

DESTIN FIRE CONTROL DISTRICT  
FIREFIGHTERS' RETIREMENT TRUST FUND

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2022

CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2024

GASB 67/68 DISCLOSURE INFORMATION  
AS OF SEPTEMBER 30, 2022



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

November 22, 2022

Board of Trustees  
Destin Fire Control District  
Firefighters' Pension Board

Re: Destin Fire Control District Firefighters' Retirement Trust Fund

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 Destin, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it

has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

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

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2022 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 Destin, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the 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:

  
\_\_\_\_\_  
Joseph L. Griffin, ASA, EA, MAAA  
Enrolled Actuary #20-6938

By:

  
\_\_\_\_\_  
Amanda M. Brown, ASA, EA, MAAA  
Enrolled Actuary #20-8780

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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, 2022, 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, 2024.

The contribution requirements, compared with those set forth in the October 1, 2021 actuarial valuation report, are as follows:

Valuation Date	10/1/2022	10/1/2021
Applicable to Fiscal Year Ending	<u>9/30/2024</u>	<u>9/30/2023</u>
Minimum Required Contribution	\$1,087,088	\$1,030,708
Member Contributions (Est.)	152,517	142,348
District And State Required Contribution	934,571	888,360
State Contribution (Est.) <sup>1</sup>	307,533	307,533
District Required Contribution	\$627,038	\$580,827

<sup>1</sup> Represents the amount received in calendar 2022. 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 an increase compared to the results determined in the October 1, 2021 actuarial valuation report. The increase is largely attributable to unfavorable investment experience.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial loss was an investment return of 6.51% (Actuarial Asset Basis) which fell short of the 7.40% assumption. There were no significant sources of actuarial gain.

## CHANGES SINCE PRIOR VALUATION

### Plan Changes

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

### Actuarial Assumption/Method Changes

There have been no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	<u>10/1/2022</u>	<u>10/1/2021</u>
<b>A. Participant Data</b>		
Actives	35	33
Service Retirees	20	14
DROP Retirees	3	5
Beneficiaries	1	1
Disability Retirees	3	3
Terminated Vested	9	12
Total	<u>71</u>	<u>68</u>
Total Annual Payroll	\$2,472,975	\$2,249,213
Payroll Under Assumed Ret. Age	2,057,521	1,920,152
Annual Rate of Payments to:		
Service Retirees	1,285,580	1,008,006
DROP Retirees	133,546	278,254
Beneficiaries	63,760	62,510
Disability Retirees	56,869	56,869
Terminated Vested	46,284	155,943
<b>B. Assets</b>		
Actuarial Value (AVA) <sup>1</sup>	28,604,789	27,584,798
Market Value (MVA) <sup>1</sup>	26,017,472	30,407,612
<b>C. Liabilities</b>		
Present Value of Benefits		
Actives		
Retirement Benefits	13,850,266	12,404,024
Disability Benefits	72,625	66,226
Death Benefits	25,272	23,506
Vested Benefits	494,675	459,422
Refund of Contributions	89,291	77,611
Service Retirees	18,102,288	14,129,085
DROP Retirees <sup>1</sup>	2,570,848	5,248,504
Beneficiaries	228,878	273,618
Disability Retirees	744,309	746,506
Terminated Vested	476,574	1,767,307
Share Plan Balances <sup>1</sup>	0	0
Total	<u>36,655,026</u>	<u>35,195,809</u>

C. Liabilities - (Continued)	<u>10/1/2022</u>	<u>10/1/2021</u>
Present Value of Future Salaries	17,415,923	15,730,867
Present Value of Future Member Contributions	1,184,283	1,069,699
Normal Cost (Retirement)	358,932	346,300
Normal Cost (Disability)	6,304	5,891
Normal Cost (Death)	1,981	1,831
Normal Cost (Vesting)	35,937	37,562
Normal Cost (Refunds)	<u>11,964</u>	<u>10,276</u>
Total Normal Cost	415,118	401,860
Present Value of Future Normal Costs	2,950,447	2,778,084
Accrued Liability (Retirement)	11,366,593	10,048,374
Accrued Liability (Disability)	17,620	15,662
Accrued Liability (Death)	8,755	8,397
Accrued Liability (Vesting)	174,448	170,736
Accrued Liability (Refunds)	14,266	9,536
Accrued Liability (Inactives) <sup>1</sup>	22,122,897	22,165,020
Share Plan Balances <sup>1</sup>	<u>0</u>	<u>0</u>
Total Actuarial Accrued Liability (EAN AL)	33,704,579	32,417,725
Unfunded Actuarial Accrued Liability (UAAL)	5,099,790	4,832,927
Funded Ratio (AVA / EAN AL)	84.9%	85.1%



D. Actuarial Present Value of

Accrued Benefits	<u>10/1/2022</u>	<u>10/1/2021</u>
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Vested Accrued Benefits

Inactives + Share Plan Balances <sup>1</sup>	22,122,897	22,165,020
Actives	8,776,400	7,405,934
Member Contributions	<u>1,285,628</u>	<u>1,143,935</u>
Total	32,184,925	30,714,889

Non-vested Accrued Benefits	<u>624,931</u>	<u>783,332</u>
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Total Present Value

Accrued Benefits (PVAB)	32,809,856	31,498,221
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Funded Ratio (MVA / PVAB)	79.3%	96.5%
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Increase (Decrease) in Present Value of  
Accrued Benefits Attributable to:

Plan Amendments	0	
Assumption Changes	0	
Plan Experience	979,511	
Benefits Paid	(1,927,429)	
Interest	2,259,553	
Other	<u>0</u>	
Total	1,311,635	

Valuation Date	10/1/2022	10/1/2021
Applicable to Fiscal Year Ending	<u>9/30/2024</u>	<u>9/30/2023</u>
E. Pension Cost		
Normal Cost <sup>2</sup>	\$452,518	\$438,107
Administrative Expenses <sup>2</sup>	32,486	41,233
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 21 years (as of 10/1/2022) <sup>2</sup>	602,084	551,368
Minimum Required Contribution	1,087,088	1,030,708
Expected Member Contributions <sup>2</sup>	152,517	142,348
Expected District and State Contribution	934,571	888,360
F. Past Contributions		
Plan Years Ending:	<u>9/30/2022</u>	
District and State Requirement	992,646	
Actual Contributions Made:		
District	749,785	
State	<u>307,533</u>	
Total	1,057,318	
G. Net Actuarial (Gain)/Loss	665,571	

<sup>1</sup> The asset values and liabilities include accumulated DROP and Share Plan Balances as of 9/30/2022 and 9/30/2021.

