25%	Any	32-33	50%	100%
70+	100%	100%	Any	34+	100%	100%

## GLOSSARY

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

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

(a) The normal cost accrual rate equals:

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

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

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

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

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

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

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

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

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

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

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

## DISCUSSION OF RISK

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

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

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

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

## Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

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

- The Support Ratio, determined as the ratio of active to inactive members, has stayed about the same from October 1, 2011 to October 1, 2021, indicating that the plan's maturity level has not significantly changed during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 61.7%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 66.1% on October 1, 2011 to 100.3% on October 1, 2021.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, increased from -3.7% on October 1, 2011 to -2.0% on October 1, 2021. The current Net Cash Flow Ratio of -2.0% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

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



## PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2011</u>	<u>10/1/2016</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	64	70	73	66
Total Inactives <sup>1</sup>	61	64	56	62
Actives / Inactives <sup>1</sup>	104.9%	109.4%	130.4%	106.5%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	7,988,227	12,318,303	16,045,522	18,608,391
Total Annual Payroll	2,668,322	2,963,491	3,300,207	3,125,145
MVA / Total Annual Payroll	299.4%	415.7%	486.2%	595.4%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	8,028,533	10,233,563	9,346,109	10,698,677
Total Accrued Liability (EAN)	14,068,904	15,632,832	16,251,061	17,343,485
Inactive AL / Total AL	57.1%	65.5%	57.5%	61.7%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	9,300,517	12,560,759	16,243,902	17,394,535
Total Accrued Liability (EAN)	14,068,904	15,632,832	16,251,061	17,343,485
AVA / Total Accrued Liability (EAN)	66.1%	80.3%	100.0%	100.3%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow <sup>2</sup>	(291,673)	18,712	(356,462)	(366,104)
Market Value of Assets (MVA)	7,988,227	12,318,303	16,045,522	18,608,391
Ratio	-3.7%	0.2%	-2.2%	-2.0%

<sup>1</sup> Excludes terminated participants awaiting a refund of member contributions.

<sup>2</sup> Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2021

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Prepaid Benefits	71,992.74	71,992.74
Money Market	432,496.93	432,496.93
Cash	1,924.35	1,924.35
 Total Cash and Equivalents	 506,414.02	 506,414.02
Receivables:		
Member Contributions in Transit	16.21	16.21
City Contributions in Transit	48.73	48.73
From Broker for Investments Sold	146,752.36	146,752.36
Investment Income	25,648.82	25,648.82
 Total Receivable	 172,466.12	 172,466.12
Investments:		
U. S. Bonds and Bills	1,341,542.14	1,372,792.57
Federal Agency Guaranteed Securities	692,658.84	684,957.71
Corporate Bonds	1,026,936.72	1,026,889.09
Stocks	7,370,312.32	10,388,562.92
Mutual Funds:		
Fixed Income	832,473.37	862,317.44
Equity	1,992,552.67	2,371,042.98
Pooled/Common/Commingled Funds:		
Real Estate	1,205,229.51	1,392,472.32
 Total Investments	 14,461,705.57	 18,099,035.03
 Total Assets	 15,140,585.71	 18,777,915.17
 <u>LIABILITIES</u>		
Payables:		
Refunds of Member Contributions	15,850.46	15,850.46
Benefit Payments	831.30	831.30
PLOP Distributions	39,644.15	39,644.15
To Broker for Investments Purchased	113,198.05	113,198.05
 Total Liabilities	 169,523.96	 169,523.96
 NET POSITION RESTRICTED FOR PENSIONS	 14,971,061.75	 18,608,391.21

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

ADDITIONS

Contributions:

Member	164,885.30
City	496,358.71

Total Contributions 661,244.01

Investment Income:

Net Realized Gain (Loss)	1,601,451.12
Unrealized Gain (Loss)	1,152,066.70
Net Increase in Fair Value of Investments	2,753,517.82
Interest & Dividends	289,926.97
Less Investment Expense <sup>1</sup>	(114,471.89)

Net Investment Income 2,928,972.90

Total Additions 3,590,216.91

DEDUCTIONS

Distributions to Members:

Benefit Payments	840,368.60
Lump Sum DROP Distributions	0.00
Lump Sum PLOP Distributions	62,233.75
Refunds of Member Contributions	82,306.61

