

DESTIN FIRE CONTROL DISTRICT
FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2020

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2022

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2020



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

November 25, 2020

Board of Trustees
Destin Fire Control District
Firefighters' Retirement Trust Fund

Re: Destin Fire Control District Firefighters' Retirement Trust Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the Destin Fire Control District Firefighters' Retirement Trust Fund. 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 Chapters 112 and 175, 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 District, 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.

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, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2020 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 District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Destin Fire Control District Firefighters' Retirement Trust Fund. 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: 
Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

By: 
Amanda M. Brown, ASA, EA, MAAA
Enrolled Actuary #20-8780

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Destin Fire Control District Firefighters' Retirement Trust Fund, performed as of October 1, 2020, 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, 2022.

The contribution requirements, compared with those set forth in the October 1, 2019 actuarial valuation report, are as follows:

Valuation Date	10/1/2020	10/1/2019
Applicable to Fiscal Year Ending	<u>9/30/2022</u>	<u>9/30/2021</u>
Minimum Required Contribution	\$1,132,301	\$1,232,759
Member Contributions (Est.)	139,655	121,173
District And State Required Contribution	992,646	1,111,586
State Contribution (Est.) ¹	258,595	258,595
District Required Contribution ²	\$734,051	\$852,991

¹ Represents the amount received in calendar 2020. As per a Mutual Consent Agreement between the Membership and the District, all State Monies received each year will be available to offset the District's required contribution.

The Minimum Required Contribution reflects a decrease compared to the results determined in the October 1, 2019 actuarial valuation report. The decrease is largely attributable to a change in assumptions and District contributions in excess of the minimum requirement which were applied to reduce the unfunded actuarial accrued liability. The decrease was offset in part by unfavorable overall plan experience on the basis of the plan's actuarial assumptions.

The primary source of actuarial loss was an average salary increase of 17.15% which exceeded the 4.69% assumption. This loss was offset in part by gains associated with an investment return of 8.67% (Actuarial Asset Basis) which exceeded the 7.40% assumption and favorable retirement experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
A. Participant Data			
Actives	33	33	30
Service Retirees	14	14	14
DROP Retirees	5	5	2
Beneficiaries	1	1	1
Disability Retirees	3	3	1
Terminated Vested	<u>10</u>	<u>10</u>	<u>8</u>
Total	66	66	56
Total Annual Payroll	\$2,127,033	\$2,127,033	\$1,751,467
Payroll Under Assumed Ret. Age	1,883,470	1,883,470	1,640,607
Annual Rate of Payments to:			
Service Retirees	987,611	987,611	967,692
DROP Retirees	272,799	272,799	144,438
Beneficiaries	61,284	61,284	60,082
Disability Retirees	56,869	56,869	14,297
Terminated Vested	155,943	155,943	155,943
B. Assets			
Actuarial Value (AVA) ¹	24,632,508	24,632,508	22,023,268
Market Value (MVA) ¹	25,071,746	25,071,746	22,130,769
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	10,941,700	11,090,762	11,710,976
Disability Benefits	64,964	61,903	48,849
Death Benefits	23,333	31,803	29,471
Vested Benefits	460,631	462,708	432,133
Refund of Contributions	73,964	73,966	39,513
Service Retirees	14,052,356	14,421,982	14,309,819
DROP Retirees ¹	4,883,093	4,946,811	2,547,232
Beneficiaries	314,089	314,089	350,608
Disability Retirees	748,638	751,563	176,895
Terminated Vested	1,663,692	1,672,831	1,553,714
Share Plan Balances ¹	<u>0</u>	<u>0</u>	<u>0</u>
Total	33,226,460	33,828,418	31,199,210

C. Liabilities - (Continued)	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Present Value of Future Salaries	15,392,650	15,383,781	10,603,342
Present Value of Future Member Contributions	1,046,700	1,046,097	721,027
Normal Cost (Retirement)	349,729	353,511	354,033
Normal Cost (Disability)	5,946	5,665	4,923
Normal Cost (Death)	1,828	2,470	2,317
Normal Cost (Vesting)	40,682	40,825	45,093
Normal Cost (Refunds)	<u>9,925</u>	<u>9,924</u>	<u>5,374</u>
Total Normal Cost	408,110	412,395	411,740
Present Value of Future Normal Costs	2,832,869	2,863,615	2,206,948
Accrued Liability (Retirement)	8,525,605	8,648,247	9,817,709
Accrued Liability (Disability)	14,075	13,572	16,239
Accrued Liability (Death)	8,185	11,075	14,248
Accrued Liability (Vesting)	179,185	179,961	203,617
Accrued Liability (Refunds)	4,673	4,672	2,181
Accrued Liability (Inactives) ¹	21,661,868	22,107,276	18,938,268
Share Plan Balances ¹	<u>0</u>	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability (EAN AL)	30,393,591	30,964,803	28,992,262
Unfunded Actuarial Accrued Liability (UAAL)	5,761,083	6,332,295	6,968,994
Funded Ratio (AVA / EAN AL)	81.0%	79.6%	76.0%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Vested Accrued Benefits			
Inactives + Share Plan Balances ¹	21,661,868	22,107,276	18,938,268
Actives	5,878,986	5,966,545	6,883,855
Member Contributions	<u>1,021,765</u>	<u>1,021,765</u>	<u>1,161,993</u>
Total	28,562,619	29,095,586	26,984,116
Non-vested Accrued Benefits	<u>879,741</u>	<u>904,079</u>	<u>1,237,431</u>
Total Present Value			
Accrued Benefits (PVAB)	29,442,360	29,999,665	28,221,547
Funded Ratio (MVA / PVAB)	85.2%	83.6%	78.4%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(557,305)	0	
Plan Experience	0	792,703	
Benefits Paid	0	(1,063,625)	
Interest	0	2,049,040	
Other	<u>0</u>	<u>0</u>	
Total	(557,305)	1,778,118	

	New Assump	Old Assump	
Valuation Date	10/1/2020	10/1/2020	10/1/2019
Applicable to Fiscal Year Ending	<u>9/30/2022</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
E. Pension Cost			
Normal Cost ²	\$445,005	\$449,678	\$447,213
Administrative Expenses ²	52,522	52,522	42,927
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 23 years (as of 10/1/2020) ²	634,774	700,067	742,619
Minimum Required Contribution	1,132,301	1,202,267	1,232,759
Expected Member Contributions ²	139,655	139,655	121,173
Expected District and State Contribution	992,646	1,062,612	1,111,586
F. Past Contributions			
Plan Years Ending:	<u>9/30/2020</u>		
District and State Requirement	1,105,071		
Actual Contributions Made:			
District	1,389,228		
State	<u>258,595</u>		
Total	1,647,823		
G. Net Actuarial (Gain)/Loss	185,431		

¹ The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2020 and 9/30/2019.

² Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2020	5,761,083
2021	5,562,181
2022	5,348,561
2027	4,018,594
2033	1,689,016
2038	17,430
2043	0

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2020	17.15%	4.69%
Year Ended 9/30/2019	1.61%	4.28%
Year Ended 9/30/2018	1.31%	5.15%
Year Ended 9/30/2017	5.30%	4.61%
Year Ended 9/30/2016	-1.94%	4.63%

(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 9/30/2020	10.22%	8.67%	7.40%
Year Ended 9/30/2019	5.44%	6.38%	7.40%
Year Ended 9/30/2018	8.67%	7.28%	7.50%
Year Ended 9/30/2017	11.67%	7.03%	7.50%
Year Ended 9/30/2016	10.74%	7.75%	8.00%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2020	\$1,883,470
	10/1/2010	2,330,762
(b) Total Increase		-19.19%
(c) Number of Years		10.00
(d) Average Annual Rate		-2.11%

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.



Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

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

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

Mr. Steve Bardin
Municipal Police and Fire
Pension Trust Funds
Division of Retirement
Post Office Box 3010
Tallahassee, FL 32315-3010

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

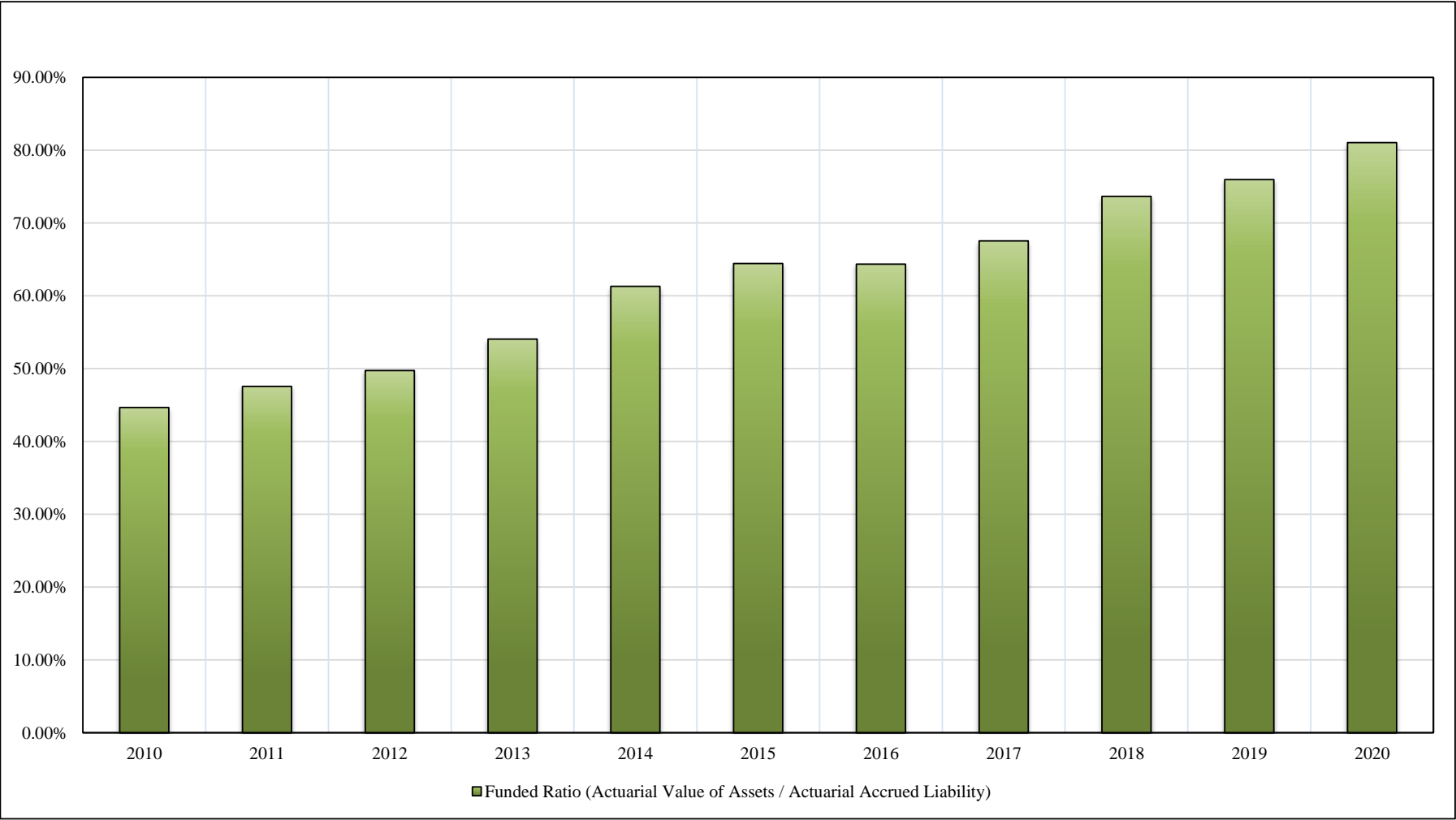
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2019	\$6,968,994
(2)	Sponsor Normal Cost developed as of October 1, 2019	300,179
(3)	Expected administrative expenses for the year ended September 30, 2020	39,522
(4)	Expected interest on (1), (2) and (3)	539,381
(5)	Sponsor contributions to the System during the year ended September 30, 2020	1,647,824
(6)	Expected interest on (5)	53,388
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2020 (1)+(2)+(3)+(4)-(5)-(6)	6,146,864
(8)	Change to UAAL due to Assumption Change	(571,212)
(9)	Change to UAAL due to Actuarial (Gain)/Loss	185,431
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2020	5,761,083

