

March 13, 2020

Board of Trustees
City of Flagler Beach Firefighters' Pension Board
320 S. Flagler Avenue
Flagler Beach, FL 32136

RE: GASB Statement No.67 and No.68 – City of Flagler Beach Firefighters' Pension Board

Dear Board:

We are pleased to present to the Board GASB Statement No.67 and No.68 measured as of September 30, 2019 for the City of Flagler Beach Firefighters' Pension Board.

The calculation of the liability associated with the benefits referenced in this report was performed for the purpose of satisfying the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan's funding requirements. A calculation of the plan's liability for other purposes may produce significantly different results.

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, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30th, 2019 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.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

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

Respectfully submitted,

Foster & Foster, Inc.

By: _____



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #17-7778

DHL/lke
Enclosures

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	23,584
Total Cash and Equivalents	23,584
Receivables:	
Investment Income	1,182
Total Receivable	1,182
Investments:	
Mutual Funds:	
Fixed Income	528,377
Equity	1,362,729
Total Investments	1,891,106
Total Assets	1,915,872
<u>LIABILITIES</u>	
Payables:	
Refunds of Member Contributions	24,375
Investment Expenses	750
Administrative Expenses	2,695
Total Liabilities	27,820
NET POSITION RESTRICTED FOR PENSIONS	1,888,052

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019
Market Value Basis

ADDITIONS

Contributions:

Member	27,936	
City	70,900	
State	47,053	
 Total Contributions		 145,889
 Investment Income:		
Net Increase in Fair Value of Investments	37,876	
Interest & Dividends	41,047	
Less Investment Expense ¹	(10,000)	
 Net Investment Income		 68,923
 Total Additions		 214,812

DEDUCTIONS

Distributions to Members:

Benefit Payments	38,871	
Refunds of Member Contributions	24,375	
 Total Distributions		 63,246
 Administrative Expense		 45,899
 Total Deductions		 109,145
 Net Increase in Net Position		 105,667
 NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		1,782,385
 End of the Year		 1,888,052

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

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2019)

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Two Commission appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other 4 and appointed by Commission.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	20
	29

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2018 Actuarial Valuation Report for the City of Flagler Beach Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Incorporated are the benefit changes for measurement date 09/30/2019 as noted under the Notes to Schedule of Changes in Net Pension Liability and Related Ratios.

Contributions

Member Contributions: 5.0% of Salary.

City and State Contributions: Remaining amount necessary to pay current costs and amortize past service cost, if any, as provided in Part VII in Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2019:

Asset Class	Target Allocation
Domestic Equity	50.0%
International Equity	15.0%
Broad Market Fixed Income	35.0%
Total	100.0%

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, 2019, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 3.82 percent.

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

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2019 were as follows:

Total Pension Liability	\$ 1,357,925
Plan Fiduciary Net Position	\$ (1,888,052)
Sponsor's Net Pension Liability	<u>\$ (530,127)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>139.04%</u>

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Inactive Lives:

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

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

Mortality Rate Disabled Lives:

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

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

The above 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, 2018 FRS valuation report for special risk employees. 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 20, 2019.

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 2019, the inflation rate assumption of the investment advisor was 2.50%.

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, 2019 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.25 percent.