<sup>2</sup> Contributions developed as of 10/1/2022 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>
2022	5,099,790
2023	4,883,980
2024	4,652,203
2029	3,209,196
2034	1,243,207
2038	15,724
2043	0

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

		<u>Actual</u>	<u>Assumed</u>
Year Ended	9/30/2022	5.02%	4.97%
Year Ended	9/30/2021	6.62%	4.94%
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%

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

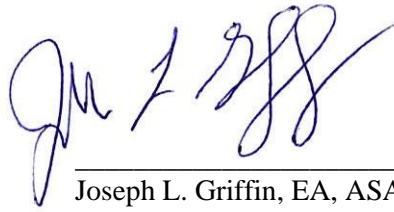
		<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended	9/30/2022	-12.14%	6.51%	7.40%
Year Ended	9/30/2021	20.37%	10.97%	7.40%
Year Ended	9/30/2020	10.22%	8.67%	7.40%
Year Ended	9/30/2019	5.44%	6.38%	7.40%
Year Ended	9/30/2018	8.67%	7.28%	7.50%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2022	\$2,057,521
	10/1/2012	2,152,791
(b) Total Increase		-4.43%
(c) Number of Years		10.00
(d) Average Annual Rate		-0.45%

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.



Joseph L. Griffin, EA, ASA, MAAA  
Enrolled Actuary #20-6938

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

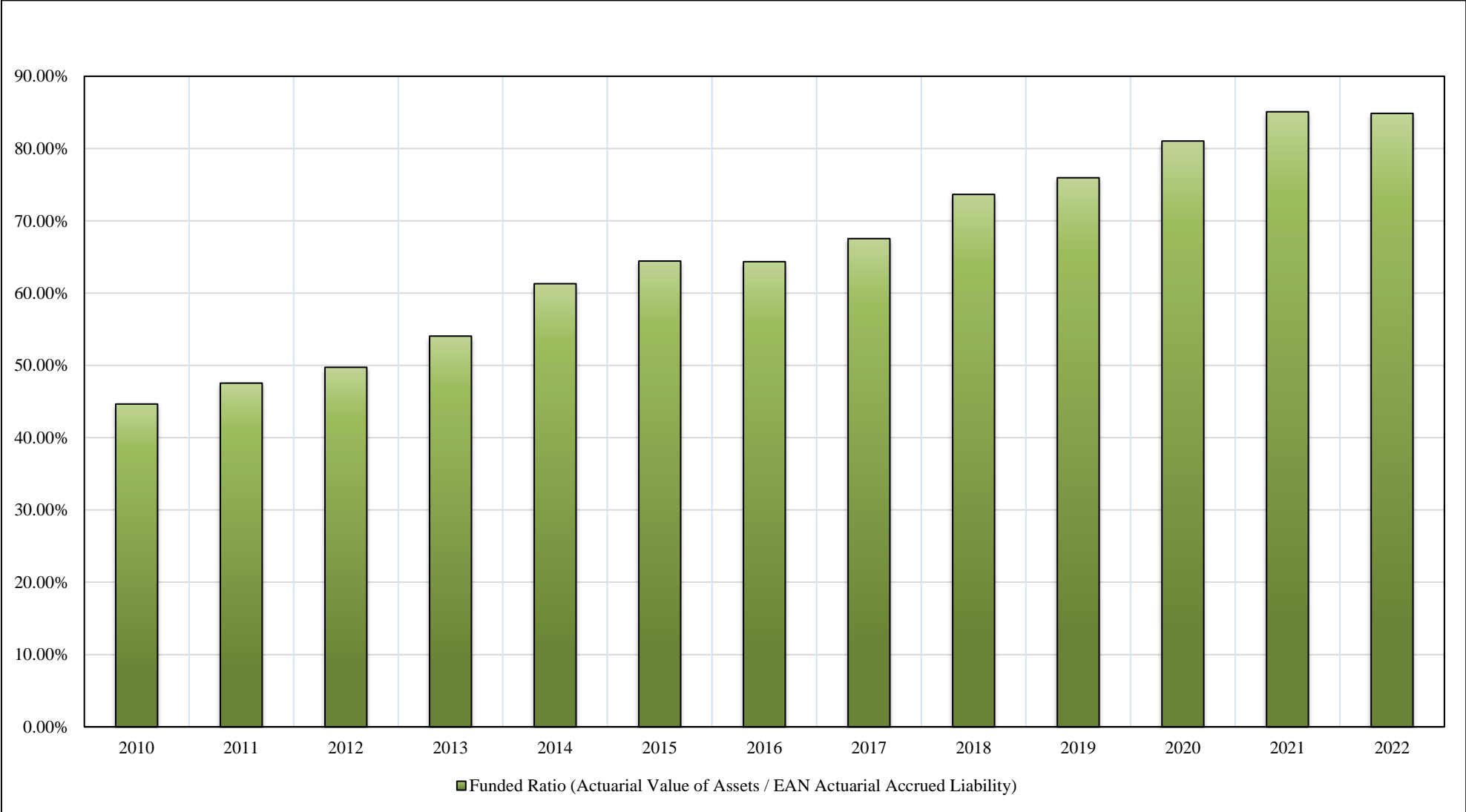
(1) Unfunded Actuarial Accrued Liability as of October 1, 2021	\$4,832,927
(2) Sponsor Normal Cost developed as of October 1, 2021	271,290
(3) Expected administrative expenses for the year ended September 30, 2022	37,822
(4) Expected interest on (1), (2) and (3)	379,111
(5) Sponsor contributions to the System during the year ended September 30, 2022	1,057,318
(6) Expected interest on (5)	29,613
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2022 (1)+(2)+(3)+(4)-(5)-(6)	4,434,219
(8) Change to UAAL due to Actuarial (Gain)/Loss	665,571
(9) Unfunded Actuarial Accrued Liability as of October 1, 2022	5,099,790