Type of Base	Date Established	Years Remaining	10/1/2020 Amount	Amortization Amount
Benefit Improv.	10/1/2002	12	306,080	36,650
Benefit Improv.	10/1/2005	15	596,542	62,534
Actuarial Loss	10/1/2006	16	661,654	66,954
Method Change	10/1/2006	16	343,755	34,785
Actuarial Loss	10/1/2007	17	133,878	13,124
Benefit Improv.	10/1/2007	17	1,202,924	117,919
Benefit Improv.	10/1/2007	17	1,951,674	191,316
Actuarial Loss	10/1/2008	17	1,590,341	155,896
Method Change	10/1/2008	17	(96,660)	(9,475)
Actuarial Gain	10/1/2009	17	(574,136)	(56,281)
Assump Change	10/1/2009	17	201,052	19,708
Actuarial Loss	10/1/2010	17	329,588	32,308
Method Change	10/1/2010	17	(21,413)	(2,099)
Actuarial Gain	10/1/2011	17	(134,415)	(13,176)
Actuarial Gain	10/1/2012	17	(87,473)	(8,575)
Benefit Improv.	10/1/2012	17	427,649	41,921
Actuarial Gain	10/1/2013	18	(244,744)	(23,312)
Actuarial Gain	10/1/2014	19	(1,201,661)	(111,522)
Actuarial Gain	10/1/2015	20	(178,042)	(16,138)
Assump Change	10/1/2015	20	(17,169)	(1,556)
Assump Change	10/1/2016	21	1,181,621	104,823
Actuarial Gain	10/1/2016	21	(579,182)	(51,380)
Actuarial Loss	10/1/2017	22	312,385	27,174
Assump Change	10/1/2018	13	203,324	23,168
Actuarial Gain	10/1/2018	23	(226,636)	(19,364)
Benefit Improv.	10/1/2018	13	(807)	(92)
Actuarial Loss	10/1/2019	14	66,735	7,276
Actuarial Loss	10/1/2020	15	185,431	19,438
Assump Change	10/1/2020	15	(571,212)	(59,879)
			5,761,083	582,145

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2019	\$6,968,994
(2) Expected UAAL as of October 1, 2020	6,146,864
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(284,832)
Salary Increases	424,739
Active Decrements	(149,349)
Inactive Mortality	71,109
Other	<u>123,764</u>
Increase in UAAL due to (Gain)/Loss	185,431
Assumption Changes	<u>(571,212)</u>
(4) Actual UAAL as of October 1, 2020	\$5,761,083

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB.

Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

Prior year assumption (Female): 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

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

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

The 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 rates are those outlined in Milliman's July 1, 2019 FRS valuation for special risk employees, with appropriate risk and collar adjustments made based on plan demographics. This assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.40% 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

The assumed rates of salary increase are shown below:

<u>Credited Service</u>	<u>Salary Increase</u>
0 – 1	6.5%
2 - 3	6.0%
4 – 5	5.5%
6 – 7	5.0%
8 – 9	4.5%
10+	4.0%

This assumption is based on the results of an experience study dated November 2018.

Payroll Growth

None.

Administrative Expenses

\$48,167 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Early Retirement

Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is based on the results of an experience study dated November 2018.

Normal Retirement

The assumed rates of normal retirement are below:

<u>Years Following First Eligibility</u>	<u>Rate</u>
0	80.0%
1	80.0%
2	100.0%

This assumption is based on the results of an experience study dated November 2018.

Disability Rate

Sample rates below (1201).

<u>Age</u>	<u>Rate</u>
20	0.03%
30	0.04%
40	0.07%
50	0.18%

It is assumed that 90% of disablements are service related. This assumption is based on the results of an experience study dated November 2018.

Termination Rate

The assumed rates of withdrawal are shown below:

<u>Credited Service</u>	<u>Rate</u>
0	10.0%
1 - 2	5.0%
3 - 4	4.5%
5 - 6	4.0%
7 - 8	3.5%
9 - 10	3.0%
11 - 14	2.5%
15+	2.0%

This assumption is based on the results of an experience study dated November 2018.

Marital Assumption

100% of active members are assumed to be married, with husbands 3 years older than their wives.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are applied for determining the minimum required contribution:

Interest – A half-year, based on current 7.40% assumption

Salary – A full-year, based on current 5.15% assumption

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

Amortization Method

Effective October 1, 2018, all future layers of UAAL are amortized over a 15-year period. This assumption is based on the results of an experience study dated November 2018.

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 decreased from 121.7% on October 1, 2017 to 110.0% on October 1, 2020, indicating that the plan has been maturing 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 71.3%. 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 67.5% on October 1, 2017 to 81.0% on October 1, 2020. This increase in the Funded Ratio is primarily attributable to the fact that the District has consistently contributed above the Minimum Required Contribution.
- 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, decreased from 5.0% on October 1, 2017 to 2.7% on October 1, 2020. The current Net Cash Flow Ratio of 2.7% indicates that contributions are generally in excess of 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>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>
<u>Support Ratio</u>				
Total Actives	28	29	30	33
Total Inactives ¹	23	24	25	30
Actives / Inactives ¹	121.7%	120.8%	120.0%	110.0%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	18,376,893	20,867,421	22,130,769	25,071,746
Total Annual Payroll	1,709,674	1,746,377	1,751,467	2,127,033
MVA / Total Annual Payroll	1,074.9%	1,194.9%	1,263.6%	1,178.7%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	17,463,713	17,773,648	18,938,268	21,661,868
Total Accrued Liability (EAN)	27,104,952	27,936,944	28,992,262	30,393,591
Inactive AL / Total AL	64.4%	63.6%	65.3%	71.3%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	18,308,131	20,578,226	22,023,268	24,632,508
Total Accrued Liability (EAN)	27,104,952	27,936,944	28,992,262	30,393,591
AVA / Total Accrued Liability (EAN)	67.5%	73.7%	76.0%	81.0%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow ²	912,188	904,109	128,990	669,899
Market Value of Assets (MVA)	18,376,893	20,867,421	22,130,769	25,071,746
Ratio	5.0%	4.3%	0.6%	2.7%

¹ Excludes terminated participants awaiting a refund of member contributions.

² Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	331,164.27	331,164.27
Total Cash and Equivalents	331,164.27	331,164.27
Investments:		
Mutual Funds:		
Fixed Income	6,940,438.74	7,271,318.76
Equity	12,042,944.45	15,430,414.01
Pooled/Common/Commingled Funds:		
Real Estate	2,039,199.35	2,049,446.83
Total Investments	21,022,582.54	24,751,179.60
Total Assets	21,353,746.81	25,082,343.87
<u>LIABILITIES</u>		
Payables:		
Benefit Payments	2,393.07	2,393.07
Investment Expenses	8,204.93	8,204.93
Total Liabilities	10,598.00	10,598.00
NET POSITION RESTRICTED FOR PENSIONS	21,343,148.81	25,071,745.87

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
Market Value Basis

ADDITIONS

Contributions:

Member	132,786.25
District	1,389,228.32
State	258,595.20

Total Contributions	1,780,609.77
---------------------	--------------

Investment Income:

Net Realized Gain (Loss)	28,601.93	
Unrealized Gain (Loss)	1,250,069.00	
Net Increase in Fair Value of Investments		1,278,670.93
Interest & Dividends		1,046,719.51
Less Investment Expense ¹		(54,313.05)

Net Investment Income	2,271,077.39
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Total Additions	4,051,687.16
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DEDUCTIONS

Distributions to Members:

Benefit Payments	1,056,717.95
Lump Sum DROP Distributions	0.00
Refunds of Member Contributions	6,906.74

Total Distributions	1,063,624.69
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Administrative Expense	47,086.09
------------------------	-----------

Total Deductions	1,110,710.78
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Net Increase in Net Position	2,940,976.38
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	22,130,769.49
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End of the Year	25,071,745.87
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
September 30, 2020

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth 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>Gains/Losses Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2020	2021	2022	2023	2024
09/30/2016	359,088	0	0	0	0	0
09/30/2017	657,046	131,410	0	0	0	0
09/30/2018	174,248	69,698	34,848	0	0	0
09/30/2019	(414,603)	(248,761)	(165,840)	(82,919)	0	0
09/30/2020	608,614	486,891	365,168	243,445	121,722	0
Total		439,238	234,176	160,526	121,722	0

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, 09/30/2019	22,130,769
Contributions Less Benefit Payments & Admin Expenses	669,899
Expected Investment Earnings	1,662,463
Actual Net Investment Earnings	2,271,077
2020 Actuarial Investment Gain/(Loss)	<u>608,614</u>

*Expected Investment Earnings = $0.074 * (22,130,769 + 0.5 * 669,899)$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2020	25,071,746
(2) Gains/(Losses) Not Yet Recognized	439,238
(3) Actuarial Value of Assets, 09/30/2020, (1) - (2)	<u>24,632,508</u>
(A) 09/30/2019 Actuarial Assets:	22,023,268
(I) Net Investment Income:	
1. Interest and Dividends	1,046,720
2. Realized Gain (Loss)	28,602
3. Unrealized Gain (Loss)	1,250,069
4. Change in Actuarial Value	(331,737)
5. Investment Expenses	<u>(54,313)</u>
Total	1,939,340
(B) 09/30/2020 Actuarial Assets:	24,632,508
Actuarial Assets Rate of Return = $2I/(A+B-I)$:	8.67%
Market Value of Assets Rate of Return:	10.22%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	284,832
10/01/2020 Limited Actuarial Assets:	24,632,508

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2020
Actuarial Asset Basis

REVENUES

Contributions:		
Member	132,786.25	
District	1,389,228.32	
State	258,595.20	
Total Contributions		1,780,609.77
Earnings from Investments:		
Interest & Dividends	1,046,719.51	
Net Realized Gain (Loss)	28,601.93	
Unrealized Gain (Loss)	1,250,069.00	
Change in Actuarial Value	(331,737.00)	
Total Earnings and Investment Gains		1,993,653.44

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,056,717.95	
Lump Sum DROP Distributions	0.00	
Refunds of Member Contributions	6,906.74	
Total Distributions		1,063,624.69
Expenses:		
Investment related ¹	54,313.05	
Administrative	47,086.09	
Total Expenses		101,399.14
Change in Net Assets for the Year		2,609,239.38
Net Assets Beginning of the Year		22,023,268.49
Net Assets End of the Year ²		24,632,507.87

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

²Net Assets may be limited for actuarial consideration.