Total Distributions 984,908.96

Administrative Expense 42,438.98

Total Deductions 1,027,347.94

Net Increase in Net Position 2,562,868.97

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 16,045,522.24

End of the Year 18,608,391.21

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION  
September 30, 2021

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a four year period. In the first year, 25% of the gain or loss is recognized. In the second year 50%, in the third year 75%, and in the fourth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gain/Loss Not Yet Recognized</u>			
		Amounts Not Yet Recognized by Valuation Year			
		2021	2022	2023	2024
09/30/2018	421,584	0	0	0	0
09/30/2019	(629,070)	(157,266)	0	0	0
09/30/2020	14,344	7,172	3,586	0	0
09/30/2021	1,818,600	1,363,950	909,300	454,650	0
Total		1,213,856	912,886	454,650	0

<u>Development of Investment Gain/(Loss)</u>	
Market Value of Assets, 09/30/2020	16,045,522
Contributions Less Benefit Payments & Admin Expenses	(366,104)
Expected Investment Earnings *	1,110,373
Actual Net Investment Earnings	2,928,973
09/30/2021 Actuarial Investment Gain/(Loss)	1,818,600

\*Expected Investment Earnings = 0.07 \*[16,045,522 + 0.5 \*( 366,104)]

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2021	18,608,391
(2) Gain/(Losses) Not Yet Recognized	1,213,856
(3) Actuarial Value of Assets, 09/30/2021, (1) - (2)	17,394,535
(A) 09/30/2020 Actuarial Assets:	16,243,902
(I) Net Investment Income:	
1. Interest, Dividends and Miscellaneous Income	289,927
2. Realized Gain (Loss)	1,601,451
3. Unrealized Gain (Loss)	1,152,067
4. Change in Actuarial Value	(1,412,236)
5. Investment Expenses	(114,472)
Total	1,516,737
(B) 09/30/2021 Actuarial Assets:	17,394,535
Actuarial Assets Rate of Return = 2I/(A+B-I):	9.44%
Market Value of Assets Rate of Return:	18.49%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	392,477
10/01/2021 Limited Actuarial Assets:	17,394,535

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

REVENUES

Contributions:		
Member	164,885.30	
City	496,358.71	
 Total Contributions		 661,244.01
Earnings from Investments:		
Interest & Dividends	289,926.97	
Net Realized Gain (Loss)	1,601,451.12	
Unrealized Gain (Loss)	1,152,066.70	
Change in Actuarial Value	(1,412,236.00)	
 Total Earnings and Investment Gains		 1,631,208.79

EXPENDITURES

Distributions to Members:		
Benefit Payments	840,368.60	
Lump Sum DROP Distributions	0.00	
Lump Sum PLOP Distributions	62,233.75	
Refunds of Member Contributions	82,306.61	
 Total Distributions		 984,908.96
Expenses:		
Investment related <sup>1</sup>	114,471.89	
Administrative	42,438.98	
 Total Expenses		 156,910.87
 Change in Net Assets for the Year		 1,150,632.97
 Net Assets Beginning of the Year		 16,243,902.24
 Net Assets End of the Year <sup>2</sup>		 17,394,535.21

<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup>Net Assets may be limited for actuarial consideration.

DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2020 to September 30, 2021

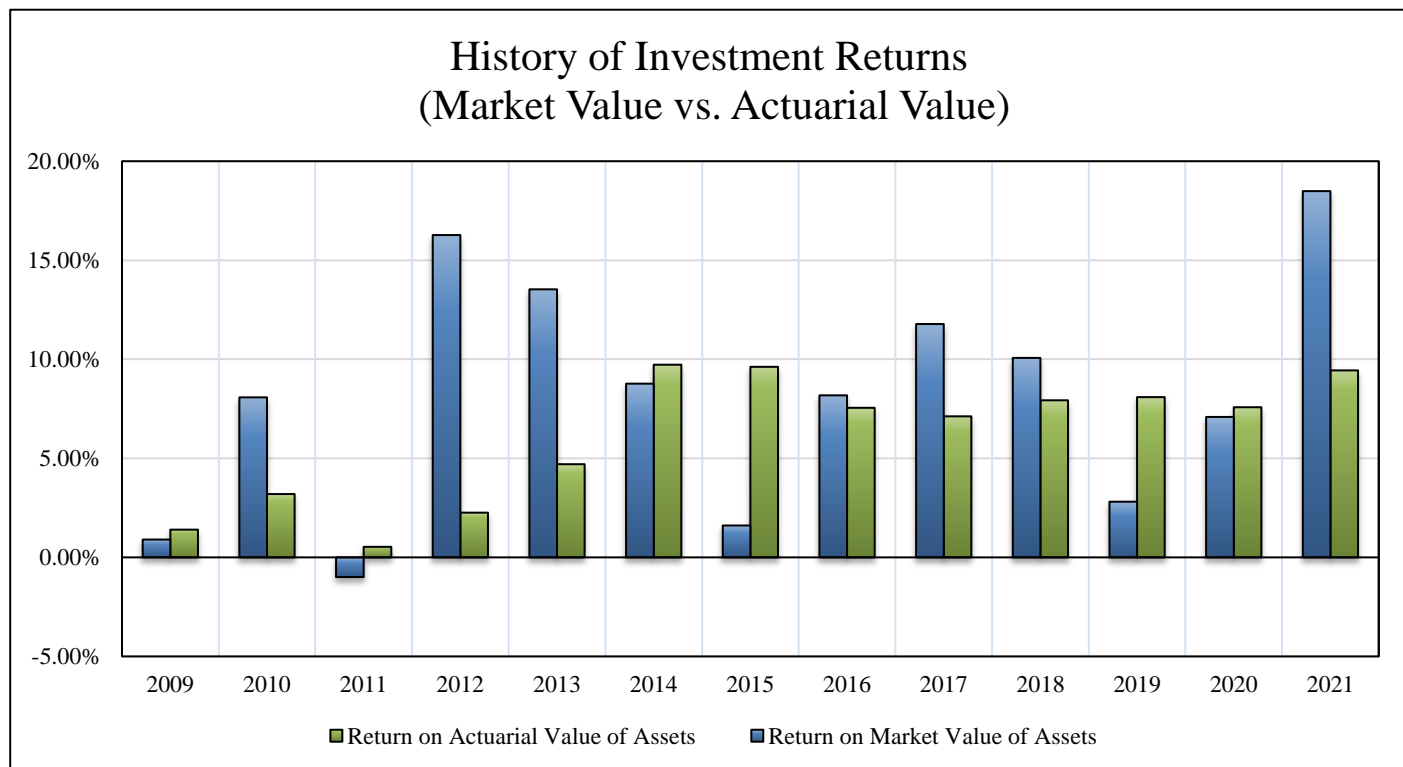
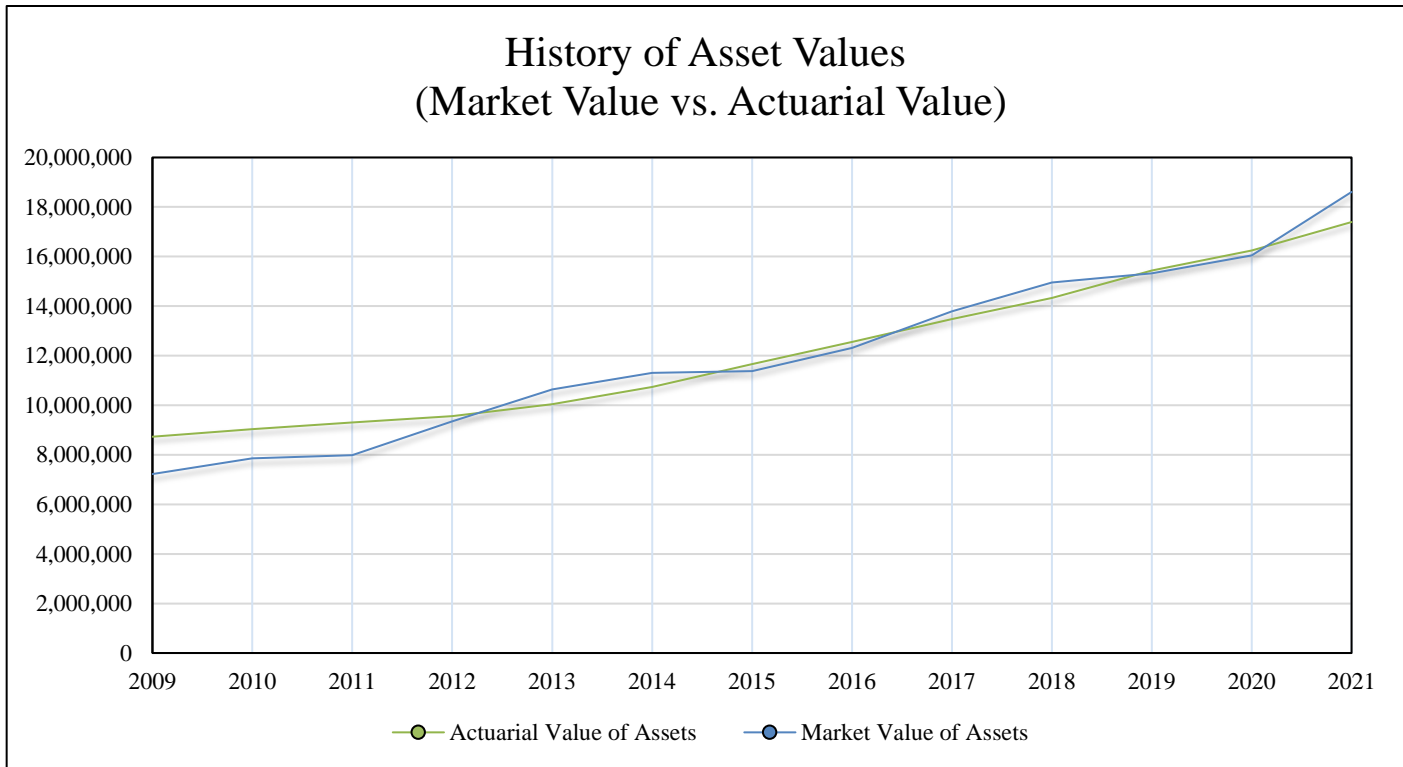
Beginning of the Year Balance	56,253.20
Plus Additions	61,352.98
Investment Return Earned	5,351.94
Less Distributions	0.00
End of the Year Balance	122,958.12