Type of Base	Date Established	Years Remaining	10/1/2022 Amount	Amortization Amount
Benefit Improv.	10/1/2002	10	244,912	33,070
Benefit Improv.	10/1/2005	13	495,205	56,427
Actuarial Loss	10/1/2006	14	554,091	60,415
Method Change	10/1/2006	14	287,871	31,388
Actuarial Loss	10/1/2007	15	112,965	11,842
Benefit Improv.	10/1/2007	15	1,015,019	106,402
Benefit Improv.	10/1/2007	15	1,646,809	172,631
Actuarial Loss	10/1/2008	15	1,341,919	140,670
Method Change	10/1/2008	15	(81,562)	(8,550)
Actuarial Gain	10/1/2009	15	(484,452)	(50,784)
Assump Change	10/1/2009	15	169,647	17,784
Actuarial Loss	10/1/2010	15	278,105	29,153
Method Change	10/1/2010	15	(18,068)	(1,894)
Actuarial Gain	10/1/2011	15	(113,419)	(11,889)
Actuarial Gain	10/1/2012	15	(73,809)	(7,737)
Benefit Improv.	10/1/2012	15	360,848	37,827
Actuarial Gain	10/1/2013	16	(207,879)	(21,036)
Actuarial Gain	10/1/2014	17	(1,026,562)	(100,630)
Actuarial Gain	10/1/2015	18	(152,874)	(14,562)
Assump Change	10/1/2015	18	(14,742)	(1,404)
Assump Change	10/1/2016	19	1,019,168	94,586
Actuarial Gain	10/1/2016	19	(499,554)	(46,362)
Actuarial Loss	10/1/2017	20	270,519	24,520
Assump Change	10/1/2018	11	165,058	20,905
Actuarial Gain	10/1/2018	21	(196,967)	(17,473)
Benefit Improv.	10/1/2018	11	(655)	(83)
Actuarial Loss	10/1/2019	12	54,835	6,566
Actuarial Loss	10/1/2020	13	153,931	17,540
Assump Change	10/1/2020	13	(474,177)	(54,031)
Actuarial Gain	10/1/2021	14	(391,963)	(42,738)
Actuarial Loss	10/1/2022	15	665,571	69,770
			5,099,790	552,323

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2021	\$4,832,927
(2) Expected UAAL as of October 1, 2022	4,434,219
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	242,633
Salary Increases	68,453
Active Decrements	70,415
Inactive Mortality	81,567
Other	<u>202,503</u>
Increase in UAAL due to (Gain)/Loss	665,571
Assumption Changes	<u>0</u>
(4) Actual UAAL as of October 1, 2022	\$5,099,790

# 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.

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

#### *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.

#### *Beneficiary Lives:*

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

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

#### *Disabled Lives:*

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. This assumption sufficiently accommodates future mortality improvements.

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

### 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.



ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

Payroll Growth None.

Administrative Expenses \$29,801 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.

## ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

### Marital Assumption

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

### Amortization Method

New UAAL amortization bases are amortized over the following amortization periods:

Experience: 15 Years.

Assumption/Method Changes: 15 Years.

Benefit Changes: 15 Years.

Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability as of the valuation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.

### 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 5.12% 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.

## 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.

## DISCUSSION OF RISK (CONTINUED)

### 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 437.5% on October 1, 2012 to 116.7% on October 1, 2022, 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 65.6%. 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 49.7% on October 1, 2012 to 84.9% on October 1, 2022.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, increased from -5.4% on October 1, 2012 to -2.9% on October 1, 2022. The current Net Cash Flow Ratio of -2.9% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

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

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2017</u>	<u>10/1/2012</u>
<u>Support Ratio</u>				
Total Actives	35	33	28	35
Total Inactives <sup>1</sup>	30	30	23	8
Actives / Inactives <sup>1</sup>	116.7%	110.0%	121.7%	437.5%
<u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	26,017,472	30,407,612	18,376,893	10,219,748
Total Annual Payroll	2,472,975	2,249,213	1,709,674	2,152,791
MVA / Total Annual Payroll	1,052.1%	1,351.9%	1,074.9%	474.7%
<u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	22,122,897	22,165,020	17,463,713	8,091,974
Total Accrued Liability (EAN)	33,704,579	32,417,725	27,104,952	20,031,047
Inactive AL / Total AL	65.6%	68.4%	64.4%	40.4%
<u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	28,604,789	27,584,798	18,308,131	9,963,710
Total Accrued Liability (EAN)	33,704,579	32,417,725	27,104,952	20,031,047
AVA / Total Accrued Liability (EAN)	84.9%	85.1%	67.5%	49.7%
<u>Net Cash Flow Ratio</u>				
Net Cash Flow <sup>2</sup>	(750,870)	236,027	912,188	(547,319)
Market Value of Assets (MVA)	26,017,472	30,407,612	18,376,893	10,219,748
Ratio	-2.9%	0.8%	5.0%	-5.4%

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

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

PARTIAL HISTORY OF PREMIUM TAX REFUNDS

Received During <u>Fiscal Year</u>	<u>Amount</u>	<u>Increase from Previous Year</u>
2005	174,765.53	N/A
2006	174,665.20	-0.1%
2007	275,811.05	57.9%
2008	408,448.24	48.1%
2009	478,673.15	17.2%
2010	290,247.28	-39.4%
2011	322,568.25	11.1%
2012	324,981.22	0.7%
2013	342,803.09	5.5%
2014	326,317.85	-4.8%
2015	371,910.26	14.0%
2016	293,567.31	-21.1%
2017	291,352.69	-0.8%
2018	266,748.38	-8.4%
2019	292,293.19	9.6%
2020	258,595.20	-11.5%
2021	327,017.43	26.5%
2022	307,532.81	-6.0%