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability	\$ (308,504)	\$ (530,127)	\$ (707,951)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	09/30/2019	09/30/2018	09/30/2017
Total Pension Liability			
Service Cost	129,855	129,752	82,884
Interest	117,847	94,641	90,640
Changes of benefit terms	(322)	-	-
Differences between Expected and Actual Experience	(216,635)	146,201	(118,194)
Changes of assumptions	(82,951)	-	-
Benefit Payments, including Refunds of Employee Contributions	(63,246)	(58,679)	(39,022)
Net Change in Total Pension Liability	(115,452)	311,915	16,308
Total Pension Liability - Beginning	1,473,377	1,161,462	1,145,154
Total Pension Liability - Ending (a)	<u>\$ 1,357,925</u>	<u>\$ 1,473,377</u>	<u>\$ 1,161,462</u>
Plan Fiduciary Net Position			
Contributions - Employer	70,900	86,628	83,554
Contributions - State	47,053	43,677	31,857
Contributions - Employee	27,936	24,886	25,221
Net Investment Income	68,923	143,679	158,378
Benefit Payments, including Refunds of Employee Contributions	(63,246)	(58,679)	(39,022)
Administrative Expense	(45,899)	(36,562)	(35,837)
Net Change in Plan Fiduciary Net Position	105,667	203,629	224,151
Plan Fiduciary Net Position - Beginning	1,782,385	1,578,756	1,354,605
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,888,052</u>	<u>\$ 1,782,385</u>	<u>\$ 1,578,756</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (530,127)</u>	<u>\$ (309,008)</u>	<u>\$ (417,294)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	139.04%	120.97%	135.93%
Covered Payroll ¹	\$ 558,717	\$ 497,723	\$ 504,418
Net Pension Liability as a percentage of Covered Payroll	-94.88%	-62.08%	-82.73%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Changes in benefit terms:

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of assumptions

For measurement date 09/30/2019, as a result of an Experience Study dated August 20, 2019, the Board approved the following changes:

- The investment rate of return assumption was decreased from 7.50% to 7.25% per year compounded annually, net of investment related expenses.
- Updates to the future salary increase assumption.
- Updates to assumed rates of retirement.
- Updates to assumed rates of withdrawal.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability			
Service Cost	81,822	74,954	63,454
Interest	77,035	69,702	63,195
Changes of benefit terms	-	-	-
Differences between Expected and Actual Experience	16,460	(1,875)	-
Changes of assumptions	50,710	-	-
Benefit Payments, including Refunds of Employee Contributions	(52,357)	(51,394)	(51,394)
Net Change in Total Pension Liability	173,670	91,387	75,255
Total Pension Liability - Beginning	971,484	880,097	804,842
Total Pension Liability - Ending (a)	<u>\$ 1,145,154</u>	<u>\$ 971,484</u>	<u>\$ 880,097</u>
Plan Fiduciary Net Position			
Contributions - Employer	2,978	12,764	24,723
Contributions - State	35,714	62,074	50,517
Contributions - Employee	15,917	14,900	13,776
Net Investment Income	124,245	(19,545)	115,088
Benefit Payments, including Refunds of Employee Contributions	(52,357)	(51,394)	(51,394)
Administrative Expense	(36,875)	(28,497)	(12,148)
Net Change in Plan Fiduciary Net Position	89,622	(9,698)	140,562
Plan Fiduciary Net Position - Beginning	1,264,983	1,274,681	1,134,119
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,354,605</u>	<u>\$ 1,264,983</u>	<u>\$ 1,274,681</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (209,451)</u>	<u>\$ (293,499)</u>	<u>\$ (394,584)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	118.29%	130.21%	144.83%
Covered Payroll ¹	\$ 318,345	\$ 297,990	\$ 275,505
Net Pension Liability as a percentage of Covered Payroll	-65.79%	-98.49%	-143.22%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Changes of assumptions:

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

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2019	\$ 123,253	\$ 117,953	\$ 5,300	\$ 558,717	21.11%
09/30/2018	\$ 120,300	\$ 130,305	\$ (10,005)	\$ 497,723	26.18%
09/30/2017	\$ 115,411	\$ 115,411	\$ -	\$ 504,418	22.88%
09/30/2016	\$ 45,588	\$ 38,692	\$ 6,896	\$ 318,345	12.15%
09/30/2015	\$ 67,942	\$ 74,838	\$ (6,896)	\$ 297,990	25.11%
09/30/2014	\$ 75,240	\$ 75,240	\$ -	\$ 275,505	27.31%

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Notes to Schedule

Valuation Date: 10/01/2017

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

Methods and assumptions used to determine contribution rates:

Mortality Rate:

Healthy Active Lives:

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

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90%

Combined Healthy Blue Collar, Scale BB.