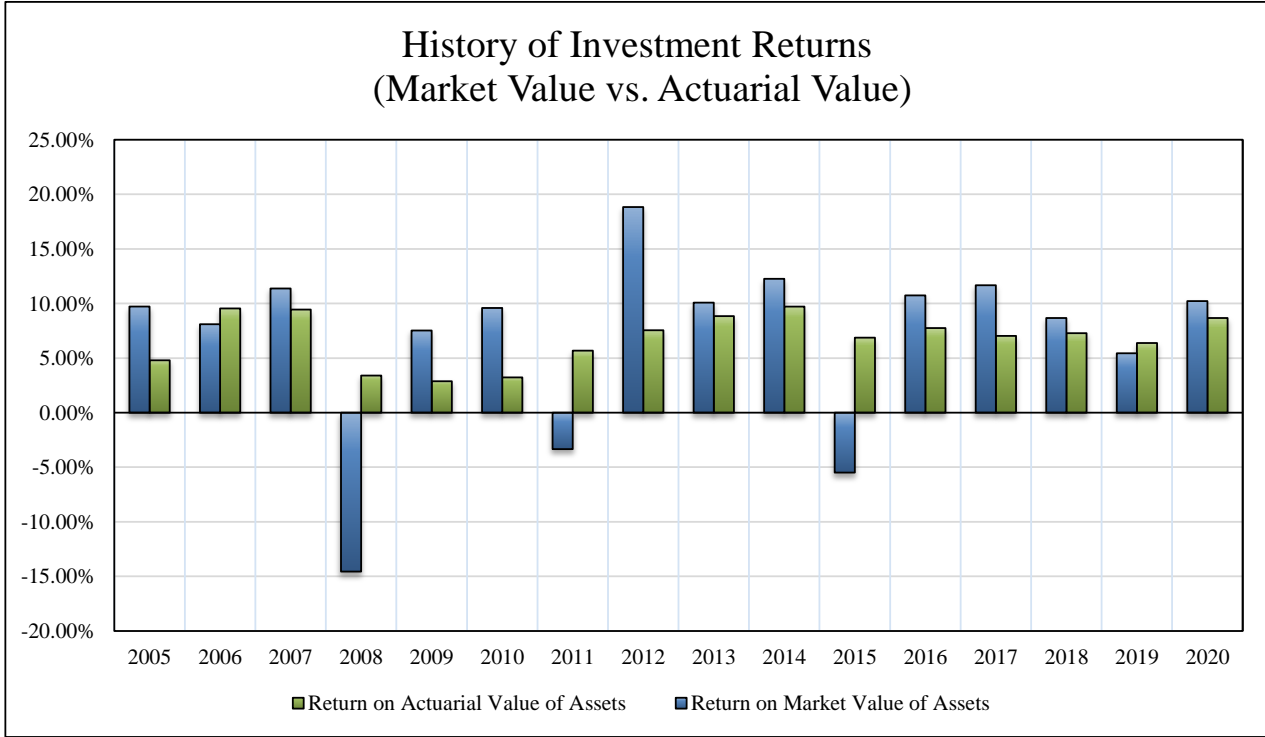
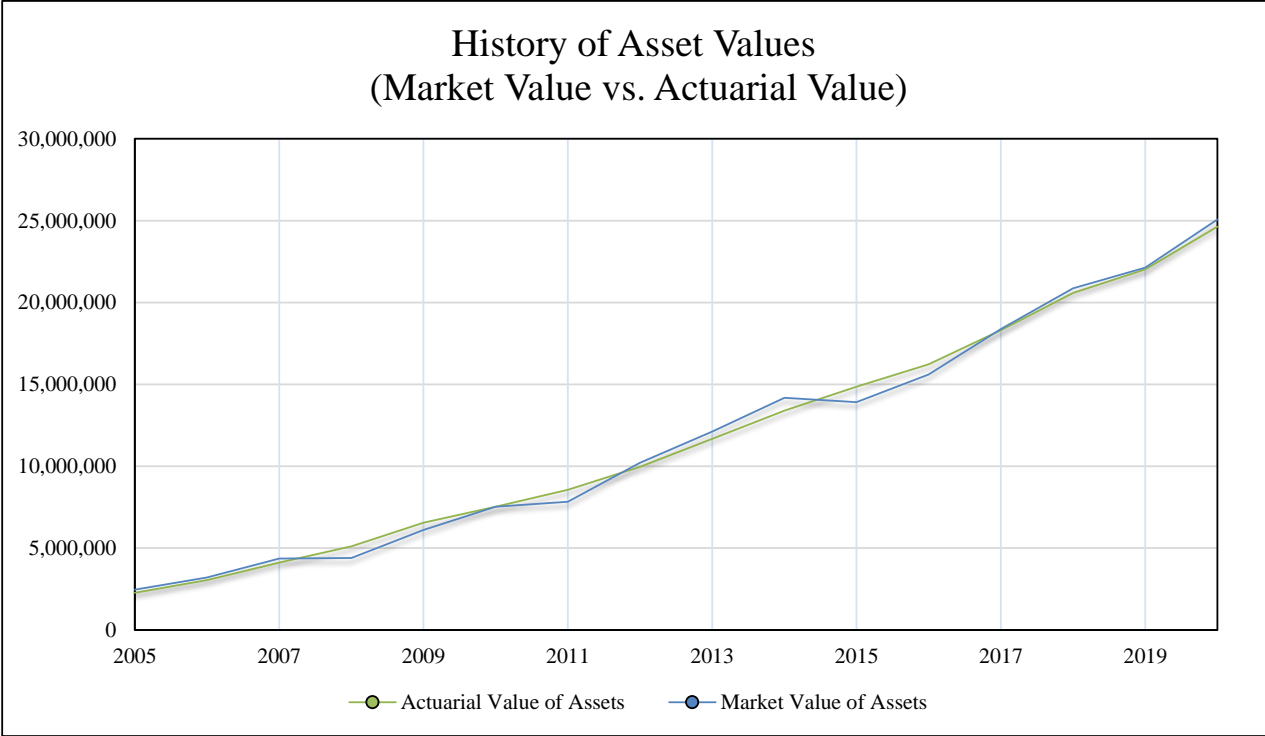
DEFERRED RETIREMENT OPTION PLAN ACTIVITY
October 1, 2019 to September 30, 2020

Beginning of the Year Balance	201,009.41
Plus Additions	198,652.20
Investment Return Earned	19,104.47
Less Distributions	0.00
End of the Year Balance	418,766.08

DISTRICT CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2020

(1) Required District and State Contributions	\$1,105,071.00
(2) Less Allowable State Contribution	<u>(258,595.20)</u>
(3) Required District Contribution for Fiscal 2020	846,475.80
(4) Less 2019 Prepaid Contribution	0.00
(5) Less Actual District Contributions	<u>(1,389,228.32)</u>
(6) District Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2020	(\$542,752.52)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>
<u>Actives - Hired Before 10/1/12</u>				
Number	20	19	18	14
Average Current Age	42.5	43.3	44.0	43.7
Average Age at Employment	27.0	26.8	26.8	27.2
Average Past Service	15.5	16.5	17.2	16.5
Average Annual Salary	\$67,579	\$68,159	\$68,001	\$79,817
<u>Actives - Hired On/After 10/1/12</u>				
Number	8	10	12	19
Average Current Age	30.2	30.4	31.3	33.0
Average Age at Employment	28.9	28.6	30.0	31.7
Average Past Service	1.3	1.8	1.3	1.3
Average Annual Salary	\$44,762	\$46,457	\$43,955	\$53,137
<u>Service Retirees</u>				
Number	10	13	14	14
Average Current Age	57.8	56.3	56.4	57.4
Average Annual Benefit	\$72,002	\$69,282	\$69,121	\$70,544
<u>DROP Retirees</u>				
Number	4	2	2	5
Average Current Age	48.7	48.0	51.5	49.9
Average Annual Benefit	\$63,970	\$63,716	\$72,219	\$54,560
<u>Beneficiaries</u>				
Number	1	1	1	1
Average Current Age	53.4	54.4	55.4	56.4
Average Annual Benefit	\$57,749	\$58,904	\$60,082	\$61,284
<u>Disability Retirees</u>				
Number	1	1	1	3
Average Current Age	53.9	54.9	55.9	45.5
Average Annual Benefit	\$14,297	\$14,297	\$14,297	\$18,956
<u>Terminated Vested</u>				
Number	8	8	8	10
Average Current Age ¹	39.1	40.8	41.8	42.8
Average Annual Benefit ²	\$22,147	\$22,278	\$22,278	\$22,278

¹ Effective 10/1/2018, the Average Current Age excludes participants awaiting a refund of contributions.