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	366,120.79	366,120.79
Total Cash and Equivalents	366,120.79	366,120.79
Total Receivable	0.00	0.00
Investments:		
Mutual Funds:		
Fixed Income	7,821,819.27	6,638,373.07
Equity	15,414,481.81	14,342,817.18
Pooled/Common/Commingled Funds:		
Real Estate	4,218,125.89	5,157,825.67
Total Investments	27,454,426.97	26,139,015.92
Total Assets	27,820,547.76	26,505,136.71
 <u>LIABILITIES</u>		
Payables:		
DROP Distributions	478,947.96	478,947.96
Investment Expenses	7,952.10	7,952.10
Administrative Expenses	765.05	765.05
Total Liabilities	487,665.11	487,665.11
NET POSITION RESTRICTED FOR PENSIONS	27,332,882.65	26,017,471.60



STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
Market Value Basis

ADDITIONS

Contributions:

Member	150,284.88
District	749,785.18
State	307,532.81

Total Contributions 1,207,602.87

Investment Income:

Net Realized Gain (Loss)	146,885.52
Unrealized Gain (Loss)	(5,233,863.27)
Net Increase in Fair Value of Investments	(5,086,977.75)
Interest & Dividends	1,523,226.82
Less Investment Expense <sup>1</sup>	(75,519.96)

Net Investment Income (3,639,270.89)

Total Additions (2,431,668.02)

DEDUCTIONS

Distributions to Members:

Benefit Payments	1,230,091.14
Lump Sum DROP Distributions	689,003.07
Refunds of Member Contributions	8,334.33

Total Distributions 1,927,428.54

Administrative Expense 31,044.03

Total Deductions 1,958,472.57

Net Increase in Net Position (4,390,140.59)

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 30,407,612.19

End of the Year 26,017,471.60

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

**ACTUARIAL ASSET VALUATION**

September 30, 2022

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				
		2022	2023	2024	2025	2026
09/30/2018	174,248	0	0	0	0	0
09/30/2019	(414,603)	(82,919)	0	0	0	0
09/30/2020	608,614	243,445	121,722	0	0	0
09/30/2021	3,235,797	1,941,479	1,294,320	647,161	0	0
09/30/2022	(5,861,652)	(4,689,322)	(3,516,992)	(2,344,662)	(1,172,332)	0
<b>Total</b>		<b>(2,587,317)</b>	<b>(2,100,950)</b>	<b>(1,697,501)</b>	<b>(1,172,332)</b>	<b>0</b>

<u>Development of Investment Gain/Loss</u>	
Market Value of Assets, 09/30/2021	30,407,612
Contributions Less Benefit Payments & Admin Expenses	(750,870)
Expected Investment Earnings	2,222,381
Actual Net Investment Earnings	(3,639,271)
2022 Actuarial Investment Gain/(Loss)	<u>(5,861,652)</u>

\*Expected Investment Earnings = 0.074 \* [30,407,612 + 0.5 \* (750,870)]

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2022	26,017,472
(2) Gains/(Losses) Not Yet Recognized	(2,587,317)
(3) Actuarial Value of Assets, 09/30/2022, (1) - (2)	<u>28,604,789</u>
(A) 09/30/2021 Actuarial Assets:	27,584,798
(I) Net Investment Income:	
1. Interest and Dividends	1,523,227
2. Realized Gain (Loss)	146,886
3. Unrealized Gain (Loss)	(5,233,863)
4. Change in Actuarial Value	5,410,131
5. Investment Expenses	(75,520)
Total	<u>1,770,860</u>
(B) 09/30/2022 Actuarial Assets:	28,604,789
Actuarial Assets Rate of Return = 2I/(A+B-I):	6.51%
Market Value of Assets Rate of Return:	-12.14%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Bas	(242,633)
10/01/2022 Limited Actuarial Assets:	28,604,789

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
 SEPTEMBER 30, 2022  
 Actuarial Asset Basis

REVENUES

Contributions:		
Member	150,284.88	
District	749,785.18	
State	307,532.81	
Total Contributions		1,207,602.87
Earnings from Investments:		
Interest & Dividends	1,523,226.82	
Net Realized Gain (Loss)	146,885.52	
Unrealized Gain (Loss)	(5,233,863.27)	
Change in Actuarial Value	5,410,131.00	
Total Earnings and Investment Gains		1,846,380.07

EXPENDITURES

Distributions to Members:		
Benefit Payments	1,230,091.14	
Lump Sum DROP Distributions	689,003.07	
Refunds of Member Contributions	8,334.33	
Total Distributions		1,927,428.54
Expenses:		
Investment related <sup>1</sup>	75,519.96	
Administrative	31,044.03	
Total Expenses		106,563.99
Change in Net Assets for the Year		1,019,990.41
Net Assets Beginning of the Year		27,584,798.19
Net Assets End of the Year <sup>2</sup>		28,604,788.60