Healthy Inactive Lives:

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

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

Disabled Lives:

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

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

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the 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, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate:

7.5% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

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Retirement Age:	Number of Years after First Eligibility for	
	Normal Retirement	Probability of Retirement
	0	20%
	1-4	5%
	5 or more	100%

Early Retirement: These rates are based on the results of an experience study issued April 22, 2013. Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. These rates are based on the results of an experience study issued April 22, 2013.

Disability Rate: See table below. It is assumed that 75% of disablements and active Member deaths are service related. These rates are consistent with rates used in other fire plans.

Termination Rate: 5.0% for all ages. These rates are based on the results of an experience study issued April 22, 2013.

Salary Increases: 7.5% per year until the assumed retirement age. This assumption is based on the results of an experience study issued April 22, 2013.

Payroll Growth: N/A.

Asset Method: Fair Market Value, net of investment-related expenses.

Funding Method: Aggregate Actuarial Cost Method.

Disability Rate Table:

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

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2019	3.82%
09/30/2018	9.27%
09/30/2017	11.83%
09/30/2016	10.10%
09/30/2015	-1.52%
09/30/2014	9.98%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2020)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a. Two Commission appointees,
- b. Two Members of the Department elected by the membership, and
- c. Fifth Member elected by other 4 and appointed by Commission.

Employees who are classified as full-time or volunteer Firefighters shall participate in the System as a condition of employment.

Plan Membership as of October 1, 2018:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	4
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	20
	29
	29

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2018 Actuarial Valuation Report for the City of Flagler Beach Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Incorporated are the benefit changes for measurement date 09/30/2019 as noted under the Notes to Schedule of Changes in Net Pension Liability and Related Ratios.

Contributions

Member Contributions: 5.0% of Salary.

City and State Contributions: Remaining amount necessary to pay current costs and amortize past service cost, if any, as provided in Part VII in Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2019.

The measurement period for the pension expense was October 1, 2018 to September 30, 2019.

The reporting period is October 1, 2019 through September 30, 2020.

The Sponsor's Net Pension Liability was measured as of September 30, 2019.

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, 2018 updated to September 30, 2019 using the following actuarial assumptions:

Inflation	2.50%	
Salary Increases	Service based	
Discount Rate	7.25%	
Investment Rate of Return	7.25%	

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Inactive Lives:

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

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

Mortality Rate Disabled Lives:

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

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

The above 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, 2018 FRS valuation report for special risk employees. 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 20, 2019.

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 2019, the inflation rate assumption of the investment advisor was 2.50%.

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50.0%	7.50%
International Equity	15.0%	8.50%
Broad Market Fixed Income	35.0%	2.50%
Total	100.0%	

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.25 percent.

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

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2019	\$ 1,473,377	\$ 1,782,385	\$ (309,008)
Changes for a Year:			
Service Cost	129,855	-	129,855
Interest	117,847	-	117,847
Differences between Expected and Actual Experience	(216,635)	-	(216,635)
Changes of assumptions	(82,951)	-	(82,951)
Changes of benefit terms	(322)	-	(322)
Contributions - Employer	-	70,900	(70,900)
Contributions - State	-	47,053	(47,053)
Contributions - Employee	-	27,936	(27,936)
Net Investment Income	-	68,923	(68,923)
Benefit Payments, including Refunds of Employee Contributions	(63,246)	(63,246)	-
Administrative Expense	-	(45,899)	45,899
Net Changes	(115,452)	105,667	(221,119)
Reporting Period Ending September 30, 2020	\$ 1,357,925	\$ 1,888,052	\$ (530,127)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.25%	7.25%	8.25%
Sponsor's Net Pension Liability	\$ (308,504)	\$ (530,127)	\$ (707,951)

Pension Plan Fiduciary Net Position.

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

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

For the year ended September 30, 2019, the Sponsor has recognized a Pension Expense of \$122,800.

On September 30, 2019, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	140,934	95,679
Changes of assumptions	33,805	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	40,174
Employer and State contributions subsequent to the measurement date	117,953	-
Total	\$ 292,692	\$ 135,853

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2019.

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

Year ended September 30:		
2020	\$	13,204
2021	\$	(9,901)
2022	\$	(3,767)
2023	\$	7,096
2024	\$	11,701
Thereafter	\$	20,553

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2020**

For the year ended September 30, 2020, the Sponsor will recognize a Pension Expense of \$96,798.