Note: Election option assumption for one new DROP participant is the Normal Form.  
Therefore, Investment Return Earned is not included.

CITY CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

(1) Total Required Contribution Rate	19.92%
(2) Pensionable Payroll Derived from Member Contributions	\$3,297,706.00
(3) Total Required Contribution (1) x (2)	656,903.04
(4) Less Actual Member Contributions	(164,885.30)
(5) Equals Required City Contribution for Fiscal 2021	492,017.74
(6) Plus 2020 Shortfall Contribution	2.75
(7) Less Actual City Contributions	<u>(496,361.46)</u>
(8) City Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2021	(\$4,340.97)

# HISTORY OF ASSET VALUES AND INVESTMENT RETURNS





## STATISTICAL DATA

	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	75	80	73	66
Average Current Age	44.0	43.5	45.8	45.5
Average Age at Employment	36.6	36.4	37.8	37.5
Average Past Service	7.4	7.1	8.0	8.0
Average Annual Salary	\$44,013	\$44,060	\$45,208	\$47,351
<u>Service Retirees</u>				
Number	46	43	41	42
Average Current Age	72.8	73.5	73.1	73.4
Average Annual Benefit	\$16,082	\$16,448	\$17,255	\$17,477
<u>DROP Retirees</u>				
Number	1	3	2	5
Average Current Age	63.1	62.3	62.5	62.3
Average Annual Benefit	\$42,255	\$27,087	\$19,504	\$20,134
<u>Beneficiaries</u>				
Number	7	7	7	9
Average Current Age	70.9	71.9	69.7	69.4
Average Annual Benefit	\$10,933	\$10,933	\$12,815	\$12,523
<u>Disability Retirees</u>				
Number	3	3	2	2
Average Current Age	67.0	68.0	62.5	63.5
Average Annual Benefit	\$12,441	\$12,441	\$16,889	\$16,889
<u>Terminated Vested</u>				
Number	8	8	10	14
Average Current Age <sup>1</sup>	50.5	51.5	49.2	51.5
Average Annual Benefit <sup>1</sup>	\$17,560	\$17,560	\$16,005	\$12,331

<sup>1</sup> The Average Current Age and Average Annual Benefit exclude participants awaiting a refund of contributions.

## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	3	1	1									5
25 - 29	1	1	1	2		4						9
30 - 34			2			1	1					4
35 - 39			3	1			1					5
40 - 44	1			1	1	1	1					5
45 - 49	1					3		1	1			6
50 - 54	1			1		4	1	3	1			11
55 - 59	3	1			1	2		3	1	1	1	13
60 - 64			2	1		1						4
65+		1		1		1				1		4
Total	10	4	9	7	2	17	4	7	3	2	1	66

## VALUATION PARTICIPANT RECONCILIATION

### 1. Active lives

a. Number in prior valuation 10/1/2020	73
b. Terminations	
i. Vested (partial or full) with deferred annuity	(1)
ii. Vested in refund of member contributions only	(3)
iii. Refund of member contributions or full lump sum distribution received	(9)
c. Deaths	
i. Beneficiary receiving benefits	(1)
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. DROP	<u>(3)</u>
g. Continuing participants	55
h. New entrants	<u>11</u>
i. Total active life participants in valuation	66

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

	Service Retirees, Vested Receiving	DROP Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	41	2	7	2	4	6	62
Retired	2	0	0	0	(1)	0	1
DROP	0	3	0	0	0	0	3
Vested (Deferred Annuity)	0	0	0	0	1	0	1
Vested (Due Refund)	0	0	0	0	0	3	3
Hired/Terminated in Same Year	0	0	0	0	0	3	3
Death, With Survivor	(1)	0	2	0	0	0	1
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	(2)	(2)
Rehires	0	0	0	0	0	0	0
Expired Annuities	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0
b. Number current valuation	42	5	9	2	4	10	72