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

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

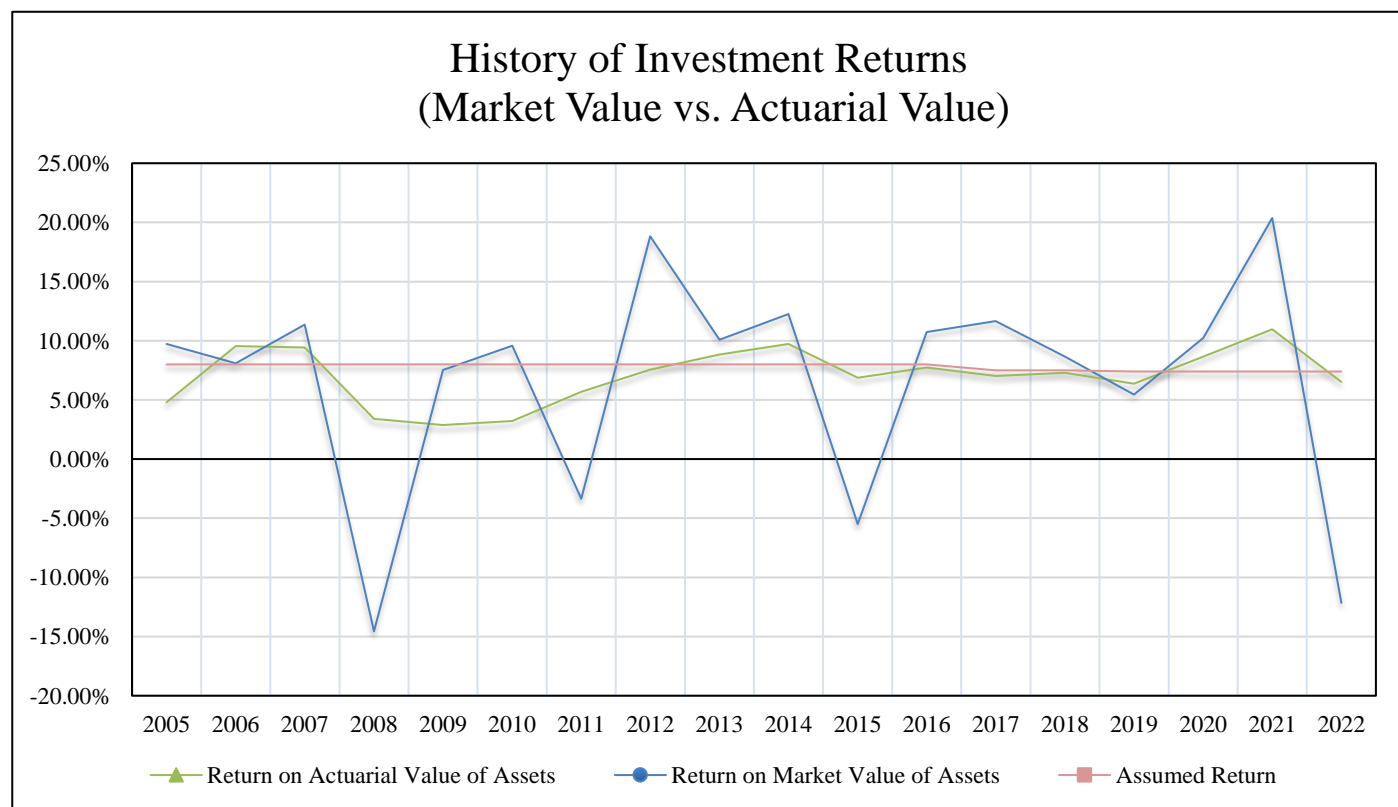
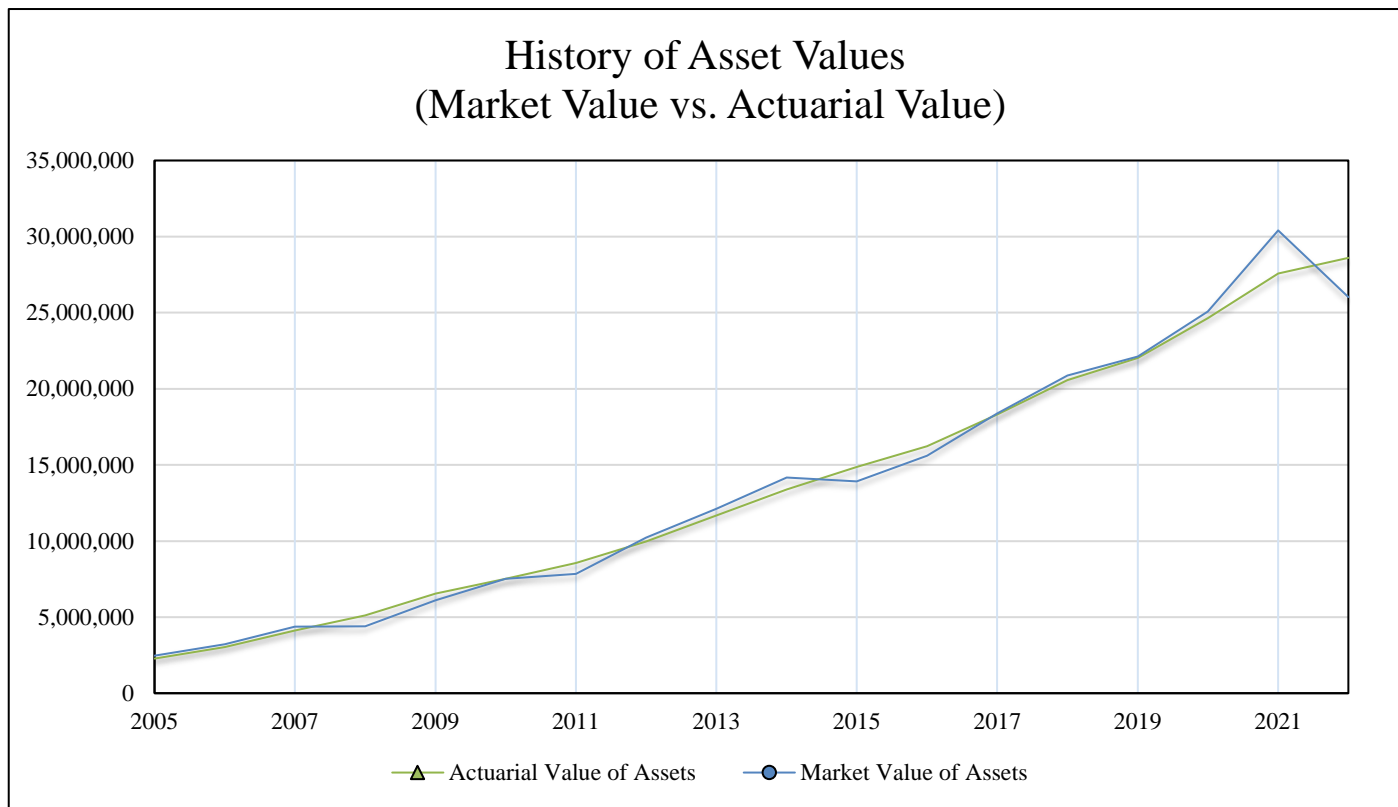
DEFERRED RETIREMENT OPTION PLAN ACTIVITY  
October 1, 2021 to September 30, 2022