On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	122,860	256,981
Changes of assumptions	28,170	66,360
Net difference between Projected and Actual Earnings on Pension Plan investments	11,233	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 323,341

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2020.

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

Year ended September 30:		
2021		\$ (56,591)
2022		\$ (50,457)
2023		\$ (39,594)
2024		\$ (34,989)
2025		\$ 11,701
Thereafter		\$ 8,852

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2020 09/30/2019	09/30/2019 09/30/2018	09/30/2018 09/30/2017
Total Pension Liability			
Service Cost	129,855	129,752	82,884
Interest	117,847	94,641	90,640
Changes of benefit terms	(322)	-	-
Differences between Expected and Actual Experience	(216,635)	146,201	(118,194)
Changes of assumptions	(82,951)	-	-
Benefit Payments, including Refunds of Employee Contributions	(63,246)	(58,679)	(39,022)
Net Change in Total Pension Liability	(115,452)	311,915	16,308
Total Pension Liability - Beginning	1,473,377	1,161,462	1,145,154
Total Pension Liability - Ending (a)	<u>\$ 1,357,925</u>	<u>\$ 1,473,377</u>	<u>\$ 1,161,462</u>
 Plan Fiduciary Net Position			
Contributions - Employer	70,900	86,628	83,554
Contributions - State	47,053	43,677	31,857
Contributions - Employee	27,936	24,886	25,221
Net Investment Income	68,923	143,679	158,378
Benefit Payments, including Refunds of Employee Contributions	(63,246)	(58,679)	(39,022)
Administrative Expense	(45,899)	(36,562)	(35,837)
Net Change in Plan Fiduciary Net Position	105,667	203,629	224,151
Plan Fiduciary Net Position - Beginning	1,782,385	1,578,756	1,354,605
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,888,052</u>	<u>\$ 1,782,385</u>	<u>\$ 1,578,756</u>
 Net Pension Liability - Ending (a) - (b)	<u>\$ (530,127)</u>	<u>\$ (309,008)</u>	<u>\$ (417,294)</u>
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	139.04%	120.97%	135.93%
 Covered Payroll ¹	\$ 558,717	\$ 497,723	\$ 504,418
Net Pension Liability as a percentage of Covered Payroll	-94.88%	-62.08%	-82.73%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Changes in benefit terms:

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of assumptions

For measurement date 09/30/2019, as a result of an Experience Study dated August 20, 2019, the Board approved the following changes:

- The investment rate of return assumption was decreased from 7.50% to 7.25% per year compounded annually, net of investment related expenses.
- Updates to the future salary increase assumption.
- Updates to assumed rates of retirement.
- Updates to assumed rates of withdrawal.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

Reporting Period Ending Measurement Date	09/30/2017 09/30/2016	09/30/2016 09/30/2015	09/30/2015 09/30/2014
Total Pension Liability			
Service Cost	81,822	74,954	63,454
Interest	77,035	69,702	63,195
Changes of assumptions	-	-	-
Differences between Expected and Actual Experience	16,460	(1,875)	-
Changes of assumptions	50,710	-	-
Benefit Payments, including Refunds of Employee Contributions	(52,357)	(51,394)	(51,394)
Net Change in Total Pension Liability	173,670	91,387	75,255
Total Pension Liability - Beginning	971,484	880,097	804,842
Total Pension Liability - Ending (a)	<u>\$ 1,145,154</u>	<u>\$ 971,484</u>	<u>\$ 880,097</u>
Contributions - Employer	2,978	12,764	24,723
Contributions - State	35,714	62,074	50,517
Contributions - Employee	15,917	14,900	13,776
Net Investment Income	124,245	(19,545)	115,088
Benefit Payments, including Refunds of Employee Contributions	(52,357)	(51,394)	(51,394)
Administrative Expense	(36,875)	(28,497)	(12,148)
Net Change in Plan Fiduciary Net Position	89,622	(9,698)	140,562
Plan Fiduciary Net Position - Beginning	1,264,983	1,274,681	1,134,119
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,354,605</u>	<u>\$ 1,264,983</u>	<u>\$ 1,274,681</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (209,451)</u>	<u>\$ (293,499)</u>	<u>\$ (394,584)</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	118.29%	130.21%	144.83%
Covered Payroll ¹	\$ 318,345	\$ 297,990	\$ 275,505
Net Pension Liability as a percentage of Covered Payroll	-65.79%	-98.49%	-143.22%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Changes of assumptions:

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

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

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a percentage of Covered Payroll
09/30/2019	\$ 123,253	\$ 117,953	\$ 5,300	\$ 558,717	21.11%
09/30/2018	\$ 120,300	\$ 130,305	\$ (10,005)	\$ 497,723	26.18%
09/30/2017	\$ 115,411	\$ 115,411	\$ -	\$ 504,418	22.88%
09/30/2016	\$ 45,588	\$ 38,692	\$ 6,896	\$ 318,345	12.15%
09/30/2015	\$ 67,942	\$ 74,838	\$ (6,896)	\$ 297,990	25.11%
09/30/2014	\$ 75,240	\$ 75,240	\$ -	\$ 275,505	27.31%

¹ The Covered Payroll numbers shown are in compliance with GASB 82.

Notes to Schedule

Valuation Date: 10/01/2017

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

Methods and assumptions used to determine contribution rates:

Mortality Rate:

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB
Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

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

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the 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, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate:

7.5% per year compounded annually, net of investment related expenses. This is supported by the target asset class allocation of the trust and the expected long-term return by asset class.

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Retirement Age:	Number of Years after First Eligibility for Normal Retirement	Probability of Retirement
		0
	1-4	5%
	5 or more	100%

Early Retirement: These rates are based on the results of an experience study issued April 22, 2013. Commencing with the earliest Early Retirement Age (age 50 with 10 years of Credited Service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. These rates are based on the results of an experience study issued April 22, 2013.

Disability Rate: See table below. It is assumed that 75% of disablements and active Member deaths are service related. These rates are consistent with rates used in other fire plans.

Termination Rate: 5.0% for all ages. These rates are based on the results of an experience study issued April 22, 2013.

Salary Increases: 7.5% per year until the assumed retirement age. This assumption is based on the results of an experience study issued April 22, 2013.

Payroll Growth: N/A.

Asset Method: Fair Market Value, net of investment-related expenses.

Funding Method: Aggregate Actuarial Cost Method.

Disability Rate Table:

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

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

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

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ (417,294)	\$ 175,354	\$ 228,754	\$ -
Employer and State contributions made after 09/30/2018	-	-	117,953	-
Total Pension Liability Factors:				
Service Cost	129,752	-	-	129,752
Interest	94,641	-	-	94,641
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	146,201	-	146,201	-
Current year amortization of experience difference	-	(12,006)	(18,070)	6,064
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(5,635)	5,635
Benefit Payments, including Refunds of Employee Contributions	(58,679)	-	-	-
Net change	<u>311,915</u>	<u>(12,006)</u>	<u>240,449</u>	<u>236,092</u>
Plan Fiduciary Net Position:				
Contributions - Employer	86,628	-	(86,628)	-
Contributions - State	43,677	-	(43,677)	-
Contributions - Employee	24,886	-	-	(24,886)
Projected Net Investment Income	120,655	-	-	(120,655)
Difference between projected and actual earnings on Pension Plan investments	23,024	23,024	-	-
Current year amortization	-	(27,416)	(23,103)	(4,313)
Benefit Payments, including Refunds of Employee Contributions	(58,679)	-	-	-
Administrative Expenses	(36,562)	-	-	36,562
Net change	<u>203,629</u>	<u>(4,392)</u>	<u>(153,408)</u>	<u>(113,292)</u>
Ending Balance	<u>\$ (309,008)</u>	<u>\$ 158,956</u>	<u>\$ 315,795</u>	<u>\$ 122,800</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ (309,008)	\$ 158,956	\$ 315,795	\$ -
Employer and State Contributions made after 09/30/2019	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	129,855	-	-	129,855
Interest	117,847	-	-	117,847
Changes in benefit terms	(322)	-	-	(322)
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(216,635)	216,635	-	-
Current year amortization of experience difference	-	(55,333)	(18,074)	(37,259)
Change in assumptions about future economic or demographic factors or other inputs	(82,951)	82,951	-	-
Current year amortization of change in assumptions	-	(16,591)	(5,635)	(10,956)
Benefit Payments, including Refunds of Employee Contributions	(63,246)	-	-	-
Net change	<u>(115,452)</u>	<u>227,662</u>	<u>(23,709)</u>	<u>199,165</u>
Plan Fiduciary Net Position:				
Contributions - Employer	70,900	-	(70,900)	-
Contributions - State	47,053	-	(47,053)	-
Contributions - Employee	27,936	-	-	(27,936)
Projected Net Investment Income	135,057	-	-	(135,057)
Difference between projected and actual earnings on Pension Plan investments	(66,134)	-	66,134	-
Current year amortization	-	(21,602)	(36,329)	14,727
Benefit Payments, including Refunds of Employee Contributions	(63,246)	-	-	-
Administrative Expenses	(45,899)	-	-	45,899
Net change	<u>105,667</u>	<u>(21,602)</u>	<u>(88,148)</u>	<u>(102,367)</u>
Ending Balance	<u>\$ (530,127)</u>	<u>\$ 365,016</u>	<u>TBD</u>	<u>\$ 96,798</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2019 but made on or before September 30, 2020 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