SUMMARY OF CURRENT PLAN  
(Through Ordinance 2019-02)

<u>Latest Amendment</u>	April 1, 2019.
<u>Eligibility</u>	Actively employed persons (except Police Officers) in the regular full-time service of the City.
<u>Salary</u>	Total compensation reportable on form W-2, plus tax deferred, tax sheltered, and tax-exempt items of income.  Effective July 1, 2011, Salary shall not include overtime pay in excess of 300 hours per calendar year. Additionally, lump sum payments of unused sick and vacation pay shall not utilize hours in excess of those accrued as of July 1, 2011.
<u>Average Final Compensation</u>	Average of the five (5) best years of the final 10 years of service prior to termination or retirement.
<u>Credited Service</u>	Years and fractional parts of years of service with the City as a General Employee with Member Contributions, when required.
<u>Normal Retirement</u>	
Date	Earlier of: 1) the attainment of age 60 with 10 years of Credited Service (the service component is 5 years for participants hired prior to January 1, 1995), or 2) the completion of 30 years of Credited Service, regardless of age.
Benefit	2.50% of Average Final Compensation <u>times</u> Credited Service.
Form of Benefit	Life Annuity (options available).
<u>Early Retirement</u>	
Date	Age 55 with the completion of 10 years of Credited Service. The service component is 5 years for participants hired prior to January 1, 1995.
Benefit	Determined as for Normal Retirement and reduced 3.00% for each year the Early Retirement Date precedes the otherwise Normal Retirement Date, determined as if the Member had continued employment.
Form of Benefit	Life Annuity (options available).

### Death Benefit

#### Pre-Retirement

Not Vested

Refund of Member Contributions, with interest.

Vested

Accrued benefit, payable for 10 years at the Member's otherwise Normal Retirement Date (unreduced), at the otherwise Early Retirement Date (reduced as for Early Retirement), or immediately (actuarially reduced from the Early Retirement Date).

#### Post-Retirement

According to optional form of benefit selected at retirement.

### Disability Benefit

Date

Completions of 10 years of Credited Service (5 year requirement for participants hired prior to January 1, 1995).

Benefit

2.50% of Average Final Compensation times Credited Service, payable as of the date the Board determines such entitlement.

Form of Benefit

Life Annuity (options available).

### Termination of Employment

Less than ten years

Refund of Member Contributions with 4.00% interest per annum.

Ten or more years

Refund of Contributions, with interest, or vested accrued benefit payable at Normal (unreduced) or Early (reduced) Retirement Date, determined as if the Member had continued employment.

### Member Contributions

Amount

5.00% of Salary.

Interest

4.00% per year.

## Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed the date which is 5 years from the date on which the Member first becomes eligible for Normal Retirement.
Rate of Return	At Member's election:  (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or  (2) 6.50% per annum compounded monthly.  Members may elect to change the form of return once while participating in the DROP.
Form of Distribution	Cash lump sum (options available) at termination of employment.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Prepaid Benefits	71,993
Money Market	432,497
Cash	1,924
 Total Cash and Equivalents	 506,414
 Receivables:	
Member Contributions in Transit	16
City Contributions in Transit	49
From Broker for Investments Sold	146,752
Investment Income	25,649
 Total Receivable	 172,466
 Investments:	
U. S. Bonds and Bills	1,372,793
Federal Agency Guaranteed Securities	684,958
Corporate Bonds	1,026,889
Stocks	10,388,563
Mutual Funds:	
Fixed Income	862,317
Equity	2,371,043
Pooled/Common/Commingled Funds:	
Real Estate	1,392,472
 Total Investments	 18,099,035
 Total Assets	 18,777,915
 <u>LIABILITIES</u>	
Payables:	
Refunds of Member Contributions	15,851
Benefit Payments	831
PLOP Distributions	39,644
To Broker for Investments Purchased	113,198
 Total Liabilities	 169,524
 NET POSITION RESTRICTED FOR PENSIONS	 18,608,391

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

ADDITIONS

## Contributions:

Member	164,885
City	496,359

Total Contributions		661,244
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## Investment Income:

Net Increase in Fair Value of Investments	2,753,518
Interest & Dividends	289,927
Less Investment Expense <sup>1</sup>	(114,472)

Net Investment Income		2,928,973
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Total Additions		3,590,217
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DEDUCTIONS

## Distributions to Members:

Benefit Payments	840,368
Lump Sum DROP Distributions	0
Lump Sum PLOP Distributions	62,234
Refunds of Member Contributions	82,307

Total Distributions		984,909
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Administrative Expense		42,439
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Total Deductions		1,027,348
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Net Increase in Net Position		2,562,869
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## NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		16,045,522
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End of the Year		18,608,391
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<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.