Beginning of the Year Balance	731,286.30
Plus Additions	248,437.98
Investment Return Earned	48,870.39
Less Distributions	(689,003.07)
End of the Year Balance	339,591.60

DISTRICT CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT  
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2022

(1) Required District and State Contributions	\$992,646.00
(2) Less Allowable State Contribution	<u>(307,532.81)</u>
(3) Required District Contribution for Fiscal 2022	685,113.19
(4) Less 2021 Prepaid Contribution	0.00
(5) Less Actual District Contributions	<u>(749,785.18)</u>
(6) District Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2022	(\$64,671.99)

# HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



## STATISTICAL DATA

	<u>10/1/2022</u>	<u>10/1/2021</u>	<u>10/1/2020</u>	<u>10/1/2019</u>
<u>Actives - Hired Before 10/1/12</u>				
Number	14	14	14	18
Average Current Age	45.7	44.7	43.7	44.0
Average Age at Employment	25.9	26.2	27.2	26.8
Average Past Service	19.8	18.5	16.5	17.2
Average Annual Salary	\$88,102	\$84,446	\$79,817	\$68,001
<u>Actives - Hired On/After 10/1/12</u>				
Number	21	19	19	12
Average Current Age	32.1	32.3	33.0	31.3
Average Age at Employment	29.6	30.4	31.7	30.0
Average Past Service	2.5	1.9	1.3	1.3
Average Annual Salary	\$59,026	\$56,157	\$53,137	\$43,955
<u>Service Retirees</u>				
Number	20	14	14	14
Average Current Age	56.5	58.4	57.4	56.4
Average Annual Benefit	\$64,279	\$72,000	\$70,544	\$69,121
<u>DROP Retirees</u>				
Number	3	5	5	2
Average Current Age	50.2	50.9	49.9	51.5
Average Annual Benefit	\$44,515	\$55,651	\$54,560	\$72,219
<u>Beneficiaries</u>				
Number	1	1	1	1
Average Current Age	58.4	57.4	56.4	55.4
Average Annual Benefit	\$63,760	\$62,510	\$61,284	\$60,082
<u>Disability Retirees</u>				
Number	3	3	3	1
Average Current Age	47.5	46.5	45.5	55.9
Average Annual Benefit	\$18,956	\$18,956	\$18,956	\$14,297
<u>Terminated Vested</u>				
Number	9	12	10	8
Average Current Age <sup>1</sup>	41.3	43.8	42.8	41.8
Average Annual Benefit <sup>1</sup>	\$15,428	\$22,278	\$22,278	\$22,278

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

## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24	2	1										3
25 - 29	2	1	3									6
30 - 34			1	4			1					6
35 - 39		2		1								3
40 - 44			1				1	1	3			6
45 - 49			1			1		2	4			8
50 - 54						1						1
55 - 59								1				1
60 - 64										1		1
65+												0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>35</b>



## VALUATION PARTICIPANT RECONCILIATION

### 1. Active lives

a. Number in prior valuation 10/1/2021	33
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	(1)
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	0
e. Retired	0
f. DROP	<u>0</u>
g. Continuing participants	31
h. New entrants / Rehires	<u>4</u>
i. Total active life participants in valuation	35

### 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	5	1	3	7	5	35
Retired	6	(2)			(4)		
DROP							
Vested (Deferred Annuity)							
Vested (Due Refund)						1	1
Hired/Terminated in Same Year							
Death, With Survivor							
Death, No Survivor							
Disabled							
Refund of Contributions							
Rehires							
Expired Annuities							
Data Corrections							
b. Number current valuation	20	3	1	3	3	6	36

## 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.

SUMMARY OF CURRENT PLAN (CONTINUED)

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.

SUMMARY OF CURRENT PLAN (CONTINUED)

Deferred Retirement Option Plan

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.
Form of Distribution	Cash lump sum (options available) at termination of employment.

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	366,121
Total Cash and Equivalents	366,121
Total Receivable	0
Investments:	
Mutual Funds:	
Fixed Income	6,638,373
Equity	14,342,817
Pooled/Common/Commingled Funds:	
Real Estate	5,157,826
Total Investments	26,139,016
Total Assets	26,505,137
<u>LIABILITIES</u>	
Payables:	
DROP Distributions	478,948
Investment Expenses	7,952
Administrative Expenses	765
Total Liabilities	487,665
NET POSITION RESTRICTED FOR PENSIONS	26,017,472

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
Market Value Basis

ADDITIONS

## Contributions:

Member	150,285
District	749,784
State	307,533

Total Contributions	1,207,602
---------------------	-----------

## Investment Income:

Net Increase in Fair Value of Investments	(5,086,977)
Interest & Dividends	1,523,227
Less Investment Expense <sup>1</sup>	(75,520)

Net Investment Income	(3,639,270)
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Total Additions	(2,431,668)
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DEDUCTIONS

## Distributions to Members:

Benefit Payments	1,230,091
Lump Sum DROP Distributions	689,003
Refunds of Member Contributions	8,334

Total Distributions	1,927,428
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Administrative Expense	31,044
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Total Deductions	1,958,472
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Net Increase in Net Position	(4,390,140)
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## NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	30,407,612
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End of the Year	26,017,472
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<sup>1</sup>Investment related expenses include investment advisory, custodial and performance monitoring fees.

**NOTES TO THE FINANCIAL STATEMENTS**  
(For the Year Ended September 30, 2022)

*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, 2021:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	23
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	12
Active Plan Members	33
	68
	68

*Benefits Provided*

The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the October 1, 2021 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, 2022:

Asset Class	Target Allocation
Domestic Equity	50.0%
International Equity	10.0%
Broad Market Fixed Income	20.0%
Fixed Income (Non-Core)	2.5%
Global Fixed Income	2.5%
Real Estate	10.0%
Infrastructure	5.0%
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, 2022, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was -12.14 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, 2022 is \$339,592.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2022 were as follows:

Total Pension Liability	\$ 33,203,658
Plan Fiduciary Net Position	<u>\$ (26,017,472)</u>
Sponsor's Net Pension Liability	<u>\$ 7,186,186</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	78.36%

*Actuarial Assumptions:*

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 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. We feel this assumption sufficiently accommodates future mortality improvements.