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

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2019	\$ 66,134	5	\$ -	\$ 13,226	\$ 13,227	\$ 13,227	\$ 13,227	\$ 13,227	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (23,024)	5	\$ (4,604)	\$ (4,605)	\$ (4,605)	\$ (4,605)	\$ (4,605)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (54,316)	5	\$ (10,863)	\$ (10,863)	\$ (10,863)	\$ (10,863)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (30,670)	5	\$ (6,134)	\$ (6,134)	\$ (6,134)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 115,515	5	\$ 23,103	\$ 23,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014	\$ (29,074)	5	\$ (5,815)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (4,313)	\$ 14,727	\$ (8,375)	\$ (2,241)	\$ 8,622	\$ 13,227	\$ -	\$ -	\$ -	\$ -	\$ -

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)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2019	\$ (82,951)	5	\$ -	\$ (16,591)	\$ (16,590)	\$ (16,590)	\$ (16,590)	\$ (16,590)	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 50,710	9	\$ 5,635	\$ 5,635	\$ 5,634	\$ 5,634	\$ 5,634	\$ 5,634	\$ 5,634	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 5,635	\$ (10,956)	\$ (10,956)	\$ (10,956)	\$ (10,956)	\$ (10,956)	\$ 5,634	\$ -	\$ -	\$ -	\$ -

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)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2019	\$ (216,635)	5	\$ -	\$ (43,327)	\$ (43,327)	\$ (43,327)	\$ (43,327)	\$ (43,327)	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 146,201	9	\$ 16,241	\$ 16,245	\$ 16,245	\$ 16,245	\$ 16,245	\$ 16,245	\$ 16,245	\$ 16,245	\$ 16,245	\$ -	\$ -
2017	\$ (118,194)	10	\$ (11,819)	\$ (11,819)	\$ (11,819)	\$ (11,819)	\$ (11,819)	\$ (11,819)	\$ (11,819)	\$ (11,819)	\$ (11,819)	\$ -	\$ -
2016	\$ 16,460	9	\$ 1,829	\$ 1,829	\$ 1,829	\$ 1,829	\$ 1,829	\$ 1,829	\$ 1,829	\$ -	\$ -	\$ -	\$ -
2015	\$ (1,875)	10	\$ (187)	\$ (187)	\$ (188)	\$ (188)	\$ (188)	\$ (188)	\$ (188)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 6,064	\$ (37,259)	\$ (37,260)	\$ (37,260)	\$ (37,260)	\$ (37,260)	\$ 6,067	\$ 4,426	\$ 4,426	\$ -	\$ -