² The Average Annual Benefit excludes 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	2											2
25 - 29	3	3										6
30 - 34	1	4					1					6
35 - 39	2						2	1				5
40 - 44	1			1			1	2				5
45 - 49	1						1	2	2			6
50 - 54						1		1				2
55 - 59									1			1
60 - 64												0
65+												0
Total	10	7	0	1	0	1	5	6	3	0	0	33

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2019	30
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(2)
iii. Refund of member contributions or full lump sum distribution received	(1)
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	(1)
e. Retired	0
f. DROP	(3)
g. Continuing participants	23
h. New entrants	<u>10</u>
i. Total active life participants in valuation	33

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

	Service Retirees, Vested Receiving <u>Benefits</u>	DROP <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	Vested (Due Refund)	<u>Total</u>
a. Number prior valuation	14	2	1	1	7	1	26
Retired	0	0	0	0	0	0	0
DROP	0	3	0	0	0	0	3
Vested (Deferred Annuity)	0	0	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0	2	2
Hired/Terminated in Same Year	0	0	0	0	0	1	1
Death, With Survivor	0	0	0	0	0	0	0
Death, No Survivor	0	0	0	0	0	0	0
Disabled	0	0	0	2	0	(1)	1
Refund of Contributions	0	0	0	0	0	0	0
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	14	5	1	3	7	3	33

SUMMARY OF CURRENT PLAN

<u>Board of Trustees</u>	Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other 4 and appointed by the District.
<u>Eligibility</u>	Full-time employees who are classified as full-time certified firefighters participate in the System as a condition of employment.
<u>Credited Service</u>	Total years and fractional parts of years of employment with the District as a Firefighter.
<u>Salary</u>	Base pay, plus state supplemental education pay, plus EMT and Paramedic educational differential pay.
<u>Average Final Compensation</u>	Average Salary for the best 5 years during the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	6.8% of Salary.
<u>District and State Contributions</u>	Remaining amount required in order to pay current costs and amortize any unfunded past service cost as provided in Part VII of Chapter 112, F.S.
<u>Normal Retirement</u>	
Date	Earlier of: 1) Age 55 and 10 years of Credited Service or 2) 20 Years of Credited Service regardless of age. Members hired on or after October 1, 2012 become eligible following the earlier of 1) Age 55 with 10 years of Credited Service or 2) Age 52 with 25 years of Credited Service.
Benefit	3.5% of Average Final Compensation <u>times</u> Credited Service (2.5% if hired on or after October 1, 2012)
Form of Benefit	Ten Year Certain and Life Annuity (options available).
<u>Early Retirement</u>	
Eligibility	Age 50 and 10 Years of Credited Service.
Benefit	Accrued benefit, reduced 3% for each year prior to Normal Retirement.

Cost-of-Living Adjustment

Service retirees on and after 10/1/02 (hired before 10/1/12) receive annual 2% increases beginning the October 1 following one full year of retirement. Members hired on and after 10/1/12 are not eligible for the cost-of-living adjustment.

Vesting

Schedule

100% after 7 years of contributing service if hired before 10/1/12. Members hired on and after 10/1/12 are 100% vested after 10 years.

Benefit Amount

Member will receive the vested portion of his (her) accrued benefit payable at the otherwise Normal Retirement Date.

Disability

Eligibility

Service Incurred

Covered from Date of Employment.

Non-Service Incurred

10 years of Credited Service.

Exclusions

Disability resulting from use of drugs, illegal participation in riots, service in military, etc.

Benefit

Benefit accrued to date of disability but not less than 42% of Average Final Compensation (if Service Incurred).

Duration

Payable for life and ten years certain or until recovery (as determined by the Board). Options available.

Death Benefits

Pre-Retirement

Vested

Monthly accrued benefit payable to designated beneficiary for 10 years.

Non-Vested

Refund of accumulated contributions without interest.

Post-Retirement

Benefits payable to beneficiary in accordance with option selected at retirement.

Share Plan

Funded Status

Not currently funded.

Deferred Retirement Option Plan

Eligibility	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.
Rate of Return	<p>At Member's election:</p> <p>(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or</p> <p>(2) 6.5% per annum compounded monthly.</p> <p>Members may elect to change form of return one time.</p>
Form of Distribution	Cash lump sum (options available) at termination of employment.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	331,164
Total Cash and Equivalents	331,164
Total Receivable	0
Investments:	
Mutual Funds:	
Fixed Income	7,271,319
Equity	15,430,414
Pooled/Common/Commingled Funds:	
Real Estate	2,049,447
Total Investments	24,751,180
Total Assets	25,082,344
<u>LIABILITIES</u>	
Payables:	
Benefit Payments	2,393
Investment Expenses	8,205
Total Liabilities	10,598
NET POSITION RESTRICTED FOR PENSIONS	25,071,746

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
Market Value Basis

ADDITIONS

Contributions:

Member	132,786	
District	1,389,228	
State	258,595	
Total Contributions		1,780,609
Investment Income:		
Net Increase in Fair Value of Investments	1,278,671	
Interest & Dividends	1,046,720	
Less Investment Expense ¹	(54,313)	
Net Investment Income		2,271,078
Total Additions		4,051,687

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,056,718	
Lump Sum DROP Distributions	0	
Refunds of Member Contributions	6,906	
Total Distributions		1,063,624
Administrative Expense		47,086
Total Deductions		1,110,710
Net Increase in Net Position		2,940,977
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		22,130,769
End of the Year		25,071,746

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

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2020)

Plan Administration

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other four and appointed by the District.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	30
	56

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for the Destin Fire Control District Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 6.8% of Salary.

District and State Contributions: 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, 2020:

Asset Class	Target Allocation
Domestic Equity	50.0%
International Equity	10.0%
Broad Market Fixed Income	25.0%
Fixed Income (Non-Core)	2.5%
Global Fixed Income	2.5%
Real Estate	10.0%
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, 2020, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 10.22 percent.

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

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

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) 6.5% per annum compounded monthly.