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

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 2022 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.



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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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return<sup>1</sup></u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Fixed Income (Non-Core)	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%
Infrastructure	4.50%

<sup>1</sup> 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	\$ 11,168,970	\$ 7,186,186	\$ 3,906,238

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

	<u>09/30/2022</u>	<u>09/30/2021</u>
Total Pension Liability		
Service Cost	410,316	414,478
Interest	2,315,225	2,196,903
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	565,322	514,909
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,927,428)</u>	<u>(1,118,948)</u>
Net Change in Total Pension Liability	1,363,435	2,007,342
Total Pension Liability - Beginning	31,840,223	29,832,881
Total Pension Liability - Ending (a)	<u>\$ 33,203,658</u>	<u>\$ 31,840,223</u>
Plan Fiduciary Net Position		
Contributions - Employer	749,784	914,619
Contributions - State	307,533	327,017
Contributions - Employee	150,285	141,896
Net Investment Income	(3,639,270)	5,099,839
Benefit Payments, including Refunds of Employee Contributions	(1,927,428)	(1,118,948)
Administrative Expense	<u>(31,044)</u>	<u>(28,557)</u>
Net Change in Plan Fiduciary Net Position	(4,390,140)	5,335,866
Plan Fiduciary Net Position - Beginning	30,407,612	25,071,746
Plan Fiduciary Net Position - Ending (b)	<u>\$ 26,017,472</u>	<u>\$ 30,407,612</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,186,186</u>	<u>\$ 1,432,611</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.36%	95.50%
Covered Payroll	\$ 2,210,071	\$ 2,086,711
Net Pension Liability as a percentage of Covered Payroll	325.16%	68.65%

**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
09/30/2022	\$ 992,646	\$ 1,057,317	\$ (64,671)	\$ 2,210,071	47.84%
09/30/2021	\$ 1,111,586	\$ 1,241,636	\$ (130,050)	\$ 2,086,711	59.50%

Notes to Schedule

Valuation Date: 10/01/2020

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, 2020 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
09/30/2022	-12.14%
09/30/2021	20.37%

**NOTES TO THE FINANCIAL STATEMENTS**  
(For the Year Ended September 30, 2023)

*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, 2021:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	23
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	12
Active Plan Members	33
	68

*Benefits Provided*

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

A summary of the benefit provisions can be found in the October 1, 2021 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, 2022.

The measurement period for the pension expense was October 1, 2021 to September 30, 2022.

The reporting period is October 1, 2022 through September 30, 2023.

The Sponsor's Net Pension Liability was measured as of September 30, 2022.

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, 2021 updated to September 30, 2022 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. We feel this assumption sufficiently accommodates future mortality improvements.

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

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 2022 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return <sup>1</sup>
Domestic Equity	50.0%	7.50%
International Equity	10.0%	8.50%
Broad Market Fixed Income	20.0%	2.50%
Fixed Income (Non-Core)	2.5%	2.50%
Global Fixed Income	2.5%	3.50%
Real Estate	10.0%	4.50%
Infrastructure	5.0%	4.50%
Total	100.0%	

<sup>1</sup> 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, 2022	\$ 31,840,223	\$ 30,407,612	\$ 1,432,611
Changes for a Year:			
Service Cost	410,316	-	410,316
Interest	2,315,225	-	2,315,225
Differences between Expected and Actual Experience	565,322	-	565,322
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	749,784	(749,784)
Contributions - State	-	307,533	(307,533)
Contributions - Employee	-	150,285	(150,285)
Net Investment Income	-	(3,639,270)	3,639,270
Benefit Payments, including Refunds of Employee Contributions	(1,927,428)	(1,927,428)	-
Administrative Expense	-	(31,044)	31,044
Net Changes	1,363,435	(4,390,140)	5,753,575
Reporting period ending at September 30, 2023	\$ 33,203,658	\$ 26,017,472	\$ 7,186,186

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	6.40%	7.40%	8.40%
Sponsor's Net Pension Liability	\$ 11,168,970	\$ 7,186,186	\$ 3,906,238

*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, 2022

For the year ended September 30, 2022, the Sponsor has recognized a Pension Expense of \$(221,357).

On September 30, 2022, 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	411,928	167,100
Changes of assumptions	-	288,446
Net difference between Projected and Actual Earnings on Pension Plan investments	-	2,822,813
Employer and State contributions subsequent to the measurement date	1,057,317	-
Total	\$ 1,469,245	\$ 3,278,359

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, 2022.

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:	
2023	\$ (845,602)
2024	\$ (810,752)
2025	\$ (665,900)
2026	\$ (544,177)
2027	\$ -
Thereafter	\$ -



**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND  
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS  
FISCAL YEAR SEPTEMBER 30, 2023**

For the year ended September 30, 2023, the Sponsor will recognize a Pension Expense of \$823,714.

On September 30, 2023, 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	761,202	83,550
Changes of assumptions	-	144,223
Net difference between Projected and Actual Earnings on Pension Plan investments	2,587,318	-
Employer and State contributions subsequent to the measurement date	TBD	-
Total	TBD	\$ 227,773

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, 2023.

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:		
2024	\$	474,642
2025	\$	619,494
2026	\$	741,217
2027	\$	1,285,394
2028	\$	-
Thereafter	\$	-

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

Reporting Period Ending	09/30/2023	09/30/2022
Measurement Date	<u>09/30/2022</u>	<u>09/30/2021</u>
Total Pension Liability		
Service Cost	410,316	414,478
Interest	2,315,225	2,196,903
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	565,322	514,909
Changes of assumptions	-	-
Benefit Payments, including Refunds of Employee Contributions	<u>(1,927,428)</u>	<u>(1,118,948)</u>
Net Change in Total Pension Liability	1,363,435	2,007,342
Total Pension Liability - Beginning	<u>31,840,223</u>	<u>29,832,881</u>
Total Pension Liability - Ending (a)	<u>\$ 33,203,658</u>	<u>\$ 31,840,223</u>
Plan Fiduciary Net Position		
Contributions - Employer	749,784	914,619
Contributions - State	307,533	327,017
Contributions - Employee	150,285	141,896
Net Investment Income	(3,639,270)	5,099,839
Benefit Payments, including Refunds of Employee Contributions	(1,927,428)	(1,118,948)
Administrative Expense	<u>(31,044)</u>	<u>(28,557)</u>
Net Change in Plan Fiduciary Net Position	(4,390,140)	5,335,866
Plan Fiduciary Net Position - Beginning	<u>30,407,612</u>	<u>25,071,746</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 26,017,472</u>	<u>\$ 30,407,612</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 7,186,186</u>	<u>\$ 1,432,611</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.36%	95.50%
Covered Payroll	\$ 2,210,071	\$ 2,086,711
Net Pension Liability as a percentage of Covered Payroll	325.16%	68.65%