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

*Plan Administration*

The City of Palmetto General Employees' Retirement System is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 7 Trustees, 2 of whom are legal residents of the City who are appointed pursuant to City Charter, 2 of whom are members of the plan who are elected by a majority of the General Employees who are members of the plan, one of whom is the City Clerk, and a sixth and seventh Trustee who are chosen by a majority of the first 5 Trustees.

*Plan Membership as of October 1, 2020:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	52
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	73
	135

*Benefits Provided*

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Palmetto General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

*Contributions*

Member Contributions: 5.00% of Salary.

Interest: 4.00% per year.

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

*Investment Policy:*

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

Asset Class	Target Allocation
Domestic Equity	50.00%
International Equity	10.00%
Fixed Income	15.00%
Global Fixed Income	5.00%
Hedge Funds	7.50%
Private Real Estate	12.50%
Total	100.00%

*Concentrations:*

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

*Rate of Return:*

For the year ended September 30, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 18.49 percent.

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

## GASB 67

### Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed the date which is 5 years from the date on which the Member first becomes eligible for Normal Retirement.

Rate of Return: At Member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.50% per annum compounded monthly.

Members may elect to change the form of return once while participating in the DROP.

The DROP balance as September 30, 2021 is \$122,958<sup>1</sup>.

<sup>1</sup> Election option assumption for one new DROP participant is the Normal Form.

Therefore, Investment Return Earned is not included.

NET PENSION LIABILITY OF THE SPONSOR

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

Total Pension Liability	\$ 16,706,157
Plan Fiduciary Net Position	<u>\$ (18,608,391)</u>
Sponsor's Net Pension Liability	<u>\$ (1,902,234)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	111.39%

*Actuarial Assumptions:*

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

Inflation	2.30%
Salary Increases	Service based
Discount Rate	6.75%
Investment Rate of Return	6.75%

*Mortality Rate Healthy Active Lives:*

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

*Mortality Rate Healthy Retiree Lives:*

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

*Mortality Rate Beneficiary Lives:*

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

*Mortality Rate Disabled Lives:*

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

All rates are projected generationally with Mortality Improvement Scale MP-2018.

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

The most recent actuarial experience study used to review the other significant assumptions was dated August 25, 2021.

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

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

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

## GASB 67

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

Asset Class	Long Term Expected Real Rate of Return <sup>1</sup>
Domestic Equity	5.88%
International Equity	4.75%
Fixed Income	1.42%
Global Fixed Income	1.37%
Hedge Funds	2.32%
Private Real Estate	4.84%

<sup>1</sup> Source: Morgan Stanley, based on secular annualized return and volatility estimates are based on a 20-year time horizon.

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

### *Discount Rate:*

The Discount Rate used to measure the Total Pension Liability was 6.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ (23,543)	\$ (1,902,234)	\$ (3,476,993)

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

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	364,577	391,459
Interest	1,129,819	1,136,455
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(255,942)	(276,753)
Changes of assumptions	184,458	(265,003)
Benefit Payments, including Refunds of Employee Contributions	(984,909)	(1,123,245)
Net Change in Total Pension Liability	438,003	(137,087)
Total Pension Liability - Beginning	16,268,154	16,405,241
Total Pension Liability - Ending (a)	<u>\$ 16,706,157</u>	<u>\$ 16,268,154</u>
Plan Fiduciary Net Position		
Contributions - Employer	496,359	626,893
Contributions - Employee	164,885	169,707
Net Investment Income	2,928,973	1,074,774
Benefit Payments, including Refunds of Employee Contributions	(984,909)	(1,123,245)
Administrative Expense	(42,439)	(29,818)
Net Change in Plan Fiduciary Net Position	2,562,869	718,311
Plan Fiduciary Net Position - Beginning	16,045,522	15,327,211
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,608,391</u>	<u>\$ 16,045,522</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (1,902,234)</u>	<u>\$ 222,632</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	111.39%	98.63%
Covered Payroll	\$ 3,297,706	\$ 3,394,133
Net Pension Liability as a percentage of Covered Payroll	-57.68%	6.56%

**Notes to Schedule:***Changes of assumptions:*

For measurement date 09/30/2021, the Board approved the following assumption changes based on the August 25, 2021 actuarial experience study:

1. Investment Return reduced from 7.00% to 6.75%, net of investment related expenses.
2. Change assumed individual Salary increases to be 6.25% for those with less than 2 years of service, 4.00% for those with 2-4 year of service, and 3.75% for those with 5 or more years of service.
3. Changes to the normal retirement rates result in generally lower than previously assumed, while no changes to early retirement rates.
4. Increasing the assumed rates of termination for most of the participants.