Members may elect to change form of return one time.

The DROP balance as September 30, 2020 is \$418,766.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2020 were as follows:

Total Pension Liability	\$ 29,832,881
Plan Fiduciary Net Position	\$ (25,071,746)
Sponsor's Net Pension Liability	<u>\$ 4,761,135</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	84.04%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.40%
Investment Rate of Return	7.40%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

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

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward 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:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

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

The above 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, 2019 FRS valuation report for 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 November 30, 2018.

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 2020 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 arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.40 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
	6.40%	7.40%	8.40%
Sponsor's Net Pension Liability	\$ 8,405,645	\$ 4,761,135	\$ 1,759,886

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2020	09/30/2019
Total Pension Liability		
Service Cost	424,591	402,100
Interest	2,142,548	2,060,739
Changes of benefit terms	-	(926)
Differences between Expected and Actual Experience	(154,309)	(224,866)
Changes of assumptions	(576,891)	-
Benefit Payments, including Refunds of Employee Contributions	(1,063,624)	(1,246,259)
Net Change in Total Pension Liability	772,315	990,788
Total Pension Liability - Beginning	29,060,566	28,069,778
Total Pension Liability - Ending (a)	<u>\$ 29,832,881</u>	<u>\$ 29,060,566</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,389,228	1,017,878
Contributions - State	258,595	292,293
Contributions - Employee	132,786	114,324
Net Investment Income	2,271,078	1,134,359
Benefit Payments, including Refunds of Employee Contributions	(1,063,624)	(1,246,259)
Administrative Expense	(47,086)	(49,247)
Net Change in Plan Fiduciary Net Position	2,940,977	1,263,348
Plan Fiduciary Net Position - Beginning	22,130,769	20,867,421
Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,071,746</u>	<u>\$ 22,130,769</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,761,135</u>	<u>\$ 6,929,797</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	84.04%	76.15%
Covered Payroll	\$ 1,952,853	\$ 1,681,235
Net Pension Liability as a percentage of Covered Payroll	243.80%	412.18%

Notes to Schedule:

Changes of 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 09/30/2020, 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 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	Total Contributions as a percentage of Covered Payroll
09/30/2020	\$ 1,105,071	\$ 1,647,823	\$ (542,752)	\$ 1,952,853	84.38%
09/30/2019	\$ 1,083,467	\$ 1,310,171	\$ (226,704)	\$ 1,681,235	77.93%

Notes to Schedule

Valuation Date: 10/01/2018 (AIS 11/11/2019)

Actuarially determined contribution rates are calculated as of October 1, one year 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, 2018 Actuarial Valuation for the Destin Fire District Firefighters' Retirement Trust Fund 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
09/30/2020	10.22%
09/30/2019	5.44%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2021)

Plan Description

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of: Two District appointees, two Members of the Department elected by the membership, and a fifth Member elected by other four and appointed by the District.

Full-time employees who are classified as full-time certified firefighters participate in the System as a condition of employment.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	18
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	30
	56

Benefits Provided

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

A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for the Destin Fire Control District Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: 6.8% of Salary.

District and State Contributions: 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, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

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

The Sponsor's Net Pension Liability was measured as of September 30, 2020.

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, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.40%
Investment Rate of Return	7.40%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

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

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward 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:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

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

The above 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, 2019 FRS valuation report for 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 November 30, 2018.

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 2020 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 arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	50.0%	7.50%
International Equity	10.0%	8.50%
Broad Market Fixed Income	25.0%	2.50%
Fixed Income (Non-Core)	2.5%	2.50%
Global Fixed Income	2.5%	3.50%
Real Estate	10.0%	4.50%
Total	100.0%	

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.40 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 at September 30, 2020	\$ 29,060,566	\$ 22,130,769	\$ 6,929,797
Changes for a Year:			
Service Cost	424,591	-	424,591
Interest	2,142,548	-	2,142,548
Differences between Expected and Actual Experience	(154,309)	-	(154,309)
Changes of assumptions	(576,891)	-	(576,891)
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,389,228	(1,389,228)
Contributions - State	-	258,595	(258,595)
Contributions - Employee	-	132,786	(132,786)
Net Investment Income	-	2,271,078	(2,271,078)
Benefit Payments, including Refunds of Employee Contributions	(1,063,624)	(1,063,624)	-
Administrative Expense	-	(47,086)	47,086
Net Changes	772,315	2,940,977	(2,168,662)
Reporting period ending at September 30, 2021	\$ 29,832,881	\$ 25,071,746	\$ 4,761,135

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.40%	7.40%	8.40%
Sponsor's Net Pension Liability	\$ 8,405,645	\$ 4,761,135	\$ 1,759,886

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, 2020

For the year ended September 30, 2020, the Sponsor has recognized a Pension Expense of \$1,298,716.

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	189,050	387,202
Changes of assumptions	54,264	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	107,502
Employer and State contributions subsequent to the measurement date	1,647,823	-
Total	<u>\$ 1,891,137</u>	<u>\$ 494,704</u>

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, 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	\$ (285,782)
2022	\$ (6,654)
2023	\$ 3,098
2024	\$ 37,948
2025	\$ -
Thereafter	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2021**

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of \$228,671.

On September 30, 2021, 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	94,525	250,650
Changes of assumptions	27,132	432,669
Net difference between Projected and Actual Earnings on Pension Plan investments	-	439,238
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 1,122,557

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, 2021.