**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
09/30/2022	\$ 992,646	\$ 1,057,317	\$ (64,671)	\$ 2,210,071	47.84%
09/30/2021	\$ 1,111,586	\$ 1,241,636	\$ (130,050)	\$ 2,086,711	59.50%

Notes to Schedule

Valuation Date: 10/01/2020

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, 2020 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, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 4,761,135	\$ 1,371,320	\$ 1,612,056	\$ -
Employer and State Contributions made after 09/30/2021	-	-	1,057,317	-
Total Pension Liability Factors:				
Service Cost	414,478	-	-	414,478
Interest	2,196,903	-	-	2,196,903
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	514,909	-	514,909	-
Current year amortization of experience difference	-	(83,550)	(197,506)	113,956
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(144,223)	(27,132)	(117,091)
Benefit Payments, including Refunds of Employee Contributions	(1,118,948)	-	-	-
Net change	<u>2,007,342</u>	<u>(227,773)</u>	<u>1,347,588</u>	<u>2,608,246</u>
Plan Fiduciary Net Position:				
Contributions - Employer	914,619	-	(914,619)	-
Contributions - State	327,017	-	(327,017)	-
Contributions - Employee	141,896	-	-	(141,896)
Projected Net Investment Income	1,864,042	-	-	(1,864,042)
Difference between projected and actual earnings on Pension Plan investments	3,235,797	3,235,797	-	-
Current year amortization	-	(935,143)	(82,921)	(852,222)
Benefit Payments, including Refunds of Employee Contributions	(1,118,948)	-	-	-
Administrative Expenses	(28,557)	-	-	28,557
Net change	<u>5,335,866</u>	<u>2,300,654</u>	<u>(1,324,557)</u>	<u>(2,829,603)</u>
Ending Balance	<u>\$ 1,432,611</u>	<u>\$ 3,444,201</u>	<u>\$ 1,635,087</u>	<u>\$ (221,357)</u>

**PRELIMINARY COMPONENTS OF PENSION EXPENSE**  
**FISCAL YEAR SEPTEMBER 30, 2023**

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 1,432,611	\$ 3,444,201	\$ 1,635,087	\$ -
Employer and State Contributions made after 09/30/2022	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	410,316	-	-	410,316
Interest	2,315,225	-	-	2,315,225
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	565,322	-	565,322	-
Current year amortization of experience difference	-	(83,550)	(216,048)	132,498
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(144,223)	-	(144,223)
Benefit Payments, including Refunds of Employee Contributions	(1,927,428)	-	-	-
Net change	<u>1,363,435</u>	<u>(227,773)</u>	<u>349,274</u>	<u>2,713,816</u>
Plan Fiduciary Net Position:				
Contributions - Employer	749,784	-	(749,784)	-
Contributions - State	307,533	-	(307,533)	-
Contributions - Employee	150,285	-	-	(150,285)
Projected Net Investment Income	2,222,381	-	-	(2,222,381)
Difference between projected and actual earnings on Pension Plan investments	(5,861,651)	-	5,861,651	-
Current year amortization	-	(803,732)	(1,255,252)	451,520
Benefit Payments, including Refunds of Employee Contributions	(1,927,428)	-	-	-
Administrative Expenses	(31,044)	-	-	31,044
Net change	<u>(4,390,140)</u>	<u>(803,732)</u>	<u>3,549,082</u>	<u>(1,890,102)</u>
Ending Balance	<u>\$ 7,186,186</u>	<u>\$ 2,412,696</u>	<u>TBD</u>	<u>\$ 823,714</u>

\* Employer and State Contributions subsequent to the measurement date made after September 30, 2022 but made on or before September 30, 2023 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)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 5,861,651	5	\$ -	\$ 1,172,331	\$ 1,172,330	\$ 1,172,330	\$ 1,172,330	\$ 1,172,330	\$ -	\$ -	\$ -	\$ -
2021	\$ (3,235,797)	5	\$ (647,161)	\$ (647,159)	\$ (647,159)	\$ (647,159)	\$ (647,159)	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (608,615)	5	\$ (121,723)	\$ (121,723)	\$ (121,723)	\$ (121,723)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ 414,603	5	\$ 82,921	\$ 82,921	\$ 82,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (174,248)	5	\$ (34,850)	\$ (34,850)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (657,046)	5	\$ (131,409)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (852,222)	\$ 451,520	\$ 486,369	\$ 403,448	\$ 525,171	\$ 1,172,330	\$ -	\$ -	\$ -	\$ -

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)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2020	\$ (576,891)	4	\$ (144,223)	\$ (144,223)	\$ (144,223)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 108,528	4	\$ 27,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (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)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
2022	\$ 565,322	5	\$ -	\$ 113,066	\$ 113,064	\$ 113,064	\$ 113,064	\$ 113,064	\$ -	\$ -	\$ -	\$ -
2021	\$ 514,909	5	\$ 102,981	\$ 102,982	\$ 102,982	\$ 102,982	\$ 102,982	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ (154,309)	4	\$ (38,577)	\$ (38,577)	\$ (38,577)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (224,866)	5	\$ (44,973)	\$ (44,973)	\$ (44,973)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ 378,098	4	\$ 94,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 113,956	\$ 132,498	\$ 132,496	\$ 216,046	\$ 216,046	\$ 113,064	\$ -	\$ -	\$ -	\$ -