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

SCHEDULE OF CONTRIBUTIONS  
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 492,018	\$ 496,359	\$ (4,341)	\$ 3,297,706	15.05%
09/30/2020	\$ 626,896	\$ 626,893	\$ 3	\$ 3,394,133	18.47%

Notes to Schedule

Valuation Date:

10/01/2019

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

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

SCHEDULE OF INVESTMENT RETURNS  
Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2021	18.49%
09/30/2020	7.09%

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

*Plan Description*

The City of Palmetto General Employees' Retirement System is a single-employer defined benefit pension plan administered by a Board of Trustees which acts as the administrator of the plan. The Board consists of 7 Trustees, 2 of whom are legal residents of the City who are appointed pursuant to City Charter, 2 of whom are members of the plan who are elected by a majority of the General Employees who are members of the plan, one of whom is the City Clerk, and a sixth and seventh Trustee who are chosen by a majority of the first 5 Trustees.

Eligible for the Plan are actively employed persons (except Police Officers) in the regular full-time service of the City.

*Plan Membership as of October 1, 2020:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	52
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	73
	135

*Benefits Provided*

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

A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Palmetto General Employees' Retirement System prepared by Foster & Foster Actuaries and Consultants.

*Contributions*

Member Contributions: 5.00% of Salary.

Interest: 4.00% per year.

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

*Net Pension Liability*

The measurement date is September 30, 2021.

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

The reporting period is October 1, 2020 through September 30, 2021.

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

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

*Actuarial Assumptions:*

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

Inflation	2.30%	
Salary Increases	Service based	
Discount Rate	6.75%	
Investment Rate of Return	6.75%	



*Mortality Rate Healthy Active Lives:*

Female: PubG.H-2010 for Employees.

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

*Mortality Rate Healthy Retiree Lives:*

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

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

*Mortality Rate Beneficiary Lives:*

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

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

*Mortality Rate Disabled Lives:*

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

All rates are projected generationally with Mortality Improvement Scale MP-2018.

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

The most recent actuarial experience study used to review the other significant assumptions was dated August 25, 2021.

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

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

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

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return <sup>1</sup>
Domestic Equity	50.00%	5.88%
International Equity	10.00%	4.75%
Fixed Income	15.00%	1.42%
Global Fixed Income	5.00%	1.37%
Hedge Funds	7.50%	2.32%
Private Real Estate	12.50%	4.84%
Total	100.00%	

<sup>1</sup> Source: Morgan Stanley, based on secular annualized return and volatility estimates are based on a 20-year time horizon.

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

*Discount Rate:*

The Discount Rate used to measure the Total Pension Liability was 6.75 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

## CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2020	\$ 16,268,154	\$ 16,045,522	\$ 222,632
Changes for a Year:			
Service Cost	364,577	-	364,577
Interest	1,129,819	-	1,129,819
Differences between Expected and Actual Experience	(255,942)	-	(255,942)
Changes of assumptions	184,458	-	184,458
Changes of benefit terms	-	-	-
Contributions - Employer	-	496,359	(496,359)
Contributions - Employee	-	164,885	(164,885)
Net Investment Income	-	2,928,973	(2,928,973)
Benefit Payments, including Refunds of Employee Contributions	(984,909)	(984,909)	-
Administrative Expense	-	(42,439)	42,439
Net Changes	438,003	2,562,869	(2,124,866)
Balances at September 30, 2021	\$ 16,706,157	\$ 18,608,391	\$ (1,902,234)

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

	Current Discount		
	1% Decrease 5.75%	Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	\$ (23,543)	\$ (1,902,234)	\$ (3,476,993)

*Pension Plan Fiduciary Net Position.*

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

## GASB 68

### PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of \$(478,515).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	-	330,334
Changes of assumptions	138,345	132,502
Net difference between Projected and Actual Earnings on Pension Plan investments	-	1,296,176
Total	<u>\$ 138,345</u>	<u>\$ 1,759,012</u>

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

Year ended September 30:	
2022	\$ (478,402)
2023	\$ (394,085)
2024	\$ (384,460)
2025	\$ (363,720)
2026	\$ -
Thereafter	\$ -