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:	
2022	\$ (311,177)
2023	\$ (301,425)
2024	\$ (266,575)
2025	\$ (121,723)
2026	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

Reporting Period Ending	09/30/2021	09/30/2020
Measurement Date	09/30/2020	09/30/2019
Total Pension Liability		
Service Cost	424,591	402,100
Interest	2,142,548	2,060,739
Changes of benefit terms	-	(926)
Differences between Expected and Actual Experience	(154,309)	(224,866)
Changes of assumptions	(576,891)	-
Benefit Payments, including Refunds of Employee Contributions	(1,063,624)	(1,246,259)
Net Change in Total Pension Liability	772,315	990,788
Total Pension Liability - Beginning	29,060,566	28,069,778
Total Pension Liability - Ending (a)	<u>\$ 29,832,881</u>	<u>\$ 29,060,566</u>
Plan Fiduciary Net Position		
Contributions - Employer	1,389,228	1,017,878
Contributions - State	258,595	292,293
Contributions - Employee	132,786	114,324
Net Investment Income	2,271,078	1,134,359
Benefit Payments, including Refunds of Employee Contributions	(1,063,624)	(1,246,259)
Administrative Expense	(47,086)	(49,247)
Net Change in Plan Fiduciary Net Position	2,940,977	1,263,348
Plan Fiduciary Net Position - Beginning	22,130,769	20,867,421
Plan Fiduciary Net Position - Ending (b)	<u>\$ 25,071,746</u>	<u>\$ 22,130,769</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 4,761,135</u>	<u>\$ 6,929,797</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	84.04%	76.15%
Covered Payroll	\$ 1,952,853	\$ 1,681,235
Net Pension Liability as a percentage of Covered Payroll	243.80%	412.18%

Notes to Schedule:*Changes of 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 09/30/2020, 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 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	Total Contributions as a percentage of Covered Payroll
09/30/2020	\$ 1,105,071	\$ 1,647,823	\$ (542,752)	\$ 1,952,853	84.38%
09/30/2019	\$ 1,083,467	\$ 1,310,171	\$ (226,704)	\$ 1,681,235	77.93%

Notes to Schedule

Valuation Date: 10/01/2018 (AIS 11/11/2019)

Actuarially determined contribution rates are calculated as of October 1, one year 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, 2018 Actuarial Valuation for the Destin Fire District Firefighters' Retirement Trust Fund 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.

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 7,202,357	\$ 1,152,006	\$ 2,471,892	\$ -
Employer and State Contributions made after 09/30/2019	-	-	1,647,823	-
Total Pension Liability Factors:				
Service Cost	402,100	-	-	402,100
Interest	2,060,739	-	-	2,060,739
Changes in benefit terms	(926)	-	-	(926)
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(224,866)	224,866	-	-
Current year amortization of experience difference	-	(312,407)	(94,525)	(217,882)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	(435,816)	435,816
Benefit Payments, including Refunds of Employee Contributions	(1,246,259)	-	-	-
Net change	990,788	(87,541)	1,117,482	2,679,847
Plan Fiduciary Net Position:				
Contributions - Employer	1,017,878	-	(1,017,878)	-
Contributions - State	292,293	-	(292,293)	-
Contributions - Employee	114,324	-	-	(114,324)
Projected Net Investment Income	1,548,962	-	-	(1,548,962)
Difference between projected and actual earnings on Pension Plan investments	(414,603)	-	414,603	-
Current year amortization	-	(238,077)	(470,985)	232,908
Benefit Payments, including Refunds of Employee Contributions	(1,246,259)	-	-	-
Administrative Expenses	(49,247)	-	-	49,247
Net change	1,263,348	(238,077)	(1,366,553)	(1,381,131)
Ending Balance	\$ 6,929,797	\$ 826,388	\$ 2,222,821	\$ 1,298,716

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 6,929,797	\$ 826,388	\$ 2,222,821	\$ -
Employer and State Contributions made after 09/30/2020	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	424,591	-	-	424,591
Interest	2,142,548	-	-	2,142,548
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(154,309)	154,309	-	-
Current year amortization of experience difference	-	(290,861)	(94,525)	(196,336)
Change in assumptions about future economic or demographic factors or other inputs	(576,891)	576,891	-	-
Current year amortization of change in assumptions	-	(144,222)	(27,132)	(117,090)
Benefit Payments, including Refunds of Employee Contributions	(1,063,624)	-	-	-
Net change	<u>772,315</u>	<u>296,117</u>	<u>(121,657)</u>	<u>2,253,713</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,389,228	-	(1,389,228)	-
Contributions - State	258,595	-	(258,595)	-
Contributions - Employee	132,786	-	-	(132,786)
Projected Net Investment Income	1,662,463	-	-	(1,662,463)
Difference between projected and actual earnings on Pension Plan investments	608,615	608,615	-	-
Current year amortization	-	(359,800)	(82,921)	(276,879)
Benefit Payments, including Refunds of Employee Contributions	(1,063,624)	-	-	-
Administrative Expenses	(47,086)	-	-	47,086
Net change	<u>2,940,977</u>	<u>248,815</u>	<u>(1,730,744)</u>	<u>(2,025,042)</u>
Ending Balance	<u>\$ 4,761,135</u>	<u>\$ 1,371,320</u>	<u>TBD</u>	<u>\$ 228,671</u>

* Employer and State Contributions subsequent to the measurement date made after September 30, 2020 but made on or before September 30, 2021 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)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2020	\$ (608,615)	5	\$ -	\$ (121,723)	\$ (121,723)	\$ (121,723)	\$ (121,723)	\$ (121,723)	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 414,603	5	\$ 82,919	\$ 82,921	\$ 82,921	\$ 82,921	\$ 82,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (174,248)	5	\$ (34,850)	\$ (34,850)	\$ (34,850)	\$ (34,850)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (657,046)	5	\$ (131,409)	\$ (131,409)	\$ (131,409)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (359,090)	5	\$ (71,818)	\$ (71,818)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 1,940,329	5	\$ 388,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 232,908	\$ (276,879)	\$ (205,061)	\$ (73,652)	\$ (38,802)	\$ (121,723)	\$ -	\$ -	\$ -	\$ -	\$ -

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)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2020	\$ (576,891)	4	\$ -	\$ (144,222)	\$ (144,223)	\$ (144,223)	\$ (144,223)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 108,528	4	\$ 27,132	\$ 27,132	\$ 27,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 1,634,737	4	\$ 408,684	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 435,816	\$ (117,090)	\$ (117,091)	\$ (144,223)	\$ (144,223)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
2020	\$ (154,309)	4	\$ -	\$ (38,578)	\$ (38,577)	\$ (38,577)	\$ (38,577)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (224,866)	5	\$ (44,974)	\$ (44,973)	\$ (44,973)	\$ (44,973)	\$ (44,973)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 378,098	4	\$ 94,525	\$ 94,525	\$ 94,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (829,240)	4	\$ (207,310)	\$ (207,310)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (240,493)	4	\$ (60,123)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			<u>\$ (217,882)</u>	<u>\$ (196,336)</u>	<u>\$ 10,975</u>	<u>\$ (83,550)</u>	<u>\$ (83,550)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>