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

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	364,577	391,459
Interest	1,129,819	1,136,455
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(255,942)	(276,753)
Changes of assumptions	184,458	(265,003)
Benefit Payments, including Refunds of Employee Contributions	(984,909)	(1,123,245)
Net Change in Total Pension Liability	438,003	(137,087)
Total Pension Liability - Beginning	16,268,154	16,405,241
Total Pension Liability - Ending (a)	<u>\$ 16,706,157</u>	<u>\$ 16,268,154</u>
Plan Fiduciary Net Position		
Contributions - Employer	496,359	626,893
Contributions - Employee	164,885	169,707
Net Investment Income	2,928,973	1,074,774
Benefit Payments, including Refunds of Employee Contributions	(984,909)	(1,123,245)
Administrative Expense	(42,439)	(29,818)
Net Change in Plan Fiduciary Net Position	2,562,869	718,311
Plan Fiduciary Net Position - Beginning	16,045,522	15,327,211
Plan Fiduciary Net Position - Ending (b)	<u>\$ 18,608,391</u>	<u>\$ 16,045,522</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (1,902,234)</u>	<u>\$ 222,632</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	111.39%	98.63%
Covered Payroll	\$ 3,297,706	\$ 3,394,133
Net Pension Liability as a percentage of Covered Payroll	-57.68%	6.56%

**Notes to Schedule:***Changes of assumptions:*

For measurement date 09/30/2021, the Board approved the following assumption changes based on the August 25, 2021 actuarial experience study:

1. Investment Return reduced from 7.00% to 6.75%, net of investment related expenses.
2. Change assumed individual Salary increases to be 6.25% for those with less than 2 years of service, 4.00% for those with 2-4 year of service, and 3.75% for those with 5 or more years of service.
3. Changes to the normal retirement rates result in generally lower than previously assumed, while no changes to early retirement rates.
4. Increasing the assumed rates of termination for most of the participants.

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

SCHEDULE OF CONTRIBUTIONS  
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2021	\$ 492,018	\$ 496,359	\$ (4,341)	\$ 3,297,706	15.05%
09/30/2020	\$ 626,896	\$ 626,893	\$ 3	\$ 3,394,133	18.47%

Notes to Schedule

Valuation Date: 10/01/2019

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

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

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

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

COMPONENTS OF PENSION EXPENSE  
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 222,632	\$ 848,117	\$ 377,442	\$ -
Total Pension Liability Factors:				
Service Cost	364,577	-	-	364,577
Interest	1,129,819	-	-	1,129,819
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(255,942)	255,942	-	-
Current year amortization of experience difference	-	(278,680)	-	(278,680)
Change in assumptions about future economic or demographic factors or other inputs	184,458	-	184,458	-
Current year amortization of change in assumptions	-	(66,251)	(46,113)	(20,138)
Benefit Payments, including Refunds of Employee Contributions	(984,909)	-	-	-
Net change	<u>438,003</u>	<u>(88,989)</u>	<u>138,345</u>	<u>1,195,578</u>
Plan Fiduciary Net Position:				
Contributions - Employer	496,359	-	-	-
Contributions - Employee	164,885	-	-	(164,885)
Projected Net Investment Income	1,110,373	-	-	(1,110,373)
Difference between projected and actual earnings on Pension Plan investments	1,818,600	1,818,600	-	-
Current year amortization	-	(567,088)	(125,814)	(441,274)
Benefit Payments, including Refunds of Employee Contributions	(984,909)	-	-	-
Administrative Expenses	(42,439)	-	-	42,439
Net change	<u>2,562,869</u>	<u>1,251,512</u>	<u>(125,814)</u>	<u>(1,674,093)</u>
Ending Balance	<u>\$ (1,902,234)</u>	<u>\$ 2,010,640</u>	<u>\$ 389,973</u>	<u>\$ (478,515)</u>

AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	\$ (1,818,600)	5	\$ (363,720)	\$ (363,720)	\$ (363,720)	\$ (363,720)	\$ (363,720)	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (14,345)	5	\$ (2,869)	\$ (2,869)	\$ (2,869)	\$ (2,869)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 629,070	5	\$ 125,814	\$ 125,814	\$ 125,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (421,584)	5	\$ (84,317)	\$ (84,317)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (580,908)	5	\$ (116,182)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (441,274)	\$ (325,092)	\$ (240,775)	\$ (366,589)	\$ (363,720)	\$ -	\$ -	\$ -	\$ -	\$ -



AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

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

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	\$ 184,458	4	\$ 46,113	\$ 46,115	\$ 46,115	\$ 46,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (265,003)	4	\$ (66,251)	\$ (66,251)	\$ (66,251)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (20,138)	\$ (20,136)	\$ (20,136)	\$ 46,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2021	\$ (255,942)	4	\$ (63,984)	\$ (63,986)	\$ (63,986)	\$ (63,986)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (276,753)	4	\$ (69,188)	\$ (69,188)	\$ (69,188)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (357,867)	3	\$ (119,289)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (104,875)	4	\$ (26,219)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (278,680)	\$ (133,174)	\$ (133,174)	\$ (63,986